



RETAIL MARKET ANALYSIS

Town of Amherst, MA

May 2018

Table of Contents

Executive Summary.....	2
Introduction	3
Consumer Characteristics	9
Retail Leakage Analysis	26
Retail Potential Analysis.....	37
Key Findings	43
Appendix A: Retail Industry Definitions	46
Appendix B: Detailed Consumer Spending Index	50
Appendix C: Additional ESRI Tapestry Segment Profiles	54
Appendix D: ESRI Tapestry Segmentation Names	61

Executive Summary

A retail market study was commissioned by the Town of Amherst as part of an effort to collect and analyze data to inform the creation of an economic development plan. The report examines consumer characteristics and market segmentation, retail leakage (gaps in current retail market), and retail business potential. The study provides a foundation of data to better understand the town's retail industry and identify potential retail needs and opportunities. The key findings of the analysis are summarized below.

Consumer Characteristics & Market Segmentation

- **Population Growth May Help Drive New Retail Demand.** Major new housing development projects may lead to an increase in the town's population in the near future, which will help move the needle in terms of retail potential.
- **Two Major Consumer Segments.** The local consumer base is largely characterized by two dominant market segments: college students (UMass, Amherst College, and Hampshire College) and affluent (and generally older) households. Each presents unique opportunities but the greatest potential is for businesses that cater to both markets such as restaurants and entertainment businesses.
- **Commuters Represent Potential.** The Town serves as an employment center and new retail may be supportable by these commuters, especially in areas close to major employers.

Retail Leakage (Gap) Analysis

- **Residents are Shopping Outside of Town.** Retail spending by residents is occurring outside of town, but at businesses close enough to town that it may prevent new retail businesses from being successful in Amherst.
- **Amherst is a Dining Destination.** The leakage analysis showed that spending at restaurants and bars in the town (the largest component of the town's retail industry) far exceeds the expected spending from residents, which indicates a significant number of people from outside of town are patronizing these types of businesses in the town.

Retail Opportunities & Potential

- **Potential to enhance downtown as a dining and entertainment destination.** There may be an opportunity for the town to build off its strength as a dining destination while catering to the two primary market segments in the town through new restaurants, bars, and entertainment businesses.
- **Capturing unmet spending potential may support up to seven new businesses.** Based on a five-year outlook, capturing retail leakage and unmet retail spending potential in Amherst could support one to two new clothing stores, two health and personal care stores, one "other general merchandise" store, one "miscellaneous" store retailer, and one gas station.
- **Other Potential Opportunities May Exist but Require Investigation.** The data analysis found that there may be potential for a neighborhood-scale or boutique grocery store and an automobile dealership, but these would require further analysis.

Introduction

This retail market study was commissioned by the Town of Amherst as part of an effort to collect and analyze data to inform the creation of an economic development plan. The report examines consumer characteristics and market segmentation, retail leakage (gaps in current retail market), and retail business potential. The study provides a foundation of data to better understand the town's retail industry and identify potential retail needs and opportunities.

Methodology

The analysis utilizes data from ESRI Business Analyst – a leading provider of demographic and business data. ESRI uses publicly accessible data along with proprietary statistical models to generate estimates for present day (2017) as well as five-year projections (i.e., through 2022). It should be noted because ESRI provides estimates, the data is not considered to be 100% accurate. The consumer characteristics analysis examines key demographic attributes and trends with relevance to the town's retail industry and growth potential.

The *leakage analysis* compares resident spending to local and regional retail business sales to identify specific retail categories in which residents are leaving the area to spend money (resulting in a retail leakage), or alternatively, where people from outside of the area are coming to shop at local businesses (creating a retail surplus). The *retail potential analysis* examines the number of retail businesses in those categories with leakage that may be able to be supported in Amherst if some of the retail spending is recaptured along with retail spending from new residents (five-year population growth) and spending by workers commuting into the town. The analysis considered four geographic trade areas discussed below.

This report utilizes Environmental Systems Research Institute (ESRI) ArcGIS Business Analyst Software, the industry standard for market research, which applies additional analysis to U.S. Census Bureau population estimates to provide current year population estimates. The additional analysis includes household migration data from the IRS, building permit data, postal delivery counts, and data from several ancillary and private sources. Other data being collected and analyzed for the Town of Amherst's economic development strategy includes U.S. Census American Community Survey (ACS) estimates, which is a national survey conducted every year to provide up-to-date information about the social and economic needs of communities. These figures are useful for municipal planning projects, as they can be compared over time and across different types of plans, and it provides more updated information than the decennial census. The American Community Survey Data is collected from a sample of the population in the United States and Puerto Rico, rather than from the whole population.

It is also important to keep in mind that all ACS data are estimates based on a five-year rolling average. To help interpret the reliability of the estimates, the Census Bureau publishes a margin of error (MOE) for every ACS estimate. ACS Census data is generally accurate to within +/-500 people or more, depending on the indicator. ESRI does not publish margin of error statistics but is widely considered the leading vendor for demographic data.

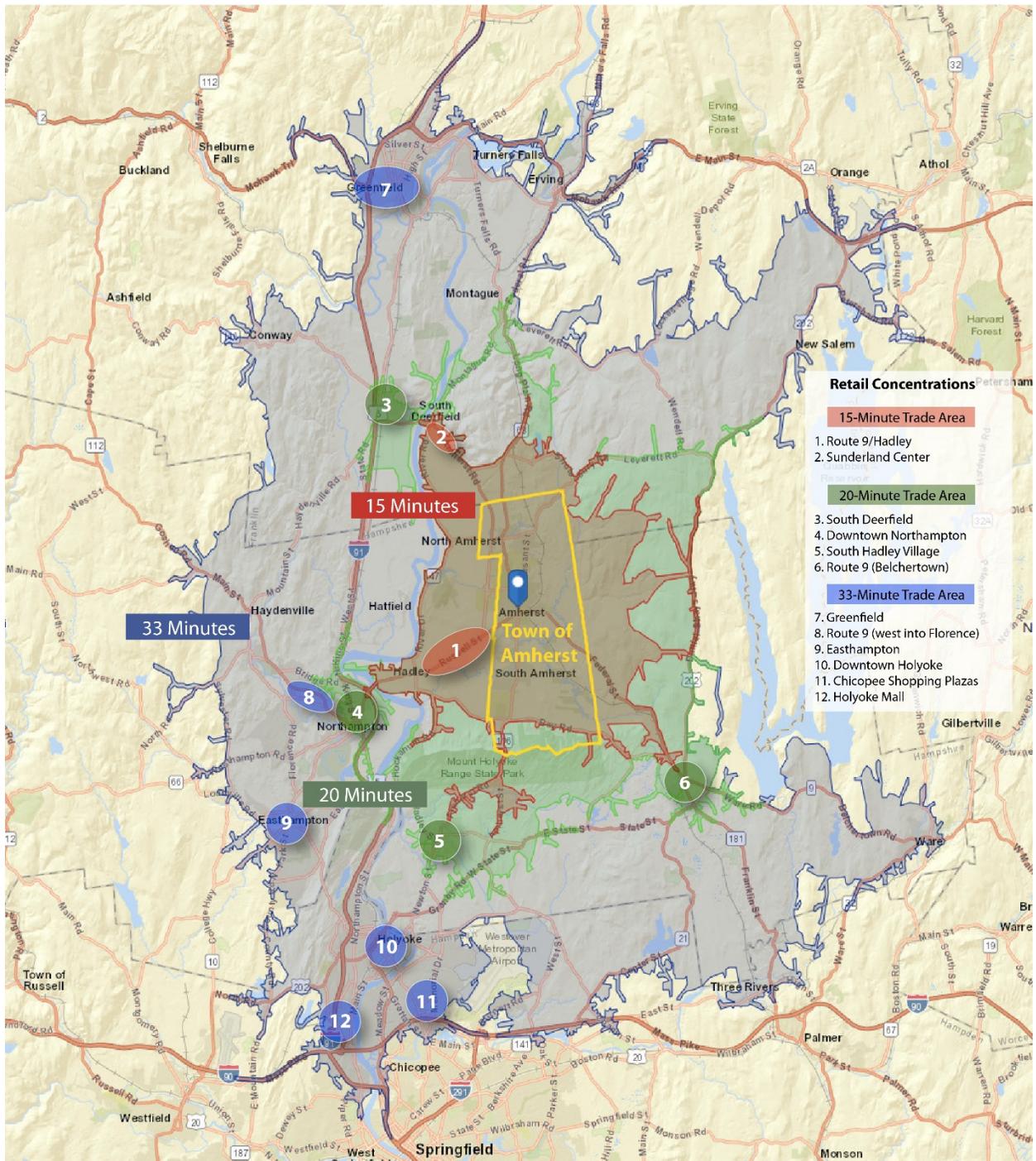
Geographies Used in Analysis

Four geographies were selected for analysis to examine specific retail concentrations. The four geographies in the analysis include the Town of Amherst and three “trade areas” defined by a drive-time radius from downtown Amherst: 15-, 20-, and 33-minutes. These are discussed below and shown on the map on the following page.

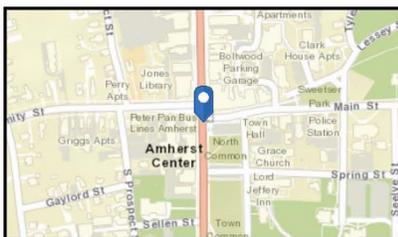
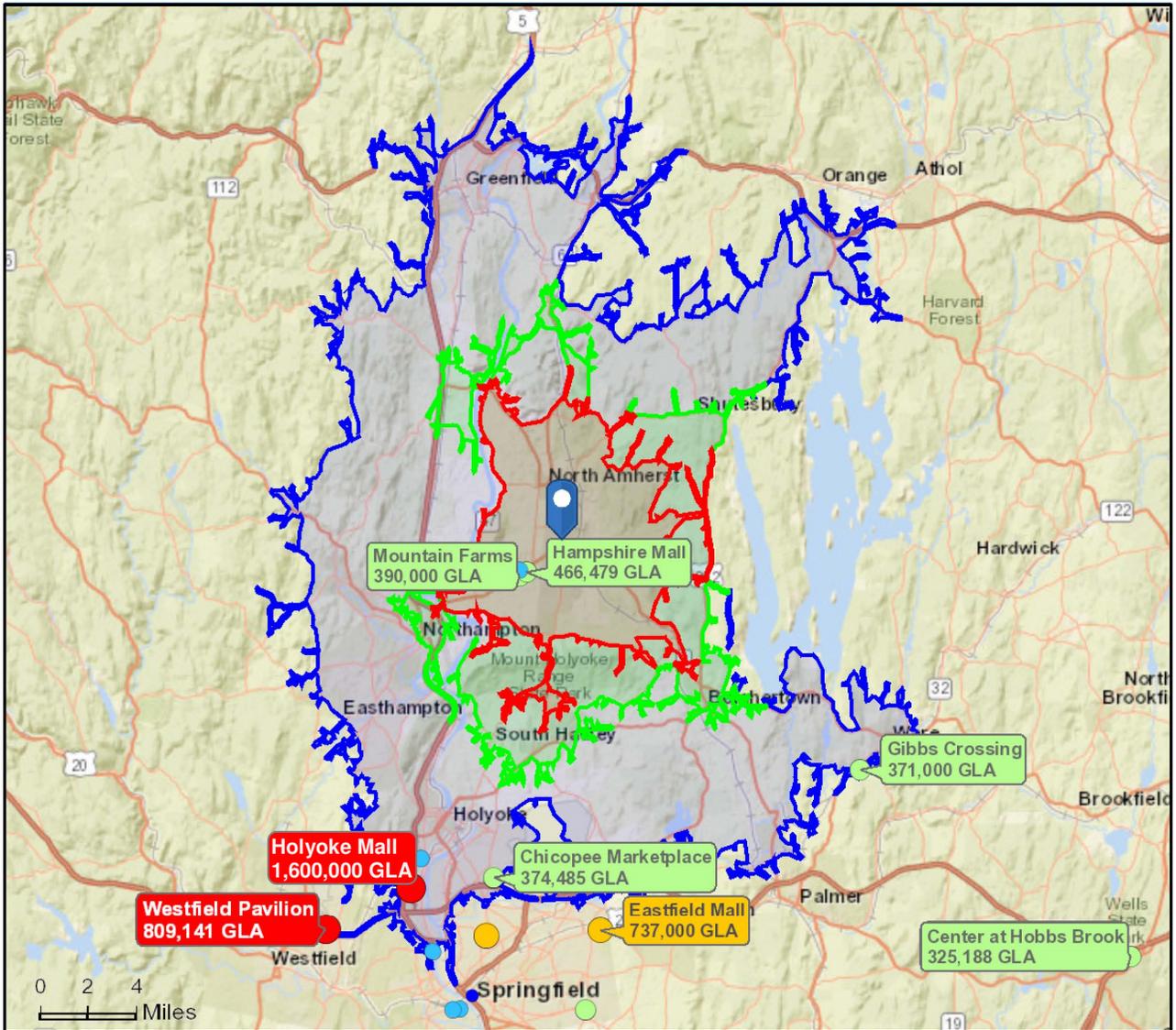
- **Town of Amherst:** The town’s boundaries form this area of analysis to understand the town’s retail dynamics in terms of the inflow or outflow (leakage) of retail spending by town residents.
- **15-Minute Radius:** The 15-minute radius provides a more accurate understanding of retail potential - primarily for convenience retail goods and service for which people would typically not be willing to drive more than 15 minutes. The trade area includes the Route 9/Hadley commercial corridor, and Route 116 north into Sunderland Center.
- **20-Minute Radius:** The 20-minute radius is an intermediary geography that includes parts of Northampton including downtown, Route 9 west into Florence, Route 9 north of Belchertown, and north along Routes 5 and 10 into West Hatfield. It also includes the area northwest of Sunderland including South Deerfield, and south of Amherst including South Hadley village.
- **33-Minute Radius:** This broader geography was selected to reveal retail potential for more “destination” types of retail for which consumers are willing to drive further distances. The area was selected to encompass retail concentrations in Greenfield and Holyoke, including the Holyoke Mall. It also includes Easthampton, Deerfield, Turner’s Falls, Granby, South Hadley (beyond South Hadley village and including South Hadley Falls), Belchertown Center, and parts of Chicopee.

The map on the following page shows the four analysis geographies along with select major retail concentrations that fall within the study areas. An additional map on page 6 indicates the location of major shopping centers located within the study areas.

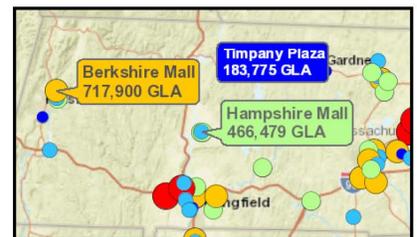
Map of Analysis Geographies and Existing Retail Concentrations



Major Shopping Center Locations



- Gross Leasable Area
- Less than 200,000 sq ft
 - 200,001 - 300,000
 - 300,001 - 500,000
 - 500,001 - 800,000
 - More than 800,000



Source: ESRI Business Analyst Online

Retail Industry Overview

The Town of Amherst is home to 192 retail businesses (including food services and drinking places) that account for over 2,000 jobs – approximately 18% of all employment in the town. The town’s retail businesses have estimated combined sales of over \$160 million annually. Note that food services and drinking places included in the retail analysis as a retail category even though the subsector is not classified within the retail NAICS code. As a result, the retail industry statistics may be larger than reported elsewhere.

Food Services & Drinking Places is overwhelmingly the largest component of the town’s retail industry with 84 businesses (44% of all retail), 1,184 employees (57% of all retail), and \$48.9 million in sales (29% of all retail). By comparison, Miscellaneous Store Retailers ranks second with 14% of all retail employment. Within this category, Office Supplies, Stationary & Gift Stores is the largest subsector accounting for 44% of Miscellaneous Store Retailer sales.

Sporting Goods, Hobby, Book & Music Stores ranks third with 10% of employment in the retail industry and 16% of sales. Book, Periodical & Music Stores is the most substantial subcategory with over \$21 million in annual sales – more sales than every retail category except for Food Services & Drinking Places. The town’s retail businesses are generally reflective of the retail concentrations typically found in college communities.

The table below provides an overview of the retail industry by category, broken down by businesses, employees and sales. Retail category definitions can be found in Appendix A.

