

2018 Retail Trade Analysis Report



Wadena County, Minnesota

University of Minnesota Extension's Center for Community Vitality

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Wadena County Retail Trade Overview

Total Taxable and Gross Retail Sales

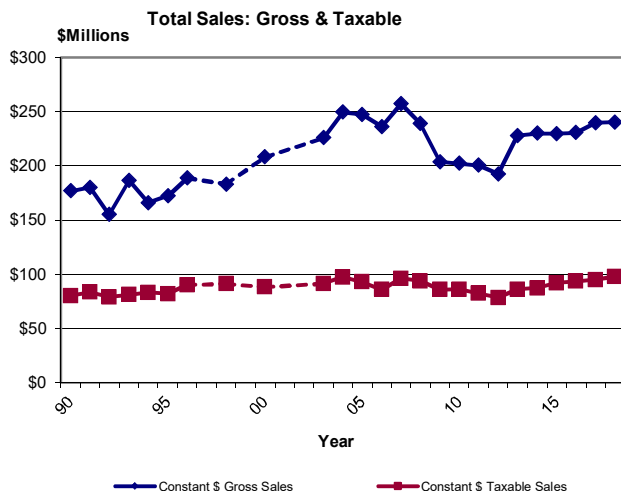
The table below presents gross and taxable retail and services sales for Wadena from 2003 through 2018. Taxable sales in Wadena declined 9.7 percent from 2011 to 2018, while the number of firms rose 2.4 percent. Statewide, taxable sales increased 9.4 percent over the same time period and the number of firms fell 3.4 percent. The per capita sales and pull factor data in this table are based on taxable sales, the more verified sales measure.

The table also presents sales data in constant 2018 dollars. These figures have been adjusted for inflation to reflect their value in 2018. For example, in 2008, taxable sales in Wadena totaled \$82.62 million, an amount worth \$93.88 million in 2018 dollars. In constant dollars, gross sales grew 19.9 percent between 2011 and 2018. Constant dollar taxable sales increased 18.8 percent over the same time period.

| Year | Estimated Population | Current Dollars | | Constant 2017 Dollars | | Number of Firms | Per Capita Sales | Pull Factor |
|------------------------|----------------------|---------------------------|----------------------------|---------------------------|----------------------------|-----------------|------------------|-------------|