Retail Industry Overview - Town of Amherst (2017)						
Retail Category	Businesses		Employees		Sales	
	#	%	#	%	#	%
Food Services & Drinking Places	84	44%	1,184	57%	\$ 45,872,110	29%
Miscellaneous Store Retailers	28	15%	290	14%	\$ 15,278,406	10%
Sporting Goods, Hobby, Book, & Music Stores	15	8%	200	10%	\$ 25,745,203	16%
Food & Beverage Stores	20	10%	124	6%	\$ 16,017,837	10%
Bldg Material & Garden Equipment & Supplies Dealers	9	5%	95	5%	\$ 10,366,200	6%
Health & Personal Care Stores	7	4%	45	2%	\$ 8,612,469	5%
Gasoline Stations	4	2%	35	2%	\$ 19,664,764	12%
Clothing & Clothing Aecessories Stores	5	3%	34	2%	\$ 3,722,032	2%
Motor Vehicle & Parts Dealers	3	2%	25	1%	\$ 5,594,207	3%
Electronics & Appliance Stores	8	4%	23	1%	\$ 3,471,164	2%
General Merchandise Stores	2	1%	18	1%	\$ 1,856,148	1%
Nonstore Retailers	5	3%	7	0%	\$ 3,381,897	2%
Furniture & Home Furnishings Stores	2	1%	3	0%	\$ 470,850	0%
Total	192	100%	2,083	100%	\$ 160,053,287	100%

Note: Includes Food Services & Drinking Places, which is within the Accommodation & Food Services NAICS Industry
 Ranked by Number of Employees. Source: ESRI Business Analyst Online

Note that the retail industry statistics provided in the table represent ESRI’s classification of businesses by NAICS code based on Census and other data. There is no central government agency with the role of assigning, monitoring, or approving NAICS codes for establishments. Individual establishments are

assigned NAICS codes by various agencies for various purposes using a variety of methods. Generally, the U.S. Census Bureau's NAICS classification codes are derived from information that the business establishment provided on surveys, census forms, or administrative records. ESRI also utilizes additional methods to assign and verify NAICS codes. Data may not be 100% accurate but fall within an acceptable margin of error for analysis purposes.

Consumer Characteristics

This section examines the key sociodemographic characteristics of the consumer households within each trade area. It also examines consumer spending patterns and behaviors and identifies the major consumer segments to help understand the retail potential in Amherst.

Demographics

Population and Households

Population and Households (2017)				
	Geography			
	Amherst	15-Min	20-Min	33-Min
Population				
Population	40,080	51,369	74,867	277,649
Group Quarters Population	16,539	16,734	19,560	27,666
Projected Population (2022)	40,680	52,067	75,783	280,609
Projected Population Increase (2017-2022)	600	698	916	2,960
Projected Percent Increase (2017-2022)	1.5%	1.4%	1.2%	1.1%
Households and Families				
Households	9,557	14,171	23,383	106,727
Average Household Size	2.46	2.44	2.37	2.35
Families	4,586	7,318	12,176	61,521
Average Family Size	2.91	2.90	2.90	2.95

Source: ESRI Business Analyst Online

The table above summarizes the population and household characteristics for each of the four geographies used in this study. As described above, these include the Town of Amherst and three additional “trade areas” defined by their drive time radius. The town has a population of just over 40,000 residents (9,560 households); however, a substantial 41% of the population (over 16,500) are “Group Quarters” residents, which includes most of the student population (in addition to residents of skilled nursing facilities, group homes, and similar places). Note that ESRI’s population figures include Group Quarters Populations while Household data does not include those living in Group Quarters. If students are not classified as being in Group Quarters, then they are considered to be part of households. Generally, students living in dorms are classified as living in Group Quarters, while students living in rented rooms, houses, and apartments would be counted in households. The 33-minute “regional” trade area has a significantly greater population and potential consumer base compared to the other geographies with approximately 278,000 people within a 33-minute drive time of downtown Amherst.

In general, the population is fairly stable with ESRI projections showing very modest increases in population across the geographies based on recent trends; however, there are a number of significant housing developments in the pipeline that are likely to increase the Town’s population in the near future. This is significant given that population growth is typically a driver of retail demand as more people

equates to more demand for goods and services. New residents create an increased customer base.¹ As the old adage goes, “retail follows rooftops.”

Some of the major housing projects include:

- Aspen Heights (115 units)
- North Square (130 units)
- One East Pleasant (135 units)
- Spring Street (38 units)

Staff at the Town of Amherst estimate that over five years, an annual average of 110 housing units will be completed (550 units over five years). This compares to ESRI’s projection of approximately 200 new households over five years. Therefore, the estimated population growth in Amherst over the next five years is likely to be closer to an estimated 1,200 rather than the 600 projected by ESRI.

The average household size in Amherst is measurably larger than the other geographies at 2.46 people per household compared to the smallest average household size of 2.35 in the 33-minute geography. This is most likely due to larger household sizes in the town associated with students living together as the average family size of 2.91 is on par with the rest of the surrounding region.

Commuting Characteristics

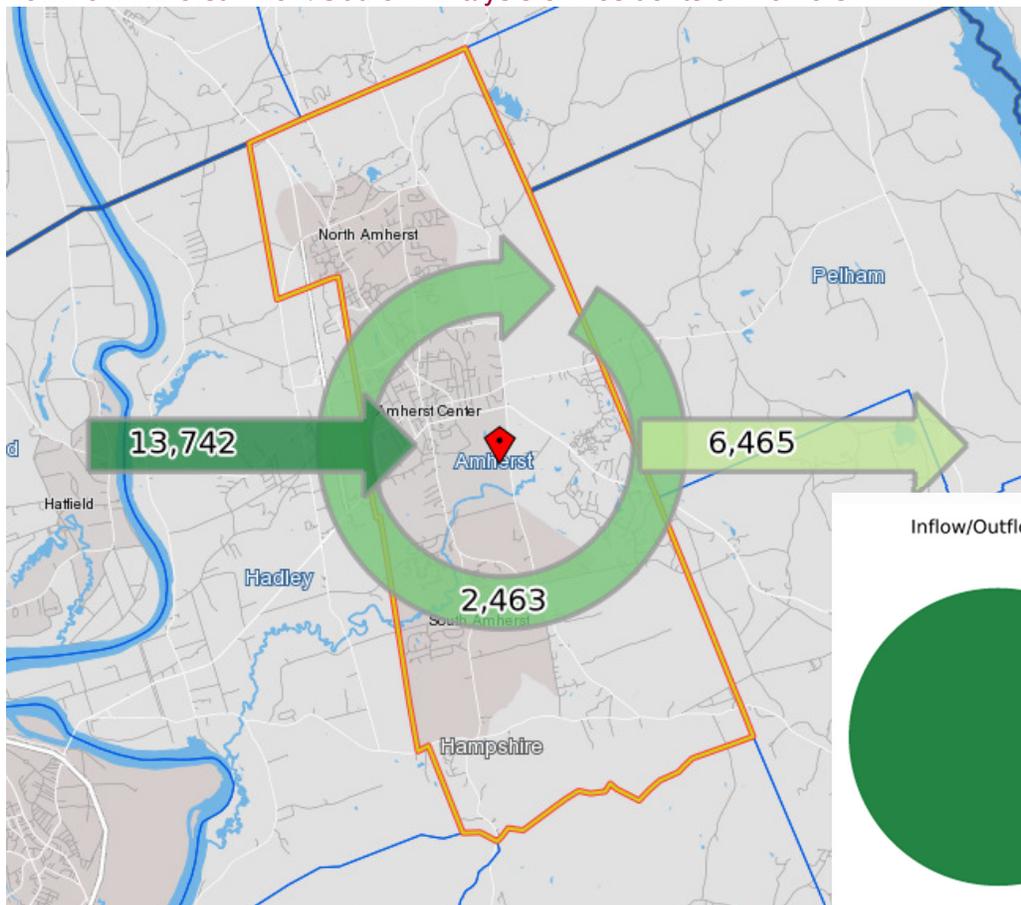
Commuting characteristics have an impact on the local retail market and are important to consider. For example, an influx of commuters working in a municipality can enhance the local market potential for goods and services targeted to daytime workers such as lunch establishments, hair salons and barbershops, pharmacies, and other convenience retail.

Approximately 16,200 people *work* in the Town of Amherst. Of those workers, approximately 13,700 (85%) commute into the town, but live elsewhere. Approximately 15% of jobs in the town are filled by residents of the town. Of the approximately 8,900 people that *live* in the Town of Amherst (and are employed), over 72% (6,465) commute to jobs outside of Amherst.

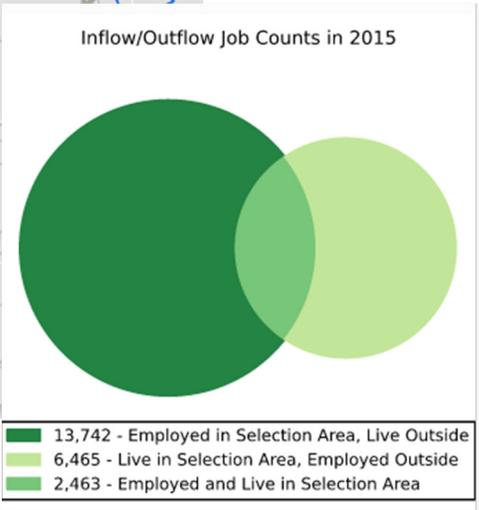
The data indicates that there is a net influx of 7,277 people into the town during the day (13,742 people commuting in vs. 6,465 people commuting out). This indicates potential market demand for convenience retail businesses, especially clustered around major employment centers. The graphics below illustrate the inflow/outflow characteristics of workers and residents in the Town of Amherst.

¹ Urban Land Institute, “Ten Principles for Rebuilding Neighborhood Retail.”

Town of Amherst Inflow/Outflow Analysis of Residents & Workers



Source: U.S. Census Bureau OnTheMap



Age & Ethnicity

The age characteristics of Amherst also reflect the college student population with the town having a median age of 22.9 in 2017 compared to the 33-minute geography's median age of 38.4. The age distribution shows the strong concentration of residents in the college-age bracket of 15-24. Nearly 60% of Amherst residents fall within this range. The concentration of people in this age bracket declines as the geographic areas become broader; however, a still significant 20% of the population in the 33-minute geography is found in the 15-24 age range. The concentration in this relatively young age-group indicates strong market potential for retailers that target this cohort.

While predominantly "White," the Town of Amherst is more diverse than the outlying region with 27% of its population not identifying as "White" alone. The town has a significant Asian population that accounts for over 13% of all residents. The relative diversity in the town may signal the potential for unique retail offerings in the town catering to this population segment. The following table shows a breakdown of the age and race/ethnicity characteristics of the four geographies.

Age and Race/Ethnicity (2017)				
	Geography			
	Amherst	15-Min	20-Min	33-Min
Median Age				
Median Age (2017)	22.9	23.9	25.7	38.4
Median Age (Projected 2022)	23.1	24.2	27.1	39.1
Age Distribution				
0 - 4	2%	2%	3%	4%
5 - 9	2%	3%	3%	5%
10 - 14	3%	3%	4%	5%
15 - 24	57%	48%	40%	20%
25 - 34	9%	10%	11%	12%
35 - 44	5%	6%	8%	11%
45 - 54	6%	7%	9%	12%
55 - 64	7%	9%	11%	14%
65 - 74	5%	6%	7%	10%
75 - 84	3%	3%	3%	5%
85 +	2%	2%	2%	3%
Race/Ethnicity				
White Alone	73.0%	76.6%	79.5%	82.3%
Asian Alone	13.4%	11.4%	9.7%	4.2%
Black Alone	6.2%	4.6%	4.0%	3.1%
Two or More Races	4.5%	3.6%	3.3%	2.7%
Some Other Race Alone	2.7%	2.1%	2.0%	5.4%
American Indian Alone	0.3%	0.2%	0.2%	0.3%
Pacific Islander Alone	0.0%	0.0%	0.0%	0.0%
Hispanic Origin	8.6%	6.4%	5.9%	13.1%

Source: ESRI Business Analyst Online

Household Income

The income characteristics in Amherst are skewed lower than other geographies in large part because of the large student population. The median household income in the town is approximately \$49,400 compared to \$56,900 in the 15-minute geography and \$59,900 in the 20-minute geography.² This indicates relatively higher income households just outside of the town. Incomes are projected to rise at a slower pace in the town compared to the broader geographies; however, the student population base may account for this due to their relatively stable income levels as students continue to cycle in and out.

Despite the concentration of low-income households (approximately 40% of households have incomes less than \$35,000), there is a substantial concentration of higher-income households in the Town and in the broader geographies. Approximately 28% of the town's households have incomes of \$100,000 or greater. That proportion climbs to around 30% for both the 15-minute and 20-minute geographies indicating a strong consumer base of high-income households. Nearly 10% of households in the town have incomes exceeding \$200,000, which may help drive market demand for luxury and high-end goods and services.

Note that income levels are generally lower in the 33-minute geography compared to the other drive-time geographies as this area picks up a greater number of relatively lower-income households.

Household Income Characteristics (2017)				
	Geography			
	Amherst	15-Min	20-Min	33-Min
Median Household Income (MHI)				
Median Household Income (MHI)	\$ 49,356	\$ 56,908	\$ 59,944	\$ 53,180
Projected Median Household Income (2022)	\$ 52,724	\$ 62,531	\$ 66,925	\$ 56,980
Projected Increase in MHI (2017-2022)	\$ 3,368	\$ 5,623	\$ 6,981	\$ 3,800
Projected Percent Increase in MHI (2017-2022)	6.8%	9.9%	11.6%	7.1%
Median Disposable Income	\$ 38,984	\$ 44,886	\$ 47,537	\$ 29,663
Households by Income Distribution				
<\$15,000	18.5%	15.1%	13.5%	14.6%
\$15,000 - \$24,999	11.1%	10.0%	9.5%	10.6%
\$25,000 - \$34,999	10.3%	9.9%	9.5%	9.4%
\$35,000 - \$49,999	10.4%	10.1%	10.5%	12.5%
\$50,000 - \$74,999	12.7%	13.9%	14.6%	16.9%
\$75,000 - \$99,999	9.2%	11.1%	11.6%	12.0%
\$100,000 - \$149,999	12.2%	15.1%	16.4%	14.4%
\$150,000 - \$199,999	5.9%	5.9%	6.2%	5.1%
\$200,000+	9.5%	9.0%	8.2%	4.6%
Average Household Income	\$ 84,283	\$ 87,064	\$ 87,064	\$ 73,328

Source: ESRI Business Analyst Online

² Note that median income is the amount which divides the income distribution into two equal groups, half having income above that amount, and half having income below that amount. Mean income (average) is the amount obtained by dividing the total aggregate income of all households by the total number of households.

Housing

Rental housing units exceed the number of owner-occupied homes in Amherst with 54.1% of all housing units being occupied by renters. This proportion declines the further the distance from Amherst. In the 33-minute geography, only approximately 40% of housing units are occupied by renters. This again is typical of college communities where a large number of students live in rental units. The balance between renter and owner-occupied units is expected to be stable over the next five years.

The housing vacancy rate is low at 3.6%, which is a lower vacancy rate compared to the other geographies. A lower vacancy rate typically indicates a relatively stronger housing market as there are fewer housing units that are sitting vacant due to higher demand. A stronger housing market can help support new residential development and attract new retailers.

Following the patterns of the population projections, the number of new housing units is not expected to increase markedly over the next five years. This may have implications for home improvement, décor, and related retailers that tend to benefit the most in areas of strong housing growth. It should be noted that ESRI housing projections, similar to population projections, are based largely on recent trends and do not factor in any housing projects planned or under construction, which would increase the estimated housing unit growth in the following chart.³ If new housing leads to increased population (rather than replacing existing housing units) by attracting people to live in Amherst who would otherwise live elsewhere, then retail potential would be enhanced due to the increase in the local consumer base.

Housing Characteristics				
	Geography			
	Amherst	15-Min	20-Min	33-Min
2017 Housing Units				
Total Housing Units	9,912	14,746	24,621	113,637
Owner Occupied	42.3%	48.9%	50.7%	54.4%
Renter Occupied	54.1%	47.2%	44.3%	39.5%
Vacant	3.6%	3.9%	5.4%	6.1%
2022 Projected Housing Units				
Total Housing Units	10,116	15,003	25,019	115,085
Owner Occupied	42.3%	48.7%	50.3%	54.1%
Renter Occupied	54.2%	47.3%	44.3%	39.4%
Vacant	3.6%	4.1%	5.4%	6.5%
Projected Change in Housing Units (2017-2022)				
Change in Housing Units	204	257	398	1,448
Percent Change	2.1%	1.7%	1.6%	1.3%

Source: ESRI Business Analyst Online

³ As noted on page 9, Town of Amherst staff estimate that the number of housing units will increase by 550 over the next five years, compared with ESRI's estimate of 204 additional units.

Homes are relatively expensive in the Town of Amherst compared to surrounding areas with a median home value of over \$379,000.⁴ Home values are projected to increase substantially over the next five years, rising 17% to a median home value of nearly \$442,000. The projected increase in housing values is greater than the other geographies, which indicates a more robust housing market in Amherst compared to surrounding areas and reflects the concentration of affluent households.

Over 44% of owner-occupied homes are valued at over \$400,000 compared to 36%, 30%, and 17% in the 15-, 20-, and 33-minute geographies, respectively. Over a quarter of homes in Amherst exceed the half-million-dollar value mark. Only 7.3% of owner-occupied housing units are valued under \$200,000. The housing value data reflects a concentration of high-income households and upscale homes that contrasts with the lower-income residents and students living in rental housing units. It also indicates that some lower-income and middle-class families may be choosing (or forced) to live in more affordable communities outside of Amherst and would therefore be more likely to shop closer to home.

Housing Characteristics				
	Geography			
	Amherst	15-Min	20-Min	33-Min
Home Value Overview				
Median Home Value (2017)	\$379,381	\$351,850	\$324,970	\$244,056
Median Home Value (2022)	\$442,840	\$392,645	\$362,850	\$273,721
Percent Increase (2017-2022)	17%	12%	12%	12%
Average Home Value	\$432,342	\$394,483	\$364,843	\$287,046
Owner-Occupied Housing Units by Value				
<\$50,000	1.0%	1.4%	1.2%	2.4%
\$50,000 - \$99,999	1.0%	0.9%	1.0%	2.7%
\$100,000 - \$149,999	0.5%	1.1%	2.2%	9.6%
\$150,000 - \$199,999	4.8%	6.2%	8.1%	20.2%
\$200,000 - \$249,999	8.2%	8.8%	12.3%	17.1%
\$250,000 - \$299,999	12.9%	16.8%	18.5%	14.9%
\$300,000 - \$399,999	27.0%	28.5%	26.8%	16.0%
\$400,000 - \$499,999	19.4%	18.1%	15.1%	8.2%
\$500,000 - \$749,999	16.9%	12.8%	10.8%	6.2%
\$750,000 - \$999,999	5.6%	3.5%	2.8%	1.9%
\$1,000,000 +	2.6%	1.8%	1.2%	0.8%

Source: ESRI Business Analyst Online

Spending Patterns

This section discusses spending patterns by households in each geography and in specific retail categories (see discussion on page 9 on household definition). The average annual amount spent by households is shown along with the Spending Potential Index (SPI). The SPI is household based, and represents the

⁴ Source: ESRI Business Analyst Online. Estimated 2017 value. Note that the Amherst Town Assessor and The American Community Survey (ACS) report a median home value of approximately \$346,000. The ACS estimate is a five-year average for 2012-2016.

amount spent for a product or service relative to a national average of 100. As an example, an SPI of 120 means that households spend 20% more than the national average in that category. The index is helpful for understanding retail potential by identifying the types of retail categories that local consumers tend to spend more in, and in which new businesses may be supported because of those spending patterns.

As shown on the following chart, consumer households in Amherst and the 15- and 20-minute drive time geographies spend more on retail goods and services overall compared to national averages. There are several categories where SPI is 10% or greater than the national average. Residents of Amherst spend 34% more than the national average on education, which would be expected given the presence of students and three major higher educational institutions. Local consumers also tend to spend significantly more on apparel and services (e.g., clothes and accessories), food away from home (e.g., restaurants), and shelter (e.g., rent payments).

A detailed breakdown of SPI by spending category for each category can be found in Appendix B.

Consumer Spending (2017)					
Retail Category	Household Spending	Geography			
		Amherst	15-Min	20-Min	33-Min
Apparel & Services	Average Spent	\$ 2,342	\$ 2,389	\$ 2,372	\$ 1,967
	SPI	108	111	110	91
Education*	Average Spent	\$ 1,951	\$ 1,900	\$ 1,820	\$ 1,439
	SPI	134	131	125	99
Entertainment/Recreation	Average Spent	\$ 3,232	\$ 3,340	\$ 3,332	\$ 2,808
	SPI	104	107	107	90
Food at Home	Average Spent	\$ 5,293	\$ 5,391	\$ 5,356	\$ 4,546
	SPI	105	107	106	90
Food Away from Home	Average Spent	\$ 3,655	\$ 3,713	\$ 3,665	\$ 3,016
	SPI	110	111	110	91
Health Care	Average Spent	\$ 5,386	\$ 5,664	\$ 5,702	\$ 4,951
	SPI	96	101	102	89
Household Furnishings and Equipment	Average Spent	\$ 2,046	\$ 2,112	\$ 2,092	\$ 1,738
	SPI	105	109	108	89
Personal Care Products & Services	Average Spent	\$ 835	\$ 863	\$ 864	\$ 723
	SPI	105	108	108	91
Shelter	Average Spent	\$ 17,849	\$ 18,163	\$ 18,112	\$ 15,260
	SPI	110	112	112	94
Support Payments/Cash Contributions/Gifts in Kind**	Average Spent	\$ 2,333	\$ 2,457	\$ 2,458	\$ 2,081
	SPI	100	105	105	89
Travel	Average Spent	\$ 2,112	\$ 2,225	\$ 2,249	\$ 1,892
	SPI	102	107	109	91
Vehicle Maintenance & Repairs	Average Spent	\$ 1,112	\$ 1,144	\$ 1,136	\$ 960
	SPI	104	107	106	90

Source: ESRI Business Analyst Online. Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics.

Green highlighting indicates SPI is at least 10% greater than national average.

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

*Education includes tuition; fees; and textbooks, supplies, and equipment for public and private nursery schools, elementary and high schools, colleges and universities, and other schools.

**Support payments include alimony and child support, as well as any regulator contributions to persons outside the consumer unit

Consumer Behavior

Consumer behaviors are also important to examine as they can highlight patterns, strengths, and potential for certain types of retailers whose products align with the activities and preferences of local households. The table on the following page provides an estimate of the number of households in Amherst that have engaged in certain behaviors or purchased specific types of products. For each category the Market Potential Index (MPI) is shown. MPI measures the relative likelihood of consumers in the specified area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. As with SPI, an MPI of 100 represents the U.S. average.

The following table shows the categories with the highest MPI for households in the Town of Amherst. The types of products and behaviors with the highest MPI reflect the young college population in the town, including things like watching TV online, mobile banking, downloading movies over the internet, own an iPhone, etc. These consumer behaviors are indicative of a technology-inclined consumer base that is more likely to shop online for goods than in brick and mortar retail locations.

There are also a number of entertainment categories where MPI greatly exceeds the national average including going to live theater, going to bar/night club, and going to see a movie. Additionally, several travel and vacation behaviors ranked among the top, including several related to foreign vacations. The entertainment and travel consumer behaviors indicate that there may be opportunities for more entertainment-related venues and businesses that can target both the student population and the generally more affluent households in the Town – both of which have a greater propensity to participate in entertainment and nightlife activities.

Food-related consumer habits also emerged with higher than average MPI estimates. Patronage of fast food/drive-in restaurants was very high, as well as using organic food. Again, the patterns reflect the dichotomy of the town's population of young students and relatively affluent households.

Top Consumer Behaviors (Town of Amherst Residents)

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HH	MPI
Watched a TV program online in last 30 days	13,036	36%	210
Did banking on mobile device in last 12 months	11,778	32%	186
Watched a movie online in the last 30 days	12,358	34%	180
Foreign travel in last 3 years: used general travel website	3,765	10%	179
Downloaded a movie over the Internet in last 30 days	5,123	14%	169
Spent on domestic vacations in last 12 months: <\$1,000	6,186	17%	163
Played a video/electronic game (console) in last 12 months	5,792	16%	160
Printed digital photos in last 12 months	7,919	22%	156
Went to live theater in last 12 months	7,192	20%	151
Own digital point & shoot camera/camcorder	11,036	30%	142
Bought paperback book in last 12 months	15,511	42%	142
Took 3+ foreign trips by plane in last 3 years	2,278	6%	142
Have a smartphone: Apple iPhone	15,827	43%	141
Went to a bar/night club in last 12 months	8,612	24%	140
Own shares in mutual fund (bonds)	2,580	7%	140
Spent on domestic vacations in last 12 months: \$2,000-\$2,999	1,946	5%	140
HH purchased most recent computer online	1,727	18%	139
HH owns any Apple/Mac brand computer	2,026	21%	138
Downloaded any individual song in last 6 months	10,677	29%	138
Bought hardcover book in last 12 months	10,380	28%	138
Carry renter's insurance	4,398	12%	137
Spent on foreign vacations in last 12 months: <\$1,000	2,144	6%	137
Exercise at home 2+ times per week	14,080	39%	133
Took 3+ domestic non-business trips in last 12 months	5,369	15%	132
Foreign travel in last 3 years	11,714	32%	132
Avg monthly credit card expenditures: <\$111	5,702	16%	130
Fast food/drive-in last 6 months: eat in	17,213	47%	129
Fast food/drive-in last 6 months: take-out/walk-in	9,470	26%	129
Have non-interest checking account	13,793	38%	128
Spent at convenience store in last 30 days: <\$20	3,655	10%	127
Attended a movie in last 6 months	27,371	75%	127
Did banking online in last 12 months	16,966	46%	127
Used housekeeper/maid/professional HH cleaning service in last 12 months	1,619	17%	127
Own any stock	3,305	9%	125
Read any digital newspaper in last 30 days	15,623	43%	125
Used organic food in last 6 months	2,432	25%	124
Spent on foreign vacations in last 12 months: \$1,000-\$2,999	1,574	4%	124
Bought costume jewelry in last 12 months	8,566	23%	123
Spent <\$500 on most recent home computer	1,786	19%	122
HH owns Internet video device for TV	1,284	13%	121
Bought gas at convenience store in last 30 days	14,833	41%	120

An MPI (Market Potential Index) measures the relative likelihood of the adults or households in the specified trade area to exhibit certain consumer behavior or purchasing patterns compared to the U.S. An MPI of 100 represents the U.S. average.

Product/Consumer Behavior with MPI >120 Shown Above

HH = Households

Source: ESRI Business Analyst Online

Consumer Segmentation

Consumer segmentation is a tool to help understand a population in a given geography by categorizing households into groups with similar characteristics. These groups, or segments, help simplify the understanding of consumer behaviors and what they mean for the town's retail market. ESRI's Tapestry Segmentation model was used to identify the most populous consumer segments in each of the study geographies. Tapestry classifies households into 67 unique segments based on demographic and socioeconomic characteristics. The model and its classifications are utilized by retailers throughout the U.S. to make site selection decisions.

The top five Tapestry segments for each geography by percentage of households are shown below, followed by profiles of the top five segments found in Amherst. Note that the profiles are generalizations based on the nationwide segmentation model and not the specific populations residing in Amherst but provide useful insights into the broad consumer segments within the Town. The additional Tapestry profiles can be found in Appendix C and detailed profiles of all tapestry segments can be found at <https://doc.arcgis.com/en/esri-demographics/data/tapestry-segmentation.htm>.

Consumer Segmentation: Top 5 Tapestry Segments								
Rank	Geography							
	Amherst		15-Min		20-Min		33-Min	
	Segment	%	Segment	%	Segment	%	Segment	%
1	Segment 14B	39%	Segment 14B	29%	Segment 5B	18%	Segment 5C	15%
2	Segment 1E	12%	Segment 5B	17%	Segment 14B	17%	Segment 5B	11%
3	Segment 5B	12%	Segment 1E	15%	Segment 1E	10%	Segment 8E	9%
4	Segment 11B	9%	Segment 8B	10%	Segment 8B	10%	Segment 5A	8%
5	Segment 2A	8%	Segment 11B	6%	Segment 3C	6%	Segment 13D	8%
	Top 5 Totals	79%		76%		61%		50%

Source: ESRI Business Analyst Online

Segment 14B⁵

38.9% of Amherst Households

Description: About half the households in the Segment 14B category are enrolled in college, while the rest work for a college or the services that support it. Students have busy schedules but make time between studying and part-time jobs for socializing and sports. Students that are new to managing their own finances tend to make impulse buys and splurge on the latest fashions. This digitally engaged group uses computers and cell phones for all aspects of life including shopping, school work, news, social media, and entertainment. Households are all about new experiences, and households seek out variety and adventure in their lives.

Socioeconomic Traits:

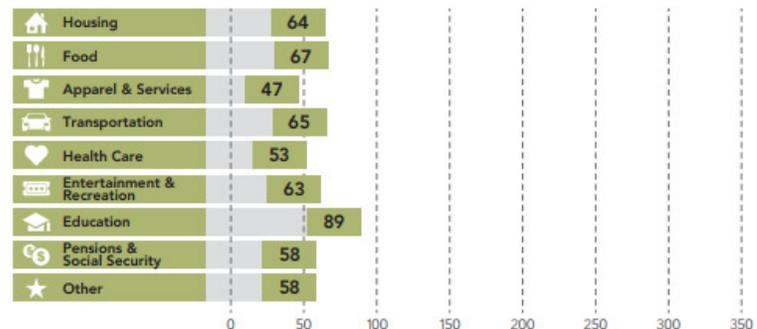
- Their limited incomes result in thrifty purchases.
- They do not eat the healthiest foods, nor do they see a doctor regularly.
- They dress to impress with the latest fashions of the season.
- They prefer environmentally friendly products and vehicles that get good gas mileage.
- They're heavily influenced by celebrity endorsements and trends in magazines.
- They feel anything that can be done online is easier than in person.
- They have liberal political views.

Market Profile:

- Own a laptop and a portable MP3 player.
- Watch movies and TV programs online; MTV and Comedy Central on TV.
- Use the Internet for social media connections, blogging, paying bills, and downloading music.
- Have cell phones only (no landlines) and enjoy customizing them.
- Popular activities: backpacking, Pilates, and Frisbee.
- Go out to the movies and out for drinks.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



⁵ ESRI Tapestry Segmentation

Segment 1E⁶

11.9% of Amherst Households

Description: Segment 1E residents are now approaching retirement but showing few signs of slowing down. They are active in their communities, generous in their donations, and seasoned travelers. They take advantage of their proximity to large metropolitan centers to support the arts, but prefer a more expansive home style in less crowded neighborhoods. They have cultivated a lifestyle that is both affluent and urbane.

Socioeconomic Traits:

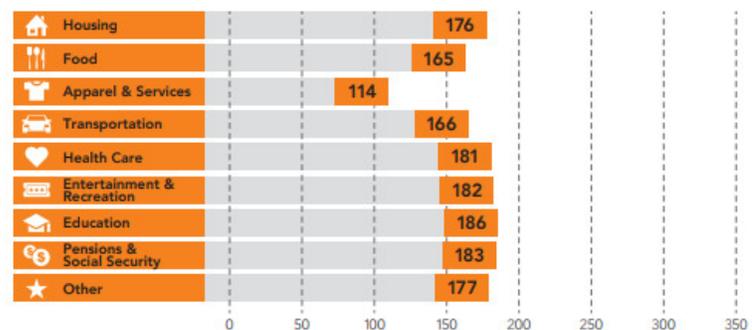
- Households are college educated; more than half have a bachelor's degree or higher; almost 80% have some college education.
- This labor force is beginning to retire. 1 in 3 households currently receive Social Security or retirement income. Labor force participation has declined to less than 60% (Index 94).
- Unemployment remains low at 5.5% ; more of the residents prefer self-employment (Index 184) or working from home .
- Consumers are more interested in quality than cost. They take pride in their homes and foster a sense of personal style.
- Households are well connected, using the Internet for everything from shopping to managing their finances.
- Sociable and hardworking, they still find time to stay physically fit.

Market Profile:

- Segment 1E residents' preferred vehicles are late model luxury cars or SUVs.
- They are active supporters of the arts and public television/radio.
- Attentive to ingredients, they prefer natural or organic products.
- Gardening and home improvement are priorities, but they also use a number of services, from home care and maintenance to personal care.
- Financially active with wide-ranging investments, these investors rely on financial planners, extensive reading, and the Internet to handle their money.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



⁶ ESRI Tapestry Segmentation

Segment 5B⁷

11.9% of Amherst Households

Description: Segment 5B denizens embrace an urbane lifestyle that includes support of the arts, travel, and extensive reading. They are internet-connected and make full use of the advantages of mobile devices. Professional couples or single households without children, they have the time to focus on their homes and their interests. The population is slightly older and already planning for their retirement.

Socioeconomic Traits:

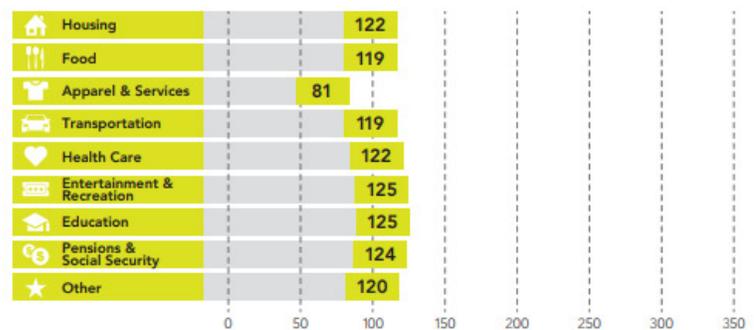
- College educated: 46% are graduates (Index 162); 75% with some college education.
- Low unemployment is at 5.6% (Index 65); higher labor force participation rate is at 68% (Index 108) with proportionately more 2-worker households (Index 112).
- Median household income of \$65,600 reveals an affluent market with income supplemented by investments (Index 143) and a substantial net worth (Index 179).
- Connected and knowledgeable, they carry smartphones and use many of the features.
- Attentive to price, they use coupons, especially mobile coupons.