| | | Gross Sales* (\$millions) | Taxable Sales (\$millions) | Gross Sales* (\$millions) | Taxable Sales (\$millions) | | | |
| 2003 | 13,603 | \$169.22 | \$68.45 | \$225.63 | \$91.27 | 387 | \$5,032 | 0.56 |
| 2004 | 13,603 | \$191.99 | \$75.04 | \$249.34 | \$97.45 | 390 | \$5,516 | 0.60 |
| 2005 | 13,650 | \$197.88 | \$74.29 | \$247.35 | \$92.86 | 387 | \$5,442 | 0.57 |
| 2006 | 13,445 | \$193.57 | \$70.42 | \$236.06 | \$85.88 | 393 | \$5,238 | 0.55 |
| 2007 | 13,382 | \$218.57 | \$81.78 | \$257.14 | \$96.21 | 392 | \$6,111 | 0.63 |
| 2008 | 13,311 | \$210.26 | \$82.62 | \$238.93 | \$93.88 | 394 | \$6,207 | 0.65 |
| 2009 | 13,269 | \$179.09 | \$75.46 | \$203.51 | \$85.75 | 389 | \$5,687 | 0.63 |
| 2010 | 13,833 | \$179.84 | \$76.74 | \$202.07 | \$86.22 | 360 | \$5,548 | 0.61 |
| 2011 | 13,709 | \$186.28 | \$76.57 | \$200.30 | \$82.33 | 331 | \$5,585 | 0.60 |
| 2012 | 13,778 | \$182.89 | \$74.59 | \$192.52 | \$78.51 | 338 | \$5,413 | 0.56 |
| 2013 | 13,821 | \$218.72 | \$82.80 | \$227.83 | \$86.25 | 342 | \$5,991 | 0.70 |
| 2014 | 13,768 | \$222.84 | \$84.58 | \$229.74 | \$87.20 | 331 | \$6,143 | 0.70 |
| 2015 | 13,879 | \$222.52 | \$89.15 | \$229.40 | \$91.91 | 330 | \$6,424 | 0.71 |
| 2016 | 13,799 | \$225.83 | \$91.67 | \$230.44 | \$93.54 | 333 | \$6,644 | 0.73 |
| 2017 | 13,731 | \$239.66 | \$95.06 | \$239.66 | \$95.06 | 337 | \$6,923 | 0.74 |
| 2018 | 13,774 | \$240.11 | \$97.77 | \$240.11 | \$97.77 | 338 | \$7,098 | 0.74 |
| 7 yr Change '11 to '18 | 0.5% | 28.9% | 27.7% | 19.9% | 18.8% | 2.1% | 27.1% | 23.7% |
| 3 yr Change '15 to '18 | -0.8% | 7.9% | 9.7% | 4.7% | 6.4% | 2.4% | 10.5% | 4.2% |

*Gross sales figures are self-reported by firms and not audited by the Dept. of Revenue for accuracy.

Wadena County: Retail/Service Sales in Constant Dollars

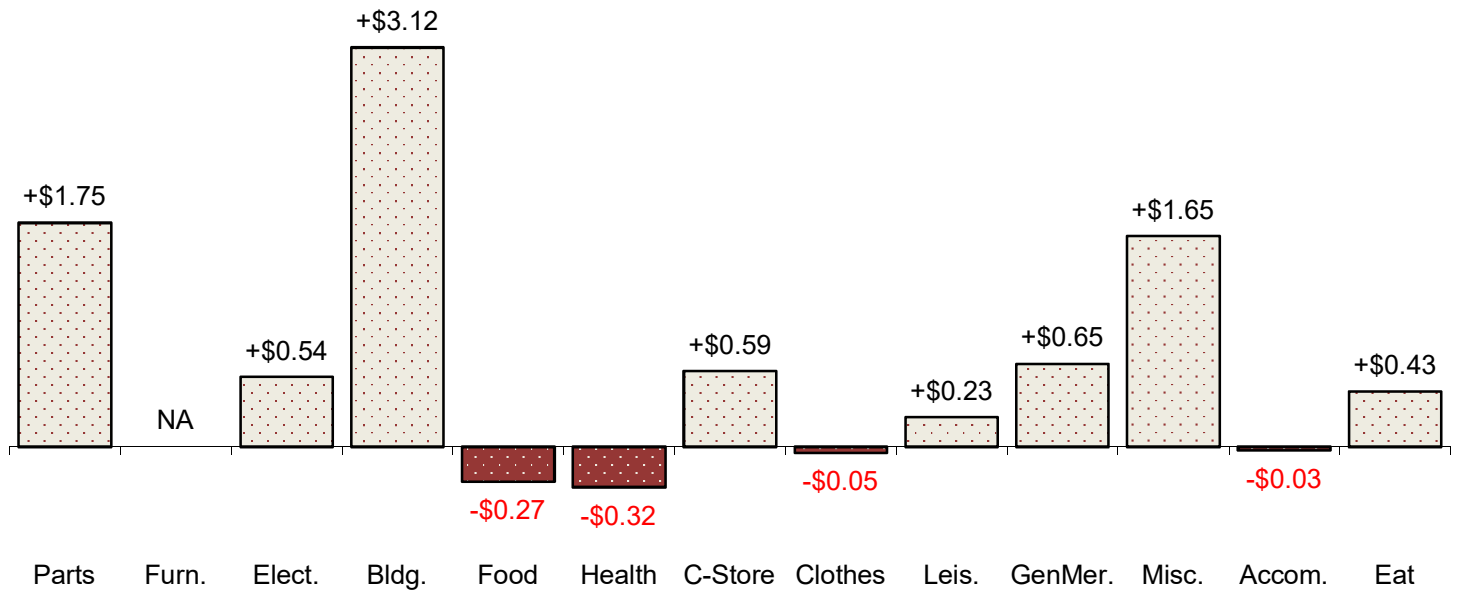


Wadena County Selected Components of Change*, 2015 to 2018

| Category | Taxable Sales 2015 | Taxable Sales 2018 | Dollar Change | Percent Change |
|--|-----------------------|-----------------------|---------------------|-------------------|
| Vehicles & Parts | \$4,843,800 | \$6,592,295 | +\$1,748,495 | +36.10% |
| Furniture | NA | NA | NA | NA |
| Electronics | \$18,213 | \$563,029 | +\$544,816 | +2,991.36% |
| Building Materials | \$17,472,822 | \$20,590,724 | +\$3,117,902 | +17.84% |
| Food, Groceries | \$6,566,927 | \$6,295,013 | -\$271,914 | -4.14% |
| Health, Personal Stores | \$520,730 | \$205,383 | -\$315,347 | -60.56% |
| Gas/Convenience Store | \$4,071,501 | \$4,663,967 | +\$592,466 | +14.55% |
| Clothing | \$204,288 | \$155,153 | -\$49,135 | -24.05% |
| Leisure Goods | \$822,154 | \$1,052,641 | +\$230,487 | +28.03% |
| General Merchandise Stores | \$21,536,386 | \$22,184,771 | +\$648,385 | +3.01% |
| Miscellaneous Retail | \$5,152,192 | \$6,799,352 | +\$1,647,160 | +31.97% |
| Accommodations | \$1,294,019 | \$1,266,002 | -\$28,017 | -2.17% |
| Eating & Drinking Places | \$12,735,478 | \$13,168,268 | +\$432,790 | +3.40% |
| Total Retail and Services Sales | \$89,151,931 | \$97,772,456 | +\$8,620,525 | +9.67% |

* Figures not adjusted for inflation.