Market Profile:

- Partial to late model SUVs or trucks.
- Homes integral part of their style; invest in home remodeling/maintenance, DIY or contractors; housekeeping hired.
- Prefer organic foods, including growing their own vegetables.
- Financially active, from a variety of investments to home equity lines of credit.
- Meticulous planners, both well insured and well invested in retirement savings.
- Generous with support of various charities and causes.
- Actively support the arts, theater, concerts, and museums.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



⁷ ESRI Tapestry Segmentation

Segment 11B⁸

8.5% of Amherst Households

Description: Gen Y comes of age. Well-educated young workers, some of whom are still completing their education, are employed in professional/technical occupations, as well as sales and office/administrative support roles. These residents are not established yet but striving to get ahead and improve themselves. This market ranks in the top 5 for renters, movers, college enrollment, and labor force participation rate. Almost 1 in 5 residents move each year. Close to half of all householders are under the age of 35, the majority living alone or in shared nonfamily dwellings. Median household income is still below the US. Smartphones are a way of life, and they use the Internet extensively. Consumers are diverse, favoring densely populated neighborhoods in large metropolitan areas; over 50% are located in the South (almost a fifth in Texas), with the rest chiefly in the West and Midwest.

Socioeconomic Traits:

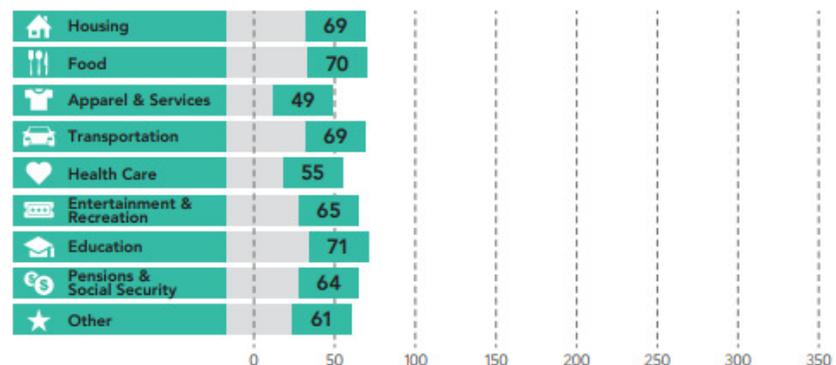
- Education completed: 2 out of 3 have some college, an associate's degree, or a bachelor's degree or higher. Education in progress: almost 15% are still enrolled in college (Index 185).
- Labor force participation rate is exceptionally high at 75.4%; unemployment is low at 7.8%.
- These are careful shoppers, aware of prices, and demonstrate little brand loyalty.
- They like to be the first to try new products, but prefer to do research before buying the latest electronics.
- Most of their information comes from the Internet and TV, rather than traditional media.
- Carry their cell phone everywhere they go.

Market Profile:

- No landline telephone for majority of households, preferring a cell phone only.
- Use their cell phone to text, listen to music, pay bills, redeem coupons, look up directions, and access financial information.
- Online activities include banking (with paperless statements), purchasing items on eBay, accessing Twitter and Facebook, and watching movies and TV shows.
- Enjoy dancing, playing pool, watching MTV and Comedy Central programs, reading fashion magazines, and playing volleyball.
- Listen to blues, jazz, rap, hip hop, and dance music, and read music magazines.
- Purchase natural/organic food, but frequent fast food restaurants.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



⁸ ESRI Tapestry Segmentation

Segment 2A⁹

7.6% of Amherst Households

Description: Households are professionals that live a sophisticated, exclusive lifestyle. Half of all households are occupied by married-couple families and about 30% are singles. These are busy, well-connected, and well-educated consumers—avid readers and moviegoers, environmentally active, and financially stable. This market is a bit older, with a median age of almost 43 years.

Socioeconomic Traits:

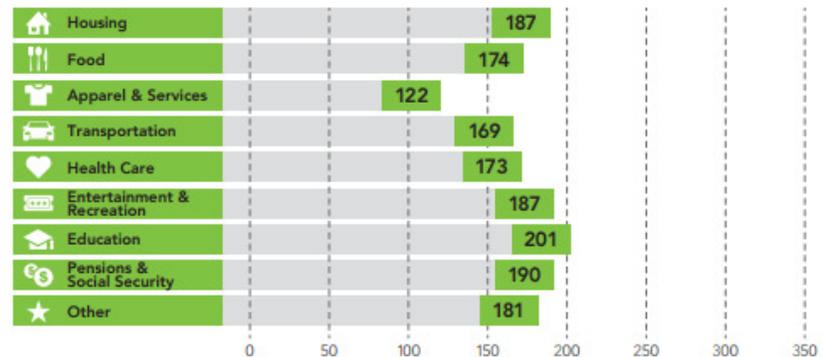
- Well educated, more than 60% of households hold a bachelor's degree or higher (Index 223).
- Unemployment rate is well below average at 5% (Index 62); labor force participation is higher at 69%.
- Households are employed in white collar occupations—in managerial, technical, and legal positions.
- Over 40% of households receive income from investments.
- Environmentally aware, households actively recycle and maintain a “green” lifestyle.
- These busy, tech-savvy households use PCs extensively for an array of activities such as shopping, banking, and staying current— a top market for Apple computers.

Market Profile:

- Shop at Trader Joe's, Costco, or Whole Foods.
- Eat organic foods, drink imported wine, and truly appreciate a good cup of coffee.
- Travel extensively (domestically and internationally).
- Prefer to drive luxury imports and shop at upscale establishments.
- Embrace city life by visiting museums, art galleries, and movie theaters for a night out.
- Avid book readers of both digital and audio formats.
- Financially shrewd households that maintain a healthy portfolio of stocks, bonds, and real estate.
- In their downtime, enjoy activities such as skiing, yoga, hiking, and tennis.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



⁹ ESRI Tapestry Segmentation

Retail Leakage Analysis

A retail leakage analysis is a statistical tool to help understand the retail dynamics in a certain geography. It is commonly referred to as a retail “gap” analysis because it identifies gaps in the retail market where demand for retail goods and services in a specific category is not being satisfied by the existing retail businesses in that geography (i.e., sales are leaking out of the geography).

Note that the Data used is for 2017 from Infogroup, Inc. Supply (retail sales) estimates sales to consumers by establishments. Sales to businesses are excluded. Demand (retail potential) estimates the expected amount spent by consumers at retail establishments. Supply and demand estimates are in current dollars. ESRI uses the North American Industry Classification System (NAICS) to classify businesses by their primary type of economic activity. Retail establishments are classified into 27 industry groups in the Retail Trade sector, as well as four industry groups within the Food Services & Drinking Establishments subsector. For more information on the Retail MarketPlace data, please visit the following link to view the Methodology Statement. <http://www.esri.com/library/whitepapers/pdfs/esri-data-retail-marketplace.pdf>

The analysis compares the estimated spending of households located in a given geography (demand) with actual sales at retail businesses within that same geography (supply). “Estimated spending,” or **demand**, is a figure that includes *all* retail spending by households, including at local retail establishments as well as elsewhere in the region and online. Actual sales at retail businesses within the geography include *all* sales, whether to local residents or not, thus indicating the total **supply** provided to all customers.

Retail leakage (gap) is calculated as **demand minus supply**. Therefore, a positive retail gap indicates that demand exceeds supply within the geography, and consumers are leaving the area (or going online) to purchase goods and services in that category. It may be possible to recapture some of that spending in a given geography, and this is discussed further in the following section.

A negative retail gap indicates a net inflow of spending in a retail category within a given geography. Therefore, a negative retail gap indicates that supply exceeds demand from within the geography, indicating that customers are coming from outside the geography. This is common when there is a significant retail destination that attracts shoppers from outside of the geography being examined. The negative gap is the amount of money that residents from outside the community spend in that geography.

The retail leakage analysis was performed for each of the geographies. The total retail leakage figures are shown below with a detailed breakdown by category for each geography on the following pages.

The Town of Amherst has a net overall retail leakage of \$214.5 million annually; however much of this leakage is being captured by businesses just outside of town. The leakage represents the amount of retail spending by town residents that occurs at businesses outside of town (or online). That \$214.5 million figure amounts to 57% of all Amherst resident retail spending (total retail spending by Amherst town residents is estimated to be \$374.5 million annually). It should be noted that despite the overall positive retail gap, Amherst has a negative food and drink gap, which means that there is an influx of spending in this category into Amherst from people outside of town. This is discussed in more detail in the following pages.

The retail gap is only \$8.2 million in the 15-minute geography, which suggests that Amherst residents (and those in the 15-minute geography) are likely having many of their shopping needs met outside of town, but within a short driving distance (likely along Route 9 in Hadley). The 20- and 33-minute geographies have net negative retail gaps indicating retail sales are exceeding the spending by residents in each geography. These geographies encompass major retail centers that draw from a wider region, notably, downtown Northampton and the city's King Street corridor (within 20 minutes) and Greenfield retail centers and the Holyoke Mall at Ingleside (both within 33 minutes).

Retail Gap Summary				
	Geography			
	Amherst	15-Min	20-Min	33-Min
Total Retail Trade and Food & Drink	\$214,453,077	\$8,230,106	(\$507,045,923)	(\$1,187,995,229)
Total Retail Trade	\$222,364,362	\$29,961,142	(\$442,100,165)	(\$1,112,639,170)
Total Food & Drink	(\$7,911,285)	(\$21,731,035)	(\$64,945,758)	(\$75,356,059)

Source: ESRI Business Analyst Online

Town of Amherst

The Town is experiencing retail leakage in many sectors. The retail sectors with the great amounts of leakage (at the 4-digit NAICS level) are:¹⁰

- Automobile Dealers (\$53.1M)
- Grocery Stores (\$49.3M)
- Department Stores (\$28.5M)
- Clothing Stores (\$16.8M)
- Health & Personal Care Stores (\$12.7M)
- Building Material & Supplies Dealers (\$12.2M)

The leakage in Grocery Stores and Health & Personal Care Stores are notable because these are typically considered “convenience” retail categories that include businesses that consumers are typically only willing to drive short distances for (i.e., these businesses typically have smaller individual draw areas than “destination” retail establishments that people are willing to drive further for).

The Town does have some notable retail sectors with a negative retail gap (i.e., representing a net influx of spending). The most significant of these include:

- Book, Periodical & Music Stores (-\$19.4M)
- Restaurants/Other Eating Places (-\$7.0M)
- Florists (-\$3.4M)
- Lawn & Garden Equipment & Supply Stores (-\$2.3M)
- Office Supplies, Stationery & Gift Stores (-\$2.3M)

The table on the following page provides a full breakdown of the retail gap for the Town of Amherst by retail category. Note that retail leakage in a category does not necessarily equate to retail potential. Retail potential is analyzed in the following section. The retail surplus for Book, Periodical & Music Stores is typical of college towns due to large amounts of student spending in this category. The surplus in the Restaurants/Other Eating Places indicates that Amherst is functioning as a dining (and drinking) destination.

¹⁰ Excludes Nonstore Retailers

Retail Leakage - Town of Amherst					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Outflow (Inflow)
4411	Automobile Dealers	\$ 58,052,566	\$ 4,943,244	\$ 53,109,322	91%
4451	Grocery Stores	\$ 56,190,533	\$ 6,866,558	\$ 49,323,975	88%
4521	Department Stores Excluding Leased Depts.	\$ 29,471,739	\$ 945,916	\$ 28,525,823	97%
4481	Clothing Stores	\$ 17,473,673	\$ 635,340	\$ 16,838,333	96%
446,4461	Health & Personal Care Stores	\$ 21,358,963	\$ 8,612,469	\$ 12,746,494	60%
4441	Bldg Material & Supplies Dealers	\$ 18,721,662	\$ 6,510,706	\$ 12,210,956	65%
4529	Other General Merchandise Stores	\$ 11,986,375	\$ 910,232	\$ 11,076,143	92%
443	Electronics & Appliance Stores	\$ 14,323,194	\$ 3,471,164	\$ 10,852,030	76%
447,4471	Gasoline Stations	\$ 30,211,292	\$ 19,664,764	\$ 10,546,528	35%
4541	Electronic Shopping & Mail-Order Houses	\$ 11,572,506	\$ 3,358,376	\$ 8,214,130	71%
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 11,519,427	\$ 4,609,515	\$ 6,909,912	60%
4412	Other Motor Vehicle Dealers	\$ 5,690,032	\$ -	\$ 5,690,032	100%
4421	Furniture Stores	\$ 5,391,260	\$ 261,417	\$ 5,129,843	95%
4539	Other Miscellaneous Store Retailers	\$ 6,819,142	\$ 2,063,004	\$ 4,756,138	70%
4413	Auto Parts, Accessories & Tire Stores	\$ 5,314,906	\$ 650,963	\$ 4,663,943	88%
4422	Home Furnishings Stores	\$ 4,491,215	\$ 209,433	\$ 4,281,782	95%
4483	Jewelry, Luggage & Leather Goods Stores	\$ 4,189,744	\$ 780,989	\$ 3,408,755	81%
4543	Direct Selling Establishments	\$ 1,490,708	\$ 23,521	\$ 1,467,187	98%
4482	Shoe Stores	\$ 2,979,621	\$ 2,305,703	\$ 673,918	23%
4452	Specialty Food Stores	\$ 2,463,095	\$ 1,832,425	\$ 630,670	26%
4542	Vending Machine Operators	\$ 175,268	\$ -	\$ 175,268	100%
7223	Special Food Services	\$ 1,347,137	\$ 1,283,904	\$ 63,233	5%
4453	Beer, Wine & Liquor Stores	\$ 7,098,619	\$ 7,318,854	\$ (220,235)	-3%
7224	Drinking Places - Alcoholic Beverages	\$ 1,916,966	\$ 2,889,281	\$ (972,315)	-34%
4533	Used Merchandise Stores	\$ 1,031,984	\$ 2,147,044	\$ (1,115,060)	-52%
4532	Office Supplies, Stationery & Gift Stores	\$ 4,382,676	\$ 6,687,138	\$ (2,304,462)	-34%
4442	Lawn & Garden Equip & Supply Stores	\$ 1,515,000	\$ 3,855,494	\$ (2,340,494)	-61%
4531	Florists	\$ 942,821	\$ 4,381,220	\$ (3,438,399)	-78%
7225	Restaurants/Other Eating Places	\$ 34,696,722	\$ 41,698,925	\$ (7,002,203)	-17%
4512	Book, Periodical & Music Stores	\$ 1,687,518	\$ 21,135,688	\$ (19,448,170)	-92%

Source: ESRI Business Analyst Online

Green indicates a positive retail gap where spending is leaking out of the geography.

Red indicates a negative retail gap where sales exceed demand from residents.

15-Minute Drive Time Radius

There are fewer retail categories with leakage in the 15-minute geography compared to the Town; however, there are still sectors with substantial leakage indicating that businesses within the geography are not satisfying all of the demand from people living in the trade area. The most significant sectors with leakage include:

- Automobile Dealers (\$68.8M)
- Health & Personal Care Stores (\$18.6M)
- Clothing Stores (\$15.4M)
- Gasoline Stations (\$10.9M)
- Other Motor Vehicle Dealers (\$7.8)
- Furniture Stores (\$6.6M)

The retail sectors with the greatest retail surplus include:

- Grocery Stores (-\$21.6M)
- Building Material & Supplies Dealers (-\$21.5M)
- Book, Periodical & Music Stores (-\$24.8M)
- Department Stores (-\$21.7M)
- Sporting Goods/Hobby/Musical Instrument Stores (-\$19.2M)

The table on the following page provides a full breakdown of the retail gap for the 15-minute trade area by retail category. Note that retail leakage in a category does not necessarily equate to retail potential, which is analyzed in the following section.