Dollar Changes by Category (in Millions) 2015 - 2018

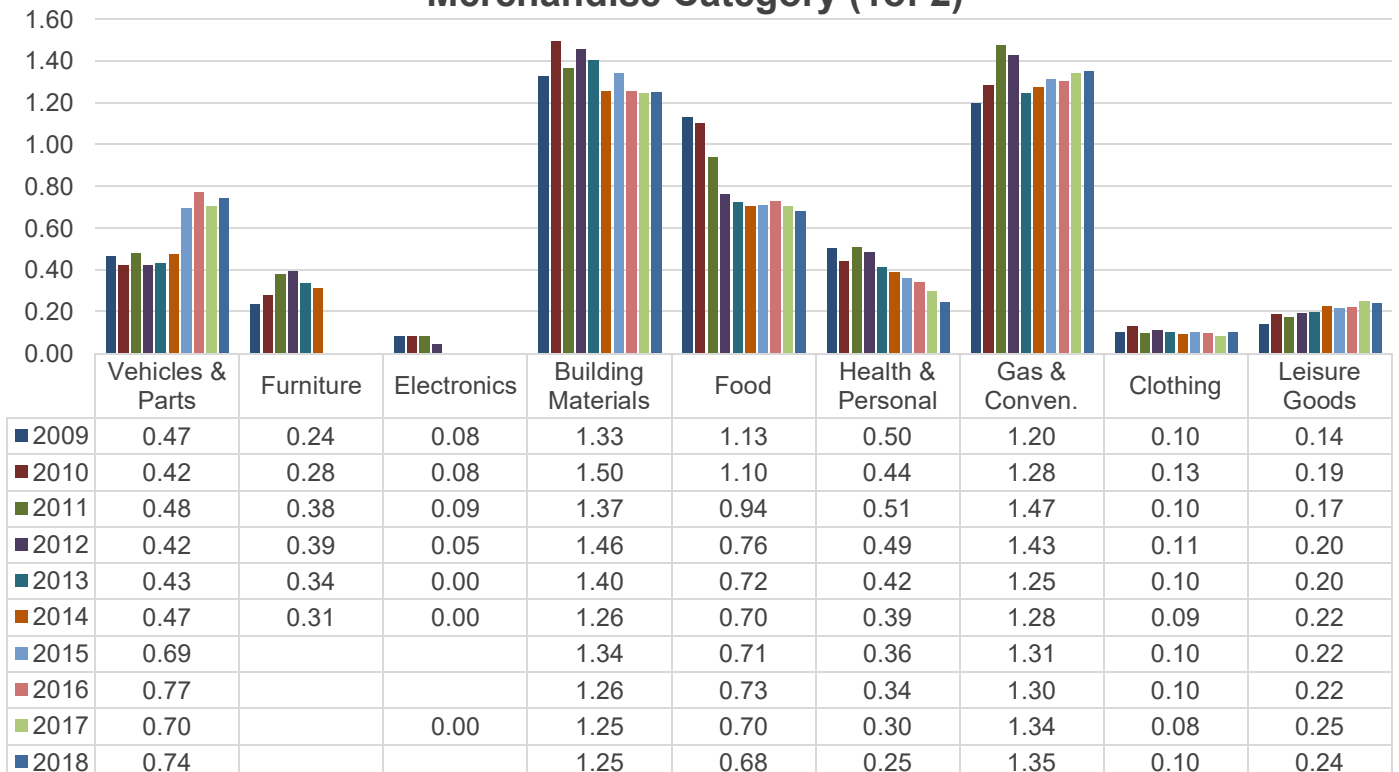


Pull Factors By Merchandise Category

Wadena County

The following tables and charts depict pull factors in Wadena County from 2003 to 2017* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

**Pull Factors by NAICS
Merchandise Category (1 of 2)**



NAICS Category Descriptions

Motor Vehicles & Parts: Establishments that sell new & used autos, boats, motorcycles, golf carts, RV's, campers, snowmobiles, trailers, tires, and parts.

Furniture: Stores that sell furniture, beds, carpeting, window coverings, lamps, china, kitchenware, & woodburning stoves.

Electronics: Establishments primarily engaged in retailing household-type appliances, sewing machines, cameras, computers, and other electronic goods.

Building Materials: Establishments that sell lumber, hardware, paint, wallpaper, tile, hardwood floors, roofing, fencing, ceiling fans, lawn equipment, and garden centers.

Food: Grocery stores, deli's, bakery, & butcher shops that sell food to be prepared at home. Liquor stores.

Health & Personal: Pharmacies, food supplements, vision supplies, cosmetics, & hearing aid stores.

Gas and Convenience Store: Retailers that sell fuel along with convenience store items.

Clothing: New clothing and accessories, jewelry, shoes, bridal shops, clock shops, and luggage stores.

Leisure Goods: Sporting goods, books, music, hobby stores, fabric shops, and toy stores.