Retail Leakage - 15-Minute Radius					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Outflow (Inflow)
4411	Automobile Dealers	\$ 88,822,349	\$ 20,051,586	\$ 68,770,763	77%
446,4461	Health & Personal Care Stores	\$ 32,889,126	\$ 14,264,582	\$ 18,624,544	57%
4529	Other General Merchandise Stores	\$ 18,332,568	\$ 2,508,785	\$ 15,823,783	86%
4481	Clothing Stores	\$ 26,619,493	\$ 11,245,214	\$ 15,374,279	58%
4541	Electronic Shopping & Mail-Order Houses	\$ 17,745,842	\$ 3,987,931	\$ 13,757,911	78%
447,4471	Gasoline Stations	\$ 46,161,741	\$ 35,216,639	\$ 10,945,102	24%
4412	Other Motor Vehicle Dealers	\$ 8,777,763	\$ 939,362	\$ 7,838,401	89%
4421	Furniture Stores	\$ 8,213,369	\$ 1,633,692	\$ 6,579,677	80%
4539	Other Miscellaneous Store Retailers	\$ 10,475,328	\$ 7,502,606	\$ 2,972,722	28%
4422	Home Furnishings Stores	\$ 6,927,725	\$ 4,158,133	\$ 2,769,592	40%
4483	Jewelry, Luggage & Leather Goods Stores	\$ 6,391,694	\$ 3,927,030	\$ 2,464,664	39%
4482	Shoe Stores	\$ 4,539,775	\$ 3,597,766	\$ 942,009	21%
7223	Special Food Services	\$ 2,056,761	\$ 1,433,932	\$ 622,829	30%
4452	Specialty Food Stores	\$ 3,761,660	\$ 3,705,794	\$ 55,866	1%
4542	Vending Machine Operators	\$ 267,644	\$ 262,094	\$ 5,550	2%
7224	Drinking Places - Alcoholic Beverages	\$ 2,932,701	\$ 3,390,594	\$ (457,893)	-14%
4532	Office Supplies, Stationery & Gift Stores	\$ 6,732,133	\$ 7,200,737	\$ (468,604)	-7%
4543	Direct Selling Establishments	\$ 2,286,077	\$ 4,628,668	\$ (2,342,591)	-51%
443	Electronics & Appliance Stores	\$ 21,915,950	\$ 24,531,908	\$ (2,615,958)	-11%
4413	Auto Parts, Accessories & Tire Stores	\$ 8,149,894	\$ 11,071,487	\$ (2,921,593)	-26%
4531	Florists	\$ 1,464,006	\$ 4,467,971	\$ (3,003,965)	-67%
4533	Used Merchandise Stores	\$ 1,575,557	\$ 4,825,457	\$ (3,249,900)	-67%
4442	Lawn & Garden Equip & Supply Stores	\$ 2,365,473	\$ 8,795,001	\$ (6,429,528)	-73%
4453	Beer, Wine & Liquor Stores	\$ 10,833,760	\$ 17,997,272	\$ (7,163,512)	-40%
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 17,592,663	\$ 36,816,349	\$ (19,223,686)	-52%
4441	Bldg Material & Supplies Dealers	\$ 29,215,964	\$ 50,679,787	\$ (21,463,823)	-42%
4451	Grocery Stores	\$ 85,858,093	\$ 107,452,873	\$ (21,594,780)	-20%
4521	Department Stores Excluding Leased Depts.	\$ 45,052,226	\$ 66,732,144	\$ (21,679,918)	-32%
7225	Restaurants/Other Eating Places	\$ 52,933,320	\$ 74,829,291	\$ (21,895,971)	-29%
4512	Book, Periodical & Music Stores	\$ 2,539,748	\$ 27,345,610	\$ (24,805,862)	-91%

Source: ESRI Business Analyst Online

Green indicates a positive retail gap where spending is leaking out of the geography.

Red indicates a negative retail gap where sales exceed demand from residents.

20-Minute Drive Time Radius

The 20-Minute Drive time geography has a mix of retail categories with leakage and surplus. The retail sectors with the greatest positive retail gap include:

- Automobile Dealers (\$53.7M)
- Other General Merchandise Stores (\$21.8M)
- Clothing Stores (\$20.4M)
- Health & Personal Care Stores (\$13.3M)
- Other Motor Vehicle Dealers (\$7.5M)
- Furniture Stores (\$7.4M)

The sectors with the greatest negative retail gap include:

- Grocery Stores (-\$473.7M)
- Restaurants/Other Eating Places (-\$61.4M)
- Book, Periodical & Music Stores (-\$30.6M)
- Sporting Goods/Hobby/Musical Instrument Stores (-\$21M)
- Department Stores (-\$18.3M)
- Building Material & Supplies Dealers (-\$18.1M)

The table on the following page provides a full breakdown of the retail gap for the 20-minute trade area by retail category. Note that retail leakage in a category does not necessarily equate to retail potential, which is analyzed in the following section.

Retail Leakage - 20-Minute Radius					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Outflow (Inflow)
4411	Automobile Dealers	\$ 144,832,361	\$ 91,109,518	\$ 53,722,843	37%
4541	Electronic Shopping & Mail-Order Houses	\$ 29,146,873	\$ 7,273,727	\$ 21,873,146	75%
4529	Other General Merchandise Stores	\$ 30,193,475	\$ 8,376,446	\$ 21,817,029	72%
4481	Clothing Stores	\$ 43,893,246	\$ 23,484,915	\$ 20,408,331	46%
446,4461	Health & Personal Care Stores	\$ 54,208,912	\$ 40,862,819	\$ 13,346,093	25%
4412	Other Motor Vehicle Dealers	\$ 14,322,913	\$ 6,798,825	\$ 7,524,088	53%
4421	Furniture Stores	\$ 13,400,712	\$ 5,975,487	\$ 7,425,225	55%
447,4471	Gasoline Stations	\$ 75,635,681	\$ 68,854,873	\$ 6,780,808	9%
443	Electronics & Appliance Stores	\$ 35,891,086	\$ 31,828,043	\$ 4,063,043	11%
4422	Home Furnishings Stores	\$ 11,380,000	\$ 7,460,213	\$ 3,919,787	34%
4539	Other Miscellaneous Store Retailers	\$ 17,201,369	\$ 13,848,024	\$ 3,353,345	19%
4482	Shoe Stores	\$ 7,488,743	\$ 5,586,563	\$ 1,902,180	25%
7223	Special Food Services	\$ 3,390,724	\$ 1,683,327	\$ 1,707,397	50%
4542	Vending Machine Operators	\$ 442,198	\$ 262,094	\$ 180,104	41%
4543	Direct Selling Establishments	\$ 3,825,765	\$ 5,065,962	\$ (1,240,197)	-24%
4483	Jewelry, Luggage & Leather Goods Stores	\$ 10,569,408	\$ 13,208,577	\$ (2,639,169)	-20%
4452	Specialty Food Stores	\$ 6,214,264	\$ 9,137,021	\$ (2,922,757)	-32%
4532	Office Supplies, Stationery & Gift Stores	\$ 11,115,936	\$ 14,359,491	\$ (3,243,555)	-23%
4531	Florists	\$ 2,418,267	\$ 6,089,623	\$ (3,671,356)	-60%
7224	Drinking Places - Alcoholic Beverages	\$ 4,837,009	\$ 10,084,330	\$ (5,247,321)	-52%
4533	Used Merchandise Stores	\$ 2,603,548	\$ 8,853,932	\$ (6,250,384)	-71%
4442	Lawn & Garden Equip & Supply Stores	\$ 3,892,912	\$ 11,838,889	\$ (7,945,977)	-67%
4413	Auto Parts, Accessories & Tire Stores	\$ 13,389,652	\$ 22,068,178	\$ (8,678,526)	-39%
4453	Beer, Wine & Liquor Stores	\$ 17,879,665	\$ 27,892,401	\$ (10,012,736)	-36%
4441	Bldg Material & Supplies Dealers	\$ 47,971,741	\$ 66,119,645	\$ (18,147,904)	-27%
4521	Department Stores Excluding Leased Depts.	\$ 74,242,957	\$ 92,589,607	\$ (18,346,650)	-20%
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 28,979,249	\$ 50,012,561	\$ (21,033,312)	-42%
4512	Book, Periodical & Music Stores	\$ 4,142,352	\$ 34,739,733	\$ (30,597,381)	-88%
7225	Restaurants/Other Eating Places	\$ 87,138,785	\$ 148,544,620	\$ (61,405,835)	-41%
4451	Grocery Stores	\$ 141,712,053	\$ 615,398,336	\$ (473,686,283)	-77%

Source: ESRI Business Analyst Online

Green indicates a positive retail gap where spending is leaking out of the geography.

Red indicates a negative retail gap where sales exceed demand from residents.

33-Minute Drive Time Radius

Most of the retail categories have a negative retail gap indicating that sales are meeting or exceeding demand from consumers. This is especially important to note for “destination” retail categories. A negative gap in these categories indicates that these retail needs of Amherst residents are likely being met, even if residents have to drive more than 15 or 20 minutes.

The only retail categories with a positive gap are:

- Electronics & Appliance Stores (\$27.7M)
- Sporting Goods/Hobby/Musical Instrument Stores (\$6.3M)
- Home Furnishings Stores (\$6.3M)
- Special Food Services¹¹ (\$3.6M)
- Other Motor Vehicle Dealers (\$1.6M)

The retail categories with the largest negative gap include:

- Grocery Stores (-\$690.7M)
- Department Stores (-\$126.5M)
- Other General Merchandise Stores (-\$100.1M)
- Restaurants/Other Eating Places (-\$77.0M)
- Automobile Dealers (-\$42.9M)
- Other Miscellaneous Store Retailers (-\$41.4M)

The table on the following page provides a full breakdown of the retail gap for the 33-minute trade area by retail category. Note that retail leakage in a category does not necessarily equate to retail potential, which is analyzed in the following section.

¹¹ This industry comprises establishments primarily engaged in providing food services at the customer’s location, at a location designated by the customer, or from a motorized vehicle or non-motorized cart. Examples include caterers and food trucks.

Retail Leakage - 33-Minute Radius					
NAICS	Industry Group	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Outflow (Inflow)
4541	Electronic Shopping & Mail-Order Houses	\$ 112,170,053	\$ 12,852,266	\$ 99,317,787	89%
443	Electronics & Appliance Stores	\$ 136,932,516	\$ 109,239,063	\$ 27,693,453	20%
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 110,548,760	\$ 104,227,618	\$ 6,321,142	6%
4422	Home Furnishings Stores	\$ 43,690,445	\$ 37,375,146	\$ 6,315,299	14%
7223	Special Food Services	\$ 13,055,879	\$ 9,425,512	\$ 3,630,367	28%
4412	Other Motor Vehicle Dealers	\$ 55,661,228	\$ 54,025,721	\$ 1,635,507	3%
4482	Shoe Stores	\$ 28,557,122	\$ 29,477,745	\$ (920,623)	-3%
7224	Drinking Places - Alcoholic Beverages	\$ 18,342,101	\$ 20,345,205	\$ (2,003,104)	-10%
4481	Clothing Stores	\$ 167,130,500	\$ 171,136,413	\$ (4,005,913)	-2%
4483	Jewelry, Luggage & Leather Goods Stores	\$ 39,657,269	\$ 43,743,410	\$ (4,086,141)	-9%
4543	Direct Selling Establishments	\$ 16,148,040	\$ 21,140,197	\$ (4,992,157)	-24%
4542	Vending Machine Operators	\$ 1,720,752	\$ 7,640,610	\$ (5,919,858)	-77%
4532	Office Supplies, Stationery & Gift Stores	\$ 42,809,009	\$ 49,688,311	\$ (6,879,302)	-14%
4421	Furniture Stores	\$ 50,831,942	\$ 59,920,285	\$ (9,088,343)	-15%
4533	Used Merchandise Stores	\$ 9,838,250	\$ 19,924,303	\$ (10,086,053)	-51%
4442	Lawn & Garden Equip & Supply Stores	\$ 15,601,840	\$ 28,454,190	\$ (12,852,350)	-45%
4413	Auto Parts, Accessories & Tire Stores	\$ 52,025,790	\$ 69,532,459	\$ (17,506,669)	-25%
4531	Florists	\$ 9,514,969	\$ 27,828,891	\$ (18,313,922)	-66%
4453	Beer, Wine & Liquor Stores	\$ 68,154,260	\$ 86,976,165	\$ (18,821,905)	-22%
4452	Specialty Food Stores	\$ 24,176,032	\$ 45,468,474	\$ (21,292,442)	-47%
446,4461	Health & Personal Care Stores	\$ 212,577,403	\$ 235,421,259	\$ (22,843,856)	-10%
4512	Book, Periodical & Music Stores	\$ 15,569,940	\$ 43,240,205	\$ (27,670,265)	-64%
4441	Bldg Material & Supplies Dealers	\$ 188,873,903	\$ 222,255,146	\$ (33,381,243)	-15%
447,4471	Gasoline Stations	\$ 293,942,492	\$ 327,531,889	\$ (33,589,397)	-10%
4539	Other Miscellaneous Store Retailers	\$ 66,841,076	\$ 108,215,364	\$ (41,374,288)	-38%
4411	Automobile Dealers	\$ 559,527,906	\$ 602,477,497	\$ (42,949,591)	-7%
7225	Restaurants/Other Eating Places	\$ 330,800,477	\$ 407,783,799	\$ (76,983,322)	-19%
4529	Other General Merchandise Stores	\$ 117,220,636	\$ 217,310,406	\$ (100,089,770)	-46%
4521	Department Stores Excluding Leased Depts.	\$ 285,036,018	\$ 411,575,276	\$ (126,539,258)	-31%
4451	Grocery Stores	\$ 551,730,311	\$ 1,242,449,320	\$ (690,719,009)	-56%

Source: ESRI Business Analyst Online

Green indicates a positive retail gap where spending is leaking out of the geography.

Red indicates a negative retail gap where sales exceed demand from residents.

Retail Leakage Comparison

Retail Gap Summary					
NAICS	Industry Group	Geography			
		Town of Amherst	15-Min	20-Min	33-Min
4411	Automobile Dealers	\$ 53,109,322	\$ 68,770,763	\$ 53,722,843	\$ (42,949,591)
4412	Other Motor Vehicle Dealers	\$ 5,690,032	\$ 7,838,401	\$ 7,524,088	\$ 1,635,507
4413	Auto Parts, Accessories & Tire Stores	\$ 4,663,943	\$ (2,921,593)	\$ (8,678,526)	\$ (17,506,669)
4421	Furniture Stores	\$ 5,129,843	\$ 6,579,677	\$ 7,425,225	\$ (9,088,343)
4422	Home Furnishings Stores	\$ 4,281,782	\$ 2,769,592	\$ 3,919,787	\$ 6,315,299
443	Electronics & Appliance Stores	\$ 10,852,030	\$ (2,615,958)	\$ 4,063,043	\$ 27,693,453
4441	Bldg Material & Supplies Dealers	\$ 12,210,956	\$ (21,463,823)	\$ (18,147,904)	\$ (33,381,243)
4442	Lawn & Garden Equip & Supply Stores	\$ (2,340,494)	\$ (6,429,528)	\$ (7,945,977)	\$ (12,852,350)
4451	Grocery Stores	\$ 49,323,975	\$ (21,594,780)	\$ (473,686,283)	\$ (690,719,009)
4452	Specialty Food Stores	\$ 630,670	\$ 55,866	\$ (2,922,757)	\$ (21,292,442)
4453	Beer, Wine & Liquor Stores	\$ (220,235)	\$ (7,163,512)	\$ (10,012,736)	\$ (18,821,905)
446,4461	Health & Personal Care Stores	\$ 12,746,494	\$ 18,624,544	\$ 13,346,093	\$ (22,843,856)
447,4471	Gasoline Stations	\$ 10,546,528	\$ 10,945,102	\$ 6,780,808	\$ (33,589,397)
4481	Clothing Stores	\$ 16,838,333	\$ 15,374,279	\$ 20,408,331	\$ (4,005,913)
4482	Shoe Stores	\$ 673,918	\$ 942,009	\$ 1,902,180	\$ (920,623)
4483	Jewelry, Luggage & Leather Goods Stores	\$ 3,408,755	\$ 2,464,664	\$ (2,639,169)	\$ (4,086,141)
4511	Sporting Goods/Hobby/Musical Instr Stores	\$ 6,909,912	\$ (19,223,686)	\$ (21,033,312)	\$ 6,321,142
4512	Book, Periodical & Music Stores	\$ (19,448,170)	\$ (24,805,862)	\$ (30,597,381)	\$ (27,670,265)
4521	Department Stores Excluding Leased Depts.	\$ 28,525,823	\$ (21,679,918)	\$ (18,346,650)	\$ (126,539,258)
4529	Other General Merchandise Stores	\$ 11,076,143	\$ 15,823,783	\$ 21,817,029	\$ (100,089,770)
4531	Florists	\$ (3,438,399)	\$ (3,003,965)	\$ (3,671,356)	\$ (18,313,922)
4532	Office Supplies, Stationery & Gift Stores	\$ (2,304,462)	\$ (468,604)	\$ (3,243,555)	\$ (6,879,302)
4533	Used Merchandise Stores	\$ (1,115,060)	\$ (3,249,900)	\$ (6,250,384)	\$ (10,086,053)
4539	Other Miscellaneous Store Retailers	\$ 4,756,138	\$ 2,972,722	\$ 3,353,345	\$ (41,374,288)
4541	Electronic Shopping & Mail-Order Houses	\$ 8,214,130	\$ 13,757,911	\$ 21,873,146	\$ 99,317,787
4542	Vending Machine Operators	\$ 175,268	\$ 5,550	\$ 180,104	\$ (5,919,858)
4543	Direct Selling Establishments	\$ 1,467,187	\$ (2,342,591)	\$ (1,240,197)	\$ (4,992,157)
7223	Special Food Services	\$ 63,233	\$ 622,829	\$ 1,707,397	\$ 3,630,367
7224	Drinking Places - Alcoholic Beverages	\$ (972,315)	\$ (457,893)	\$ (5,247,321)	\$ (2,003,104)
7225	Restaurants/Other Eating Places	\$ (7,002,203)	\$ (21,895,971)	\$ (61,405,835)	\$ (76,983,322)

Source: ESRI Business Analyst Online

Green indicates a positive retail gap where spending is leaking out of the geography.

Red indicates a negative retail gap where sales exceed demand from residents.

Retail Potential Analysis

The retail potential analysis estimates the number of new supportable retail businesses in the Town of Amherst based on the potential to recapture a portion of retail leakage. The analysis builds on the previous leakage analysis to determine future retail development potential. These are not necessarily the only retail categories with business potential as some categories that do not have leakage may have potential for other reasons discussed elsewhere in this report.