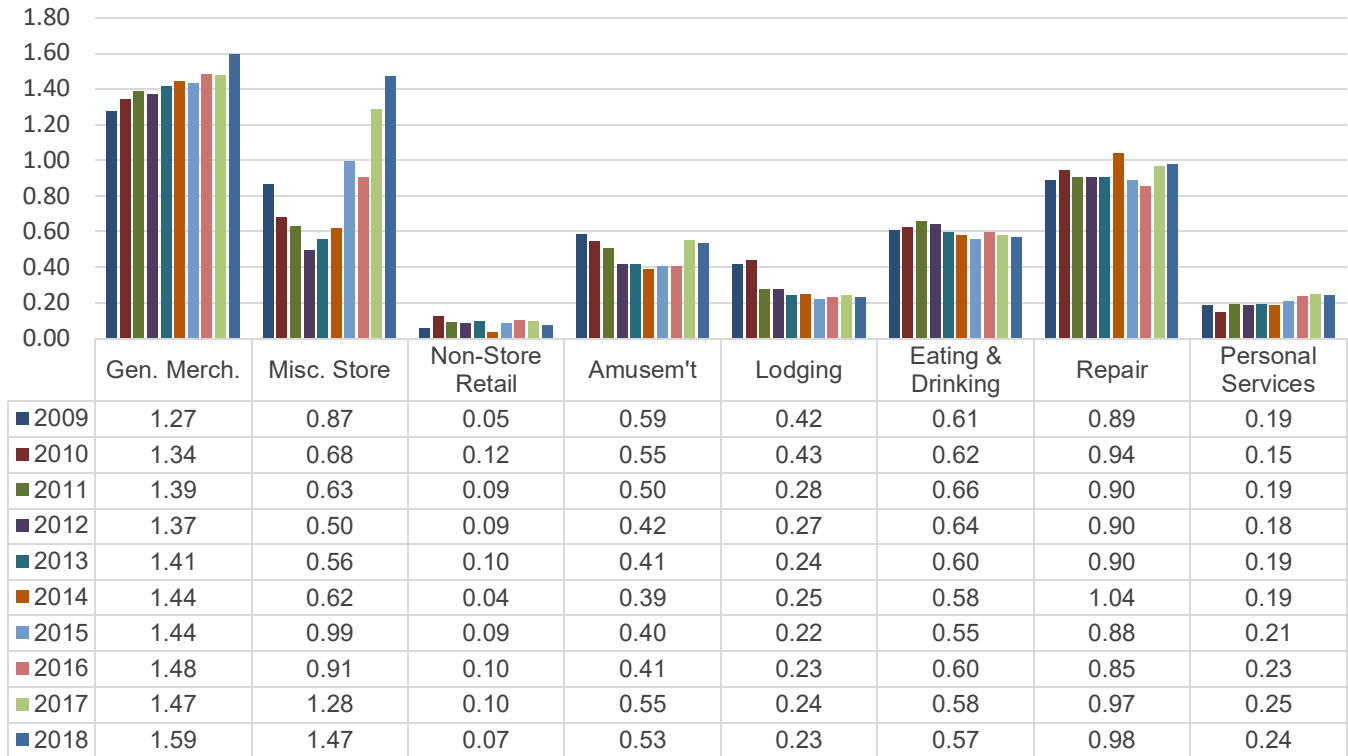
*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Recent Trends By Merchandise Category

Wadena County

The following tables and charts depict pull factors in Wadena County from 2009 to 2018* by merchandise category. Pull factors are a measure of trade area size that provide a useful measure of changes over time because they account for changes in population and state-wide industry trends.

Pull Factor by NAICS
Merchandise Category (2 of 2)



NAICS Category Descriptions

General Merchandise: Establishments that sell a mixed line of goods. Examples are department stores, supercenters, and dollar stores.

Miscellaneous Store Retailers: Stores not covered in other categories such as florists, office supplies, pets, antiques, tobacco, art, used merchandise, and trophies.

Non-Store Retail: Retailers that do not use stores. This includes mail order, internet selling, bazaars, vending machines, fuel oil dealers, firewood dealers, door-to-door sales, and produce stands.

Amusement: Establishments such as golf courses, bowling lanes, marinas, amusement parks, water parks, shooting ranges, pool halls, horseback riding, ballrooms, health club facilities, ski hills, and casinos.

Lodging: Seasonal resorts, hotels, boarding houses, bed & breakfast, campgrounds, and RV parks.