In addition to the retail spending leakage of current residents, the analysis also factors in the retail spending potential from the expected five-year population growth in the Town of Amherst and the influx of workers that regularly commute into the town. For the purposes of this analysis, the 15-minute drive-time radius is used as the analysis trade area because of the competitive retail landscape of the surrounding communities. While some consumers may come from outside of this area, it is expected that the majority of Amherst retail customers will come from this trade area.

Total Retail Spending Potential

The total retail spending potential calculates the annual spending potential of existing residents and the annual spending associated with the increase in population expected in the analysis trade area. The Town of Amherst estimates that approximately 110 housing units will be completed each year on average over the next five years. Combined with the expected population increase in the Primary Trade Area but outside of Town, it is expected that the total number of households in the analysis trade area will increase by approximately 574 over five years.

As previously discussed, Amherst is an employment center with a significant number of workers that commute into the Town. The spending potential of these workers is derived from research that has documented the spending patterns of office workers near their place of work. Of the 13,742 commuters into Amherst, 82% or 11,268 are considered office workers and are included in the analysis. The table below shows the estimated annual retail spending in Amherst five years into the future. Retail categories are divided into “Convenience” and “Destination.” Convenience retail businesses are those that cater to the day-to-day needs of residents. Destination retail businesses are those where residents shop only periodically and are willing to travel longer distances.

Total Annual Spending Potential: Convenience Retail (5-Year Outlook)				
Retail Category	Current Residents	Future Residents	Workers	Total Retail Spending Potential
Convenience Retail Categories				
Grocery Stores	\$ 85,858,093	\$ 3,477,704	\$ 7,477,371	\$96,813,169
Specialty Food Stores	\$ 3,761,660	\$ 152,367	\$ 243,787	\$4,157,814
Beer, Wine & Liquor Stores	\$ 10,833,760	\$ 438,824	\$ 406,311	\$11,678,895
Health & Personal Care Stores	\$ 32,889,126	\$ 1,332,183	\$ 7,100,065	\$41,321,373
Drinking Places - Alcoholic Beverages	\$ 2,932,701	\$ 118,790	\$ 1,026,154	\$4,077,645
Restaurants/Other Eating Places	\$ 52,933,320	\$ 2,144,078	\$ 11,666,250	\$66,743,647
Other General Merchandise Stores	\$ 18,332,568	\$ 742,565	\$ 2,862,179	\$21,937,313
Gasoline Stations	\$ 46,161,741	\$ 1,869,793	\$ 9,082,363	\$57,113,897
Other Miscellaneous Store Retailers	\$ 10,475,328	\$ 424,306	\$ 1,631,245	\$12,530,879
Destination Retail Categories				
Automobile Dealers	\$ 88,822,349	\$ 3,597,772		\$92,420,121
Other Motor Vehicle Dealers	\$ 8,777,763	\$ 355,546		\$9,133,309
Auto Parts, Accessories & Tire Stores	\$ 8,149,894	\$ 330,114		\$8,480,008
Furniture Stores	\$ 8,213,369	\$ 332,685	\$ 113,017	\$8,659,071
Home Furnishings Stores	\$ 6,927,725	\$ 280,609	\$ 113,017	\$7,321,351
Electronics & Appliance Stores	\$ 21,915,950	\$ 887,711	\$ 617,843	\$23,421,504
Bldg Material & Supplies Dealers	\$ 29,215,964	\$ 1,183,400	\$ 138,146	\$30,537,510
Lawn & Garden Equip & Supply Stores	\$ 2,365,473	\$ 95,814	\$ 138,146	\$2,599,433
Clothing Stores	\$ 26,619,493	\$ 1,078,229	\$ 3,662,049	\$31,359,772
Shoe Stores	\$ 4,539,775	\$ 183,885	\$ 836,779	\$5,560,438
Jewelry, Luggage & Leather Goods Stores	\$ 6,391,694	\$ 258,897	\$ 605,055	\$7,255,646
Sporting Goods/Hobby/Musical Instr Stores	\$ 17,592,663	\$ 712,595	\$ 823,874	\$19,129,132
Book, Periodical & Music Stores	\$ 2,539,748	\$ 102,873		\$2,642,621
Department Stores Excluding Leased Depts.	\$ 45,052,226	\$ 1,824,852	\$ 2,883,668	\$49,760,746
Florists	\$ 1,464,006	\$ 59,300	\$ 165,210	\$1,688,516
Office Supplies, Stationery & Gift Stores	\$ 6,732,133	\$ 272,687	\$ 165,210	\$7,170,030
Used Merchandise Stores	\$ 1,575,557	\$ 63,818	\$ 165,210	\$1,804,585
Special Food Services	\$ 2,056,761	\$ 83,310	\$ 684,103	\$2,824,173

Source: ESRI Business Analyst; International Council of Shopping Centers; Ean

The future retail gap (five years from now) is calculated by comparing the total retail spending potential to existing retail sales. As shown in the table below, there are six convenience retail categories that have a positive gap, which indicates that there may be potential for new businesses to capture some of the future “excess” demand or the spending that would otherwise be “leaking” out of the area.

Retail Gap (5-Year Outlook)			
Retail Category	Retail Spending Potential (Demand)	Existing Retail Sales (Supply)	Retail Gap
Convenience Retail Categories			
Grocery Stores	\$ 96,813,169	\$ 107,452,873	\$ (10,639,704)
Specialty Food Stores	\$ 4,157,814	\$ 3,705,794	\$ 452,020
Beer, Wine & Liquor Stores	\$ 11,678,895	\$ 17,997,272	\$ (6,318,377)
Health & Personal Care Stores	\$ 41,321,373	\$ 14,264,582	\$ 27,056,791
Drinking Places - Alcoholic Beverages	\$ 4,077,645	\$ 3,390,594	\$ 687,051
Restaurants/Other Eating Places	\$ 66,743,647	\$ 74,829,291	\$ (8,085,644)
Other General Merchandise Stores	\$ 21,937,313	\$ 2,508,785	\$ 19,428,528
Gasoline Stations	\$ 57,113,897	\$ 35,216,639	\$ 21,897,258
Other Miscellaneous Store Retailers	\$ 12,530,879	\$ 7,502,606	\$ 5,028,273
Destination Retail Categories			
Automobile Dealers	\$ 92,420,121	\$ 20,051,586	\$ 72,368,535
Other Motor Vehicle Dealers	\$ 9,133,309	\$ 939,362	\$ 8,193,947
Auto Parts, Accessories & Tire Stores	\$ 8,480,008	\$ 11,071,487	\$ (2,591,479)
Furniture Stores	\$ 8,659,071	\$ 1,633,692	\$ 7,025,379
Home Furnishings Stores	\$ 7,321,351	\$ 4,158,133	\$ 3,163,218
Electronics & Appliance Stores	\$ 23,421,504	\$ 24,531,908	\$ (1,110,404)
Bldg Material & Supplies Dealers	\$ 30,537,510	\$ 50,679,787	\$ (20,142,277)
Lawn & Garden Equip & Supply Stores	\$ 2,599,433	\$ 8,795,001	\$ (6,195,568)
Clothing Stores	\$ 31,359,772	\$ 11,245,214	\$ 20,114,558
Shoe Stores	\$ 5,560,438	\$ 3,597,766	\$ 1,962,672
Jewelry, Luggage & Leather Goods Stores	\$ 7,255,646	\$ 3,927,030	\$ 3,328,616
Sporting Goods/Hobby/Musical Instr Stores	\$ 19,129,132	\$ 36,816,349	\$ (17,687,217)
Book, Periodical & Music Stores	\$ 2,642,621	\$ 27,345,610	\$ (24,702,989)
Department Stores Excluding Leased Depts.	\$ 49,760,746	\$ 66,732,144	\$ (16,971,398)
Florists	\$ 1,688,516	\$ 4,467,971	\$ (2,779,455)
Office Supplies, Stationery & Gift Stores	\$ 7,170,030	\$ 7,200,737	\$ (30,707)
Used Merchandise Stores	\$ 1,804,585	\$ 4,825,457	\$ (3,020,872)
Special Food Services	\$ 2,824,173	\$ 1,433,932	\$ 1,390,241

Source: ESRI Business Analyst; Elan

A conservative recapture rate of 20% is applied to the retail gap for the convenience category to estimate the capturable leakage. A 10% recapture rate is applied for the destination category because local residents are willing to travel further for these types of goods. Recapture rates were selected by Elan based on professional experience and are not intended to be precise, but rather reflect a reasonable estimate of the leakage that can be recaptured. The capturable leakage is then compared to the average sales per businesses in each retail category to estimate the number of supportable new retail businesses in each category that has a positive retail gap. Another way to examine retail potential is to estimate

supportable square feet. The estimated supportable square feet of new retail is provided based on an industry standard figure of \$300 per square foot. The estimated supportable square feet reflects the approximate total potential for each retail category for new and/or expanded retail space.

As shown in the following table, there is future potential for approximately two health & personal care stores (21,600 SF combined), one general merchandise store (15,500 SF), one miscellaneous retailer (4,000 SF), and one gas station based on recapturing expected future retail leakage in the convenience categories. In the destination retail categories, there is potential for one automobile dealership and one to two clothing stores (approximately 4,500 square feet). Note again that “potential” in this analysis is defined as those retail categories where new businesses could capture enough of the retail gap to be successful and does not factor in other considerations.

Future Retail Potential (5-Year Outlook)					
Retail Category	Retail Gap	Recapture Potential (20% Convenience; 10% Destination)	Average Sales per Business (MA)	Retail Potential (# of Businesses)	Est. SF Supportable
Convenience Retail Categories					
Specialty Food Stores	\$ 452,020	\$ 90,404	\$ 845,681	0.1	301
Health & Personal Care Stores	\$ 27,056,791	\$ 5,411,358	\$ 2,798,322	1.9	18,038
Drinking Places - Alcoholic Beverages	\$ 687,051	\$ 137,410	\$ 684,973	0.2	458
Other General Merchandise Stores	\$ 19,428,528	\$ 3,885,706	\$ 3,296,790	1.2	12,952
Gasoline Stations	\$ 21,897,258	\$ 4,379,452	\$ 3,783,310	1.2	n/a
Other Miscellaneous Store Retailers	\$ 5,028,273	\$ 1,005,655	\$ 771,263	1.3	3,352
Destination Retail Categories					
Automobile Dealers	\$ 72,368,535	\$ 7,236,854	\$ 7,949,576	0.9	n/a
Other Motor Vehicle Dealers	\$ 8,193,947	\$ 819,395	\$ 2,391,976	0.3	n/a
Furniture Stores	\$ 7,025,379	\$ 702,538	\$ 1,903,344	0.4	6,344
Home Furnishings Stores	\$ 3,163,218	\$ 316,322	\$ 1,045,246	0.3	3,484
Clothing Stores	\$ 20,114,558	\$ 2,011,456	\$ 1,345,830	1.5	4,486
Shoe Stores	\$ 1,962,672	\$ 196,267	\$ 1,281,836	0.2	4,273
Jewelry, Luggage & Leather Goods Stores	\$ 3,328,616	\$ 332,862	\$ 1,220,185	0.3	4,067
Special Food Services	\$ 1,390,241	\$ 139,024	\$ 710,050	0.2	2,367

Source: ESRI Business Analyst; Eian analysis

Green indicates potential for at least one business; red indicates no potential

Summary of Retail Potential from Leakage Recapture

It is estimated that the Town of Amherst could support new retail businesses in the following categories based on capturing of a portion of the projected future retail gap (based on the previously discussed recapture rates).

- **Clothing Stores (1-2 businesses, 4,500 SF)**

The projected retail gap in clothing stores is \$20.1 million annually. While clothing stores are generally considered a “destination” retail category, there is likely an opportunity to capture

unmet spending in this category within the Town of Amherst. The data analysis indicates that one or two new clothing stores may be supportable.

- **Health & Personal Care Stores (2 business, 18,00 SF)**

This category, which includes businesses such as pharmacies, drug stores, cosmetics, eye glasses, and others, is expected to have an unmet retail spending (gap) of nearly \$27.1 million annually. Brands in this category include CVS, Walgreens, and Rite Aid. Based on the analysis, the Town of Amherst can likely support two new businesses in this category.

- **Other General Merchandise (Approx. 1 business, 13,000 SF)**

Other General Merchandise includes businesses “primarily engaged in retailing new goods in general merchandise stores (except department stores).” This includes warehouse club stores like Costco, Sam’s Club, and BJ’s as well as stores like Target, Walmart, Dollar General, and Family Dollar. The projected retail gap in five-years is estimated to be \$19.4 million.

- **Other Miscellaneous Store Retailers (Approx. 1 business, 3,350 SF)**

These types of stores sell specialized lines of merchandise that are not otherwise classified such as art supplies, swimming pool supplies, candles, pet supplies, etc. There is retail leakage in this category in each geography except the 33-minute trade area. The retail potential analysis found that there is likely a significant enough retail gap to support an additional retail business in this category.

- **Gasoline Stations (Approx. 1 business)**

Approximately one new gas station could be supported given the five-year retail gap analysis.

In addition to the above, the following categories were deemed to possibly have potential in the Town of Amherst.

- **Grocery Store**

Currently almost 90% of spending by town residents on groceries is leaking outside of the town’s boundary to grocery stores in other communities. This is despite the presence of a Big Y in Amherst near the Hadley border, and two Atkins Farms Country Market locations (in north and south Amherst). The leakage is substantial, totaling over \$49 million. However, in the 15-minute trade area grocery stores rank as one of the categories with the greatest surplus (i.e., sales exceed the demand from the population in the trade area). This means that outside of Amherst, but within the 15-minute drive time, there exist grocery stores with a large draw area – including from within Amherst. Therefore, it appears that residents can meet their grocery needs within a reasonable drive-time. Whole Foods, Super Stop & Shop, Aldi, and Trader Joes located along Route 9 just outside the town boundary in Hadley are easily accessible and may limit the potential for a new grocery business. Further analysis would be needed to see if a small-format/neighborhood-scale or specialty grocery may be feasible – especially in a part of town where it would offer greater convenience than the aforementioned businesses.

- **Automobile Dealer**

The analysis indicated potential for a new automobile dealership; however, there is surplus in the category in the 33-minute Trade Area. Car buyers typically are willing to drive further distances to dealerships compared to most other types of retailers, and dealerships typically cluster together

and have specific site selection criteria. Therefore, while the data analysis indicates potential, existing dealerships within the 33-minute drive time may be satisfying existing market demand.

Key Findings

Population growth is likely to increase retail demand.

- The Town’s population and that of surrounding areas is projected to increase as a result of several major housing development projects in the pipeline. A population increase of more than 500 households is projected over the next five years that will likely create retail opportunities.
- There are also other opportunities for future retail growth in Amherst as a result of shifting consumer preferences, satisfying unmet demand from the current population, and capturing daytime worker spending.

Students are the largest individual consumer segment; but a challenging target market.

- Nearly 60% of the town’s population is in the age 15-24 bracket due to the concentration of students at the UMass Amherst, Amherst College, and Hampshire College. This large and relatively homogenous market segment offers a strong consumer base for businesses specifically targeting this demographic.
- Typically, communities with a large student population experience strong market potential for restaurants (mid to low-end fare), coffee shops, bars and clubs, brewpubs, and entertainment venues. Students also generate demand for everyday services and goods such as personal care, grocery, etc. as well as some specialty retail. While Amherst already has many of these types of businesses, there may be potential for additional businesses in these categories – especially through any efforts to increase student activity in Amherst Center.
- Targeting college students can be challenging, however, for several reasons. Many make purchases online, which decreases the feasibility of brick and mortar stores in certain categories such as electronics. Many also are low-income and make thrifty purchases (but tend to make impulse buys) and do not have personal vehicles and are dependent on walking or public transportation to get to retail centers. Many successful retail areas targeting students are walkable downtown or Main Street areas, and pedestrian-oriented retail districts in college towns are a common planning approach.¹² Additionally, in college towns there can be resistance to student-oriented retail and “town-gown” dynamics can affect retail potential.

A significant concentration of well-educated, upper-income households represents an upscale market opportunity.

- The Town of Amherst, along with the broader 15- and 20-Minute geographies, has a notable concentration of high-income households representing market opportunities for more upscale and luxury retail – particularly boutique retailers rather than national chains that typically require a greater population base. Approximately 30% of households in the 15-minute geography have incomes exceeding \$100,000.
- The data analysis revealed consumer behaviors often associated with this demographic including a propensity to travel and take vacations, going to live theater performances, and eating organic

¹² Ford, Gina. “The 21st Century Agora: Pedestrian Malls in College Towns.”

foods. The analysis also indicated that this market segment is supportive of arts and culture, likes to garden, and invest in their homes. These traits may pose niche market opportunities.

- New upscale entertainment options may also be feasible given the characteristics of this segment such as a wine bar, microbrewery, or a “paint and sip” establishment.

Amherst is a Dining Destination – a Strength that Offers Opportunity.

- There is a substantial concentration of restaurants and bars in the Town of Amherst, which account for nearly 30% of all retail sales in the Town. The data indicates that people from outside of the town come to Amherst to patronize these restaurants.
- Being a dining destination is a strength to potentially build upon for business growth. New dining and entertainment businesses can have a mutually beneficial impact as a growing concentration of restaurants and entertainment businesses is likely to enhance the town’s identity as an entertainment and dining destination and help attract new people into the Town.
- Restaurants and entertainment establishments are also types of businesses that can tap into the two major market segments in the town: the student population and affluent (and generally older) households. Potential opportunities in this category include businesses like wine bars, microbreweries and brewpubs, live entertainment venues, and additional restaurants that offer unique experiences or cuisine.

The Town is experiencing significant retail leakage, but retail concentrations outside of town may limit new retail potential.

- Nearly 60% of retail spending by Amherst residents occurs outside of the Town and there are few retail categories where businesses in the town are satisfying the shopping demand from residents. The most significant spending by residents at businesses outside of the town occurs at automobile dealerships, grocery stores, department stores, clothing stores, and health and personal care stores.
- Many retail needs, however, appear to be satisfied by businesses outside of Town but within a 15- or 20-minute drive of the center of Amherst. This is likely attributable to the retail concentration along Route 9 in Hadley just outside the town boundary. Retail needs not satisfied in the town, but within a 15- or 20-minute drive include auto parts, electronics and appliances, building materials and supplies, groceries, sporting goods/hobby/musical instrument stores, specialty food stores, jewelry, luggage & leather goods, and department stores.
- Other retail sectors are still experiencing leakage within the 15-minute and 20-minute trade area geographies, but any new businesses in these categories would be unlikely to recapture enough of the existing leakage to be successful because the amount of leakage is not significant enough to fully support new businesses based upon average sales-per-business and reasonable recapture rates. For example, there is nearly \$11 million in retail leakage within the gasoline stations category in the 15-minute geography. For example, a furniture store could potentially capture approximately \$700,000 in annual sales; however, the typical furniture store in Massachusetts has sales of approximately \$1.9 million. This suggests that potential sales volume would not support a new furniture store in the town.

The Town of Amherst can support new retail businesses that capture existing leakage and unmet spending potential.

- The data analysis found that the following types of businesses could recapture enough of the projected five-year retail gap to be successful in the Town:
 - **Clothing Stores:** a significant retail gap of approximately \$20.1 million is projected and recapturing a realistic portion of this leakage would likely support between one and two new clothing stores or approximately 4,500 square feet of clothing store retail space.
 - **Health and Personal Care Store:** The data analysis found that approximately two new business representing about 18,000 square feet could be supported in this category that includes businesses such as pharmacies, drug stores, cosmetics, and eye glasses.
 - **Other General Merchandise:** This category, which includes stores that sell a variety of products, can support one additional business (nearly 13,000 square feet) in the town based on the data analysis.
 - **Other Miscellaneous Store Retailer** that specializes in one category of merchandise. Approximately one new store in this category may be supportable but depends on whether there is a specific market need for any given line of specialized merchandise.
- Other categories that may have potential but require additional analysis include:
 - **Neighborhood-scale or boutique grocery store** that serves a very localized population. The feasibility depends on whether the convenience or differentiation of a new business would be enough to compete with the cluster of grocery stores on Route 9 in Hadley.
 - **Automobile Dealership** that shows some potential in the data analysis, but in reality, may not have feasibility due to other regional concentrations of dealerships.

Appendix A: Retail Industry Definitions

Sector 44-45—Retail Trade

The Retail Trade sector comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The retailing process is the final step in the distribution of merchandise; retailers are, therefore, organized to sell merchandise in small quantities to the general public. This sector comprises two main types of retailers: store and nonstore retailers

1. **Store retailers** operate fixed point-of-sale locations, located and designed to attract a high volume of walk-in customers. In general, retail stores have extensive displays of merchandise and use mass-media advertising to attract customers. They typically sell merchandise to the general public for personal or household consumption, but some also serve business and institutional clients. These include office supply stores, computer and software stores, building materials dealers, plumbing supply stores, and electrical supply stores. Catalog showrooms, gasoline stations, automotive dealers, and mobile home dealers are treated as store retailers
2. **Nonstore retailers**, like store retailers, are organized to serve the general public, but their retailing methods differ. The establishments of this subsector reach customers and market merchandise with methods, such as the broadcasting of "infomercials," the broadcasting and publishing of direct-response advertising, the publishing of paper and electronic catalogs, door-to-door solicitation, in-home demonstration, selling from portable stalls (street vendors, except food), and distribution through vending machines. Establishments engaged in the direct sale (nonstore) of products, such as home heating oil dealers and home delivery newspaper routes, are included here.

Retail Trade Industry Definitions (4-Digit NAICS)

4411 Automobile Dealers

This industry group comprises establishments primarily engaged in retailing new and used automobiles and light trucks, such as sport utility vehicles, and passenger and cargo vans.

4412 Other Motor Vehicle Dealers

This industry group comprises establishments primarily engaged in retailing new and used vehicles (except automobiles, light trucks, such as sport utility vehicles, and passenger and cargo vans).

4413 Automotive Parts, Accessories, and Tire Stores

This industry group comprises establishments primarily engaged in retailing new, used, and/or rebuilt automotive parts and accessories, including tires and tubes. Included in this industry group are establishments primarily engaged in retailing automotive parts and accessories in combination with automotive repair services.

4421 Furniture Stores

This industry comprises establishments primarily engaged in retailing new furniture, such as household furniture (e.g., baby furniture, box springs, and mattresses) and outdoor furniture; office furniture (except sold in combination with office supplies and equipment); and/or furniture sold in combination with major appliances, home electronics, home furnishings, or floor coverings.

4422 Home Furnishings Stores

This industry group comprises establishments primarily engaged in retailing new home furnishings (except furniture).

4431 Electronics and Appliance Stores

This industry comprises establishments primarily engaged in one of the following: (1) retailing an array of new household-type appliances and consumer-type electronic products, such as televisions, computers, and cameras; (2) specializing in retailing a single line of new consumer-type electronic products; (3) retailing these new products in combination with repair and support services; (4) retailing new prepackaged computer software; and/or (5) retailing prerecorded audio and video media, such as CDs, DVDs, and tapes. Illustrative Examples: Appliance stores, household-type Cellular telephone accessories stores Consumer-type electronic stores (e.g., televisions, computers, cameras)

4441 Building Material and Supplies Dealers

This industry group comprises establishments primarily engaged in retailing new building materials and supplies.

4442 Lawn and Garden Equipment and Supplies Stores

This industry group comprises establishments primarily engaged in retailing new lawn and garden equipment and supplies.

4451 Grocery Stores

This industry group comprises establishments primarily engaged in retailing a general line of food products.

4452 Specialty Food Stores

This industry group comprises establishments primarily engaged in retailing specialized lines of food.

4453 Beer, Wine, and Liquor Stores

This industry comprises establishments primarily engaged in retailing packaged alcoholic beverages, such as ale, beer, wine, and liquor.

4461 Health and Personal Care Stores Industries in the Health and Personal Care Stores subsector retail health and personal care merchandise from fixed point-of-sale locations. Establishments in this subsector are characterized principally by the products they retail, and some health and personal care stores may have specialized staff trained in dealing with the products. Staff may include pharmacists, opticians, and other professionals engaged in retailing, advising customers, and/or fitting the product sold to the customer's needs.

4471 Gasoline Stations

Industries in the Gasoline Stations subsector retail automotive fuels (e.g., gasoline, diesel fuel, gasohol, alternative fuels) and automotive oils or retail these products in combination with convenience store items. These establishments have specialized equipment for storing and dispensing automotive fuels.

4481 Clothing Stores

This industry group comprises establishments primarily engaged in retailing new clothing.

4482 Shoe Stores

This industry comprises establishments primarily engaged in retailing all types of new footwear (except hosiery and specialty sports footwear, such as golf shoes, bowling shoes, and spiked shoes). Establishments primarily engaged in retailing new tennis shoes or sneakers are included in this industry.

4483 Jewelry, Luggage, and Leather Goods Stores

This industry group comprises establishments primarily engaged in retailing new jewelry (except costume jewelry); new sterling and plated silverware; new watches and clocks; and new luggage with or without a general line of new leather goods and accessories, such as hats, gloves, handbags, ties, and belts.

4511 Sporting Goods, Hobby, and Musical Instrument Stores

This industry group comprises establishments primarily engaged in retailing new sporting goods, games and toys, and musical instruments.

4512 Book Stores and News Dealers

This industry comprises establishments primarily engaged in retailing new books, newspapers, magazines, and other periodicals.

4522 Department Stores

This industry comprises establishments known as department stores that have separate departments for general lines of new merchandise, such as apparel, jewelry, home furnishings, and toys, with no one merchandise line predominating. Department stores may sell perishable groceries, such as fresh fruits, vegetables, and dairy products, but such sales are insignificant. Department stores may have separate customer checkout areas in each department, central customer checkout areas, or both.

4523 General Merchandise Stores, including Warehouse Clubs and Supercenters

This industry comprises establishments primarily engaged in retailing new goods in general merchandise stores (except department stores). These establishments retail a general line of new merchandise, such as apparel, automotive parts, dry goods, hardware, groceries, housewares, and home furnishings, with no one merchandise line predominating. Establishments known as warehouse clubs, superstores, or supercenters are included in this industry.

4531 Florists

This industry comprises establishments known as florists primarily engaged in retailing cut flowers, floral arrangements, and potted plants purchased from others. These establishments usually prepare the arrangements they sell.

4532 Office Supplies, Stationery, and Gift Stores

This industry group comprises establishments primarily engaged in retailing new office supplies, stationery, gifts, novelty merchandise, and souvenirs.

4533 Used Merchandise Stores

This industry comprises establishments primarily engaged in retailing used merchandise, antiques, and secondhand goods (except motor vehicles, such as automobiles, RVs, motorcycles, and boats; motor vehicle parts; tires; and mobile homes). Illustrative Examples: Antique shops Used household-type appliance stores Used book stores Used merchandise thrift shops Used clothing stores Used sporting goods stores.

4539 Other Miscellaneous Store Retailers

This industry group comprises establishments primarily engaged in retailing new miscellaneous specialty store merchandise (except motor vehicle and parts dealers; furniture and home furnishings stores; consumer-type electronics and appliance stores; building material and garden equipment and supplies dealers; food and beverage stores; health and personal care stores; gasoline stations; clothing and clothing accessories stores; sporting goods, hobby, book, and music stores; general merchandise stores; florists; office supplies, stationery, and gift stores; and used merchandise stores). This industry group also includes establishments primarily engaged in retailing a general line of new and used merchandise on an auction basis (except electronic auctions).

4541 Electronic Shopping and Mail-Order Houses

This industry comprises establishments primarily engaged in retailing all types of merchandise using nonstore means, such as catalogs, toll free telephone numbers, or electronic media, such as interactive television or the Internet. Included in this industry are establishments primarily engaged in retailing from catalog showrooms of mail-order houses. Illustrative Examples: Catalog (i.e., order-taking) offices of mail-order houses Collectors' items, mail-order houses Computer software, mail-order houses Home shopping television orders Internet auction sites, retail Mail-order book clubs (not publishing) Mail-order houses Web retailers

4542 Vending Machine Operators

This industry comprises establishments primarily engaged in retailing merchandise through vending machines that they service.

4543 Direct Selling Establishments

This industry group comprises establishments primarily engaged in nonstore retailing (except electronic, mailorder, or vending machine sales). These establishments typically go to the customers' location rather than the customer coming to them (e.g., door-to-door sales, home parties). Examples of establishments in this industry are home delivery newspaper routes; home delivery of heating oil, liquefied petroleum (LP) gas, and other fuels; locker meat provisioners; frozen food and freezer meal plan providers; coffee-break supplies providers; and bottled water or water softener services.

Appendix B: Detailed Consumer Spending Index

Consumer Spending Index (2017)				
Retail Category	Amherst	15-Min	20-Min	33-Min
Apparel	108	111	110	91
Men's	109	111	111	92
Women's	110	112	111	92
Children's	107	108	107	89
Footwear	107	109	108	90
Watches & Jewelry	111	114	115	94
Apparel Products and Services (1)	103	107	108	89
Computer				
Computers and Hardware for Home Use	118	118	116	94
Portable Memory	119	119	116	93
Computer Software	124	124	120	97
Computer Accessories	112	114	113	94
Entertainment & Recreation	104	107	107	90
Fees and Admissions	104	109	111	93
Membership Fees for Clubs (2)	104	110	111	93
Fees for Participant Sports, excl. Trips	101	108	109	91
Tickets to Theatre/Operas/Concerts	110	114	115	96
Tickets to Movies/Museums/Parks	112	114	114	93
Admission to Sporting Events, excl. Trips	110	114	115	94
Fees for Recreational Lessons	97	104	107	91
Dating Services	131	130	128	101
TV/Video/Audio	107	108	107	91
Cable and Satellite Television Services	104	106	105	90
Televisions	114	115	112	93
Satellite Dishes	101	106	106	85
VCRs, Video Cameras, and DVD Players	117	117	114	92
Miscellaneous Video Equipment	98	103	103	87
Video Cassettes and DVDs	114	114	112	91
Video Game Hardware/Accessories	126	122	117	93
Video Game Software	133	128	121	93
Streaming/Downloaded Video	124	123	119	94
Rental of Video Cassettes and DVDs	116	115	113	91
Installation of Televisions	99	110	110	91
Audio (3)	107	110	110	91
Rental and Repair of TV/Radio/Sound Equipment	130	124	118	96
Pets	97	102	102	86
Toys/Games/Crafts/Hobbies (4)	106	109	108	91

Consumer Spending Index (2017)				
Retail Category	Amherst	15-Min	20-Min	33-Min
Recreational Vehicles and Fees (5)	88	96	97	84
Sports/Recreation/Exercise Equipment (6)	106	110	110	89
Photo Equipment and Supplies (7)	109	112	111	91
Reading (8)	103	107	108	92
Catered Affairs (9)	98	105	107	89
Food	107	109	108	90
Food at Home	105	107	106	90
Bakery and Cereal Products	105	107	106	91
Meats, Poultry, Fish, and Eggs	104	106	105	90
Dairy Products	104	106	106	90
Fruits and Vegetables	105	107	107	91
Snacks and Other Food at Home (10)	106	108	107	90
Food Away from Home	110	111	110	91
Alcoholic Beverages	111	114	114	93
Financial				
Value of Stocks/Bonds/Mutual Funds	98	106	107	91
Value of Retirement Plans	92	101	103	90
Value of Other Financial Assets	97	103	102	85
Vehicle Loan Amount excluding Interest	104	106	103	85
Value of Credit Card Debt	99	104	106	92
Health				
Nonprescription Drugs	100	103	103	88
Prescription Drugs	94	99	99	87
Eyeglasses and Contact Lenses	100	104	104	90
Home				
Mortgage Payment and Basics (11)	88	97	100	88
Maintenance and Remodeling Services	89	98	100	88
Maintenance and Remodeling Materials (12)	82	90	93	83
Utilities, Fuel, and Public Services	102	105	104	90
Household Furnishings and Equipment				
Household Textiles (13)	109	112	111	92
Furniture	111	113	111	91
Rugs	104	109	111	96
Major Appliances (14)	95	100	100	85
Housewares (15)	103	107	106	89
Small Appliances	110	112	111	94
Luggage	108	112	113	93
Telephones and Accessories	110	112	111	90
Household Operations				

Consumer Spending Index (2017)				
Retail Category	Amherst	15-Min	20-Min	33-Min
Child Care	101	105	107	91
Lawn and Garden (16)	90	97	99	85
Moving/Storage/Freight Express	121	121	119	96
Housekeeping Supplies (17)	101	104	104	89
Insurance				
Owners and Renters Insurance	88	95	97	86
Vehicle Insurance	105	107	106	90
Life/Other Insurance	92	99	101	89
Health Insurance	96	101	102	89
Personal Care Products (18)	106	109	108	91
School Books and Supplies (19)	122	120	116	92
Smoking Products	109	107	104	88
Transportation				
Payments on Vehicles excluding Leases	102	105	103	86
Gasoline and Motor Oil	105	107	105	88
Vehicle Maintenance and Repairs	104	107	106	90
Travel				
Airline Fares	106	111	112	94
Lodging on Trips	99	105	107	90
Auto/Truck Rental on Trips	103	109	109	89
Food and Drink on Trips	101	107	108	91

Source: ESRI

(1) Apparel Products and Services includes material for making clothes, sewing patterns and notions, shoe repair and other shoe services, apparel laundry and dry cleaning, alteration, repair and tailoring of apparel, clothing rental and storage, and watch and jewelry repair.

(2) Membership Fees for Clubs includes membership fees for social, recreational, and civic clubs.

(3) Audio includes satellite radio service, sound components and systems, digital audio players, records, CDs, audio tapes, streaming/downloaded audio, tape recorders, radios, musical instruments and accessories, and rental and repair of musical instruments.

(4) Toys and Games includes toys, games, arts and crafts, tricycles, playground equipment, arcade games, and online entertainment and games.