Eating & Drinking: Restaurants, donut shops, coffee house, cafeteria, caterers, taverns, and nightclubs,

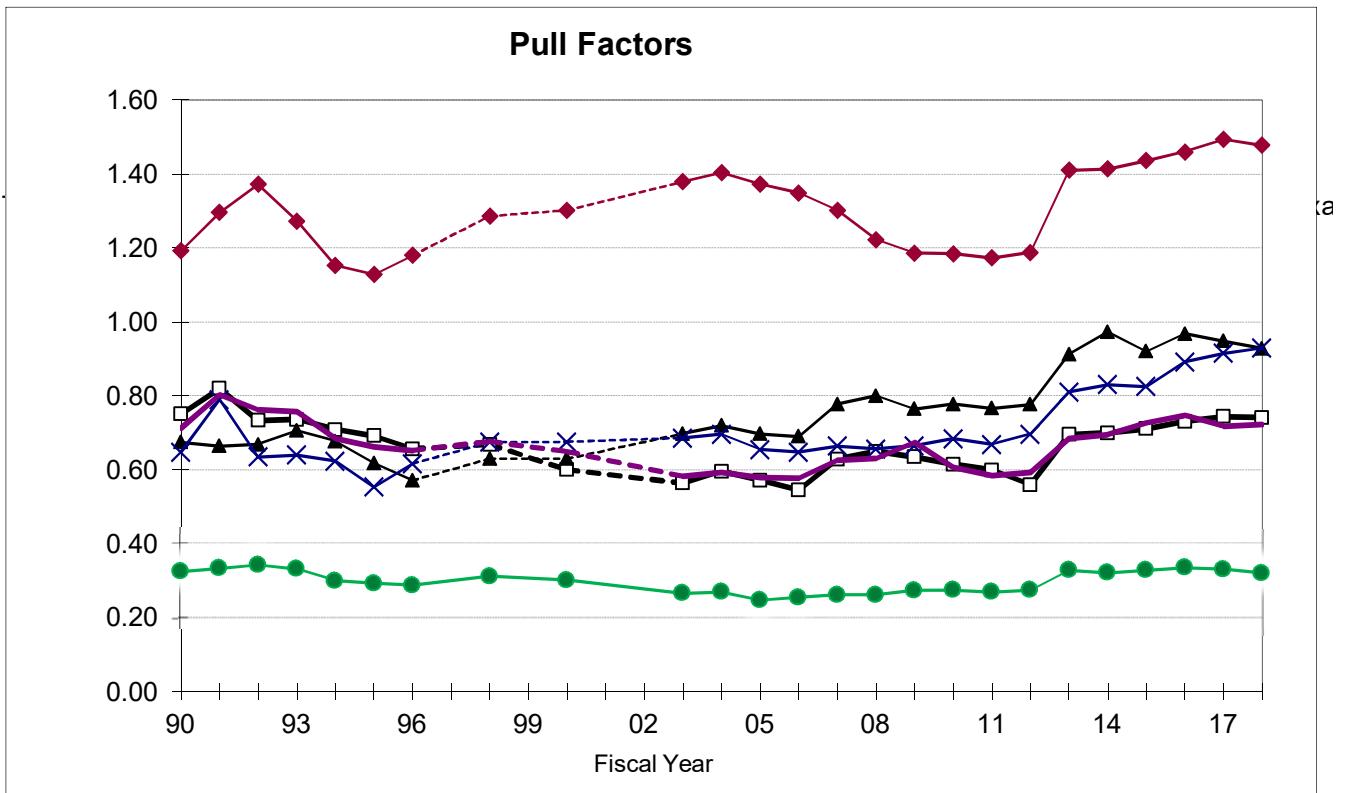
Repair: Businesses that return equipment to working order. Examples: cars, lawnmowers, small engines, knives, shoes, computers, furniture, and appliances.

Personal Services: Barbers, beauty salons, tanning facilities, funeral homes, laundromats, dry cleaners, pet groomers, and kennels

*Caution should be used when comparing pull factors before 2003 to those in later years due to the switch from SIC to NAICS.