(5) Recreational Vehicles & Fees includes docking and landing fees for boats and planes, purchase and rental of RVs or boats, and camp fees.

(6) Sports/Recreation/Exercise Equipment includes exercise equipment and gear, game tables, bicycles, camping equipment, hunting and fishing equipment, winter sports equipment, water sports equipment, other sports equipment, and rental/repair of sports/recreation/exercise equipment.

(7) Photo Equipment and Supplies includes film, film processing, photographic equipment, rental and repair of photo equipment, and photographer fees.

(8) Reading includes digital book readers, books, magazine and newspaper subscriptions, and single copies of magazines and newspapers.

(9) Catered Affairs includes expenses associated with live entertainment and rental of party supplies.

(10) Snacks and Other Food at Home includes candy, chewing gum, sugar, artificial sweeteners, jam, jelly, preserves, margarine, fat, oil, salad dressing, nondairy cream and milk, peanut butter, frozen prepared food, potato chips, nuts, salt, spices, seasonings, olives, pickles, relishes, sauces, gravy, other condiments, soup, prepared salad, prepared dessert, baby food, miscellaneous prepared food, and nonalcoholic beverages.

(11) Mortgage Payment and Basics includes mortgage interest, mortgage principal, property taxes, homeowners insurance, and ground rent.

(12) Maintenance and Remodeling Materials includes supplies/tools/equipment for painting and wallpapering, plumbing supplies and equipment, electrical/heating/AC supplies, materials for hard surface flooring, materials for roofing/gutters, materials for plaster/panel/siding, materials for patio/fence/brick work, landscaping materials, and insulation materials for owned homes.

(13) Household Textiles includes bathroom linens, bedroom linens, kitchen linens, dining room linens, other linens, curtains, draperies, slipcovers, decorative pillows, and materials for slipcovers and curtains.

(14) Major Appliances includes dishwashers, disposals, refrigerators, freezers, washers, dryers, stoves, ovens, microwaves, window air conditioners, electric floor cleaning equipment, sewing machines, and miscellaneous appliances.

(15) Housewares includes plastic dinnerware, china, flatware, glassware, serving pieces, nonelectric cookware, and tableware.

(16) Lawn and Garden includes lawn and garden supplies, equipment and care service, indoor plants, fresh flowers, and repair/rental of lawn and garden equipment.

(17) Housekeeping Supplies includes soaps and laundry detergents, cleaning products, toilet tissue, paper towels, napkins, paper/plastic/foil products, stationery, giftwrap supplies, postage, and delivery services.

(18) Personal Care Products includes hair care products, nonelectric articles for hair, wigs, hairpieces, oral hygiene products, shaving needs, perfume, cosmetics, skincare, bath products, nail products, deodorant, feminine hygiene products, adult diapers, and personal care appliances.

(19) School Books and Supplies includes school books and supplies for College, Elementary school, High school, Vocational/Technical School, Preschool/Other Schools, and Other School Supplies.

Appendix C: Additional ESRI Tapestry Segment Profiles

Segment 8B¹³

Description: Segment 8B's denizens live in lower-density neighborhoods of urban areas throughout the country. Young and mobile, they are more likely to rent. Well educated and well employed, half have a college degree and a professional occupation. Incomes close to the US median come primarily from wages and self-employment. This group is highly connected, using the Internet for entertainment and making environmentally friendly purchases. Long hours on the Internet are balanced with time at the gym. Many embrace the "foodie" culture and enjoy cooking adventurous meals using local and organic foods. Music and art are major sources of enjoyment. They travel frequently, both personally and for business.

Socioeconomic Traits:

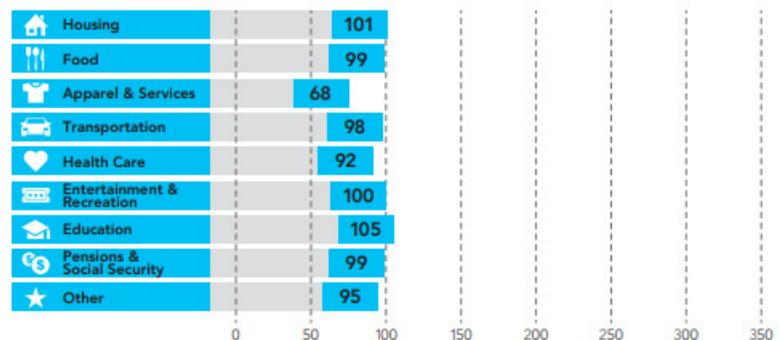
- Well educated, these consumers research products carefully before making purchases.
- They buy natural, green, and environmentally friendly products.
- Very conscious of nutrition, they regularly buy and eat organic foods.
- Cell phones and text messaging are a huge part of everyday life.
- They place importance on learning new things to keep life fresh and variable.
- They are interested in the fine arts and especially enjoy listening to music.

Market Profile:

- Liberal segment that contributes to NPR and PBS.
- Shop at Trader Joe's and Whole Foods.
- Budget time—utilize home cleaning services so there's time for yoga.
- Use the web for professional networking, blogging, and online dating.
- Read magazines and books on a tablet, sometimes while exercising at home.
- Go to art galleries and make art at home.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



¹³ ESRI Tapestry Segmentation

Segment 3C¹⁴

Description: Armed with the motto “you’re only young once,” Segment 3C households live life to its full potential. These educated young singles aren’t ready to settle down; they do not own homes or vehicles and choose to spend their disposable income on upscale city living and entertainment. Dressed head to toe in the most current fashions, their weeknights and weekends are filled discovering local art and culture, dining out, or exploring new hobbies. Their vacations are often spontaneous, packed with new experiences and chronicled on their Facebook pages.

Socioeconomic Traits:

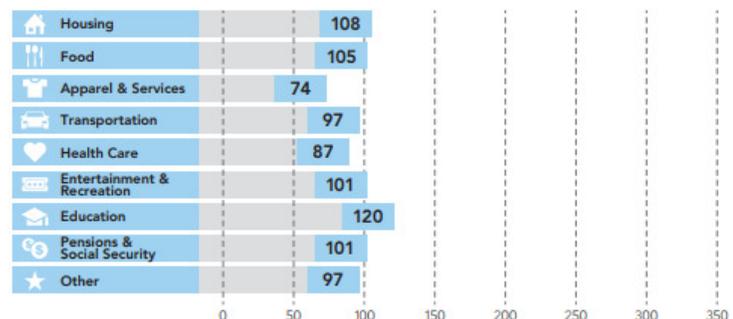
- These households are young and well educated; almost half have a bachelor’s degree or more.
- Well paid, with little financial responsibility, these consumers are spenders rather than savers. They seek financial advice and are already building their stock portfolios.
- Image is important to these consumers. They use the Internet to keep up with the latest styles and trends and shop around for good deals.
- Households travel often, exploring new destinations and experiences.
- Socially and environmentally conscious, they are willing to pay more for products that support their causes.
- Up-to-date on technology, they explore and exploit all the features of their smartphones.
- They are attentive to good health and nutrition

Market Profile:

- Not only do Segment 3C households spend freely on fashionable and branded clothing, they also own the latest in cell phones and tablets.
- Particularly for households that often work at home, wireless Internet access is a must. Many are fans of Mac computers.
- To keep up with their busy social calendar, they are always connected. Texting is their preferred form of communication, but they also dedicate time to social media, recounting their experiences via Facebook and Twitter.
- Segment 3C households seek out new adventures—explore local arts and culture, take on new hobbies such as drawing or painting; often make last-minute travel plans.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market’s household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



¹⁴ ESRI Tapestry Segmentation

- These avid readers embrace e-books and e-newspapers but do prefer hard-copy versions of women's fashion and epicurean magazines.
- Segment 3C households jog, run, or walk for exercise and occasionally attend a yoga class.
- These consumers shop at Whole Foods or Trader Joe's and buy organic when they can; however, their cart is more often filled with prepared or ready-to-heat meals.
- To suit their urban lifestyle (and parking options), the cars they own are subcompact.

Segment 5C¹⁵

Description: These practical suburbanites have achieved the dream of home ownership. They have purchased homes that are within their means. Their homes are older, and town homes and duplexes are not uncommon. Many of these families are two-income married couples approaching retirement age; they are comfortable in their jobs and their homes, budget wisely, but do not plan on retiring anytime soon or moving. Neighborhoods are well established, as are the amenities and programs that supported their now independent children through school and college. The appeal of these kid-friendly neighborhoods is now attracting a new generation of young couples.

Socioeconomic Traits:

- More than half of the population is college educated.
- Older households draw Social Security and retirement income.
- The work force is diverse: professionals in health care, retail trade, and education, or skilled workers in manufacturing and construction.
- This is a financially shrewd market; consumers are careful to research their big-ticket purchases.
- When planning trips, they search for discounted airline fares and hotels and choose to vacation within the US.
- These practical households tend to use their cell phones for calls and texting only

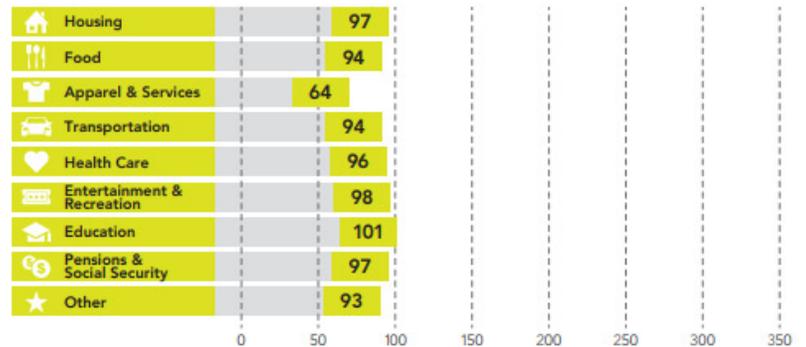
¹⁵ http://downloads.esri.com/esri_content_doc/dbl/us/tapestry/segment18.pdf

Market Profile:

- Cost and practicality come first when purchasing a vehicle; households are more likely to buy domestic SUVs or trucks over compact or subcompact vehicles.
- Budget-conscious consumers stock up on staples at warehouse clubs.
- Pass time at home watching documentaries on Animal Planet, Discovery, or History channels. For an outing, they choose to dine out at family-style restaurants and attend movies. Between trips to the casinos, they gamble on lottery tickets and practice their blackjack and poker skills online.
- Convenience is important in the kitchen; they regularly use frozen or packaged main course meals. Ground coffee is preferred over coffee beans.
- Households here take advantage of local parks and recreational activities. Their exercise routine is a balance of home-based exercise; a session at their local community gym; or a quick jog, swim, or run.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



Segment 8E

Description: Segment 8E blends household types, with more young families with children or single households than average. This group is also more diverse than the US. Half of householders are renters, and many of the homes are older town homes or duplexes. Friends and family are central to households and help to influence household buying decisions. Households enjoy their automobiles and like cars that are fun to drive. Income and net worth are well below the US average, and many families have taken out loans to make ends meet.

Socioeconomic Traits:

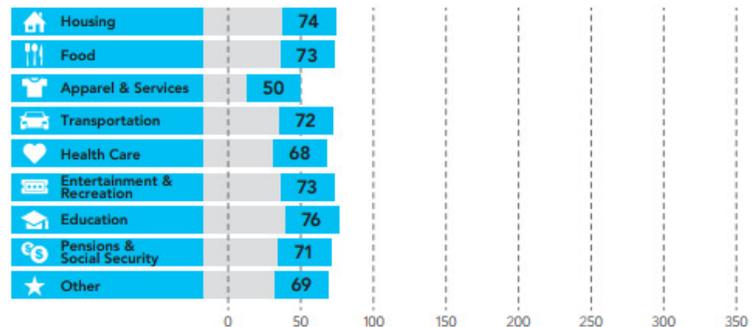
- Composed of a blue-collar work force with a strong labor force participation rate, but unemployment is high at 11%.
- Price is more important than brand names or style to these consumers.
- With limited incomes, these are not adventurous shoppers.
- They would rather cook a meal at home than dine out.
- They seek adventure and strive to have fun.

Market Profile:

- Go online for gaming, online dating, and chat rooms.
- Use their cell phones to redeem mobile coupons and listen to hip hop and R&B music.
- Drink energy and sports drinks.
- Participate in leisure activities including sports, indoor water parks, bingo, and video games.
- Watch Comedy Central, Nickelodeon, and PBS Kids Sprout.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.

**Segment 5A**

Description: Households in this large, growing segment are older, with more than half of all householders aged 55 or older; many still live in the suburbs where they grew up. Most are professionals working in government, health care, or manufacturing. These Baby Boomers are earning a comfortable living and benefitting from years of prudent investing and saving. Their net worth is well above average (Index 363). Many are enjoying the transition from child rearing to retirement. They value their health and financial well-being.

Socioeconomic Traits:

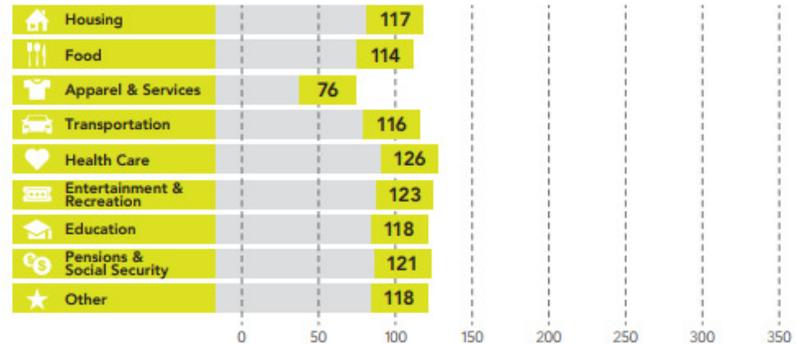
- Education: 34% college graduates; nearly 66% with some college education.
- Low unemployment at 7%; average labor force participation at 61%.
- Most households' income from wages or salaries, but a third also draw income from investments (Index 154) and retirement (Index 166).
- Segment 5A households physically and financially active.
- Prefer eating at home instead of dining out.
- Home maintenance a priority among these homeowners.

Market Profile:

- Households enjoy listening to sports radio or watching sports on television.
- Physically active, they play golf, ski, ride bicycles, and work out regularly.
- Spending a lot of time online isn't a priority, so most own older home computers.
- Financial portfolio includes stocks, certificates of deposit, mutual funds, and real estate

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



Segment 13D

Description: These young families, many of whom are recent immigrants, focus their life and work around their children. Households are not highly educated, but many have overcome the language barrier and earned a high school diploma. They work overtime in service, in skilled and unskilled occupations, and spend what little they can save on their children. Multigenerational families and close ties to their culture support many families living in poverty; income is often supplemented with public assistance and Social Security. Households spend more than one-third of their income on rent, though they can only afford to live in older row houses or multiunit buildings. They budget wisely not only to make ends meet but also to save for a trip back home.

Socioeconomic Traits:

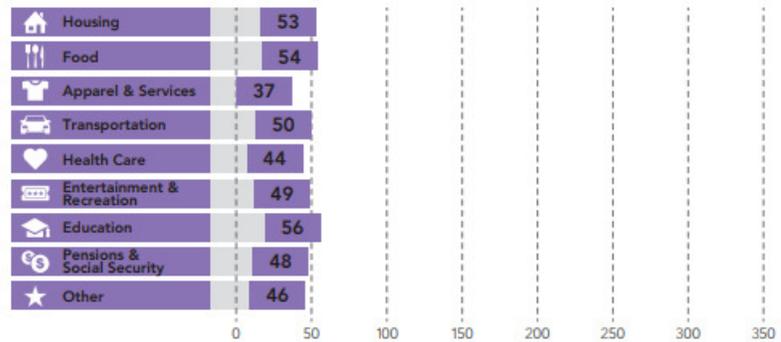
- One in four is foreign-born, supporting a large family on little income. Segment 13D households live on the edge of poverty but are an ambitious community. They will take on overtime work when they can.
- Unemployment is high for these recent immigrants.
- One in three has overcome the language barrier and earned a high school diploma.
- Price-conscious consumers, they budget for fashion, not branding. However, parents are happy to spoil their brand savvy children.
- These households maintain close ties to their culture; they save money to visit family but seek out discount fares over convenience.

Market Profile:

- Young families are the focus; Segment 13D households must budget for baby food and disposable diapers. Baby and parenthood magazines are their chosen reading material.
- These young, newly established households own cell phones, not landlines.
- Almost half of the households can access the Internet via home PC; Spanish-language web sites and chat rooms are popular.
- More than half of the households subscribe to a cable service; Spanish TV networks, BET, and children's shows are popular.
- When their budget permits, they wire money back home. Less than half of consumers own a credit card and only a quarter have opened a savings account.

AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



Appendix D: ESRI Tapestry Segmentation Names

Alphanumeric Segment Code Key

14B: College Towns

1E: Exurbanites

5B: In Style

11B: Young and Restless

2A: Urban Chic

8B: Emerald City

3C: Trend Setters

5C: Parks and Rec

8E: Front Porches

5A: Comfortable Empty Nesters

13D: Fresh Ambitions