Comparison with Neighboring Counties

Wadena County



- Wadena County
- × Cass County
- Hubbard County
- ▲ Becker County
- ◆ Crow Wing County
- Todd County

Comparison with Neighboring Counties, 2018

| Town | Population | Gross Sales (\$millions) | Taxable Sales (\$millions) | Number of Firms | Per Capita Taxable Sales | Pull Factor (Taxable Sales) |
|------------------|------------|--------------------------|----------------------------|-----------------|--------------------------|-----------------------------|
| Wadena County | 13,774 | \$240.11 | \$97.77 | 338 | \$7,098 | 0.74 |
| Becker County | 34,420 | \$694.18 | \$305.81 | 798 | \$8,885 | 0.93 |
| Cass County | 29,470 | \$543.21 | \$262.30 | 933 | \$8,900 | 0.93 |
| Crow Wing County | 64,975 | \$2,225.62 | \$919.36 | 2,001 | \$14,149 | 1.48 |
| Hubbard County | 21,350 | \$374.71 | \$147.73 | 583 | \$6,920 | 0.72 |
| Todd County | 24,587 | \$206.88 | \$75.53 | 475 | \$3,072 | 0.32 |

Trade Area Analysis of Retail Sales

Wadena County

The following tables provide information on retail sales by merchandise category. "Potential sales" is a standard to which actual performance is compared. In calculating potential sales, population and income characteristics are taken into account. Potential sales can be used as a guideline or "par value" in analyzing retail strength.

Deviations from these norms can be analyzed to first judge whether they should be considered relevant. If the differences appear to be significant (whether in dollar amounts or relatively with percentages), additional consideration is merited. Categories with undesirable performance may be further examined for potential corrective action. It is also important to determine whether or not the situation is relatively uncontrollable due to external or extenuating circumstances. In cases of favorable differences from expectations, the positive aspects should be identified and built upon.

Trade Area Analysis by Merchandise Category, 2018

| Merchandise Group | Potential Sales (\$millions) | Actual Sales (\$millions) | Variance Between Actual & Potential | | Trade Area Pop. Gain or Loss | Number of Firms | Percent of Total Sales |
|--|---------------------------------|------------------------------|-------------------------------------|----------------------|------------------------------------|--------------------|------------------------------|
| | | | In Dollars (millions) | As % of Potential | | | |
| Vehicles & Parts | \$5.27 | \$6.59 | +\$1.32 | +25.0% | 3,437 | 16 | 6.7% |
| Furniture Stores | \$2.61 | NA | NA | NA | NA | NA | NA |
| Electronics | \$3.06 | \$0.56 | -\$2.50 | -81.6% | -11,206 | 4 | 0.6% |
| Building Materials | \$10.05 | \$20.59 | +\$10.54 | +104.9% | 14,408 | 14 | 21.1% |
| Food, Groceries | \$6.98 | \$6.30 | -\$0.69 | -9.9% | -1,355 | 14 | 6.4% |
| Health, Personal Stores | \$1.20 | \$0.21 | -\$1.00 | -82.9% | -11,385 | 6 | 0.2% |
| Gas/Convenience Store | \$2.35 | \$4.66 | +\$2.31 | +98.5% | 13,526 | 10 | 4.8% |
| Clothing | \$1.45 | \$0.16 | -\$1.29 | -89.3% | -12,260 | 9 | 0.2% |
| Leisure Goods | \$1.87 | \$1.05 | -\$0.82 | -43.8% | -6,020 | 9 | 1.1% |
| General Merchandise Stores | \$9.97 | \$22.18 | +\$12.21 | +122.4% | 16,809 | 9 | 22.7% |
| Miscellaneous Retail | \$2.68 | \$6.80 | +\$4.12 | +154.0% | 21,152 | 36 | 7.0% |
| Amusement & Recreation | \$3.06 | \$1.63 | -\$1.43 | -46.6% | -6,403 | 8 | 1.7% |
| Accommodations | \$4.11 | \$1.27 | -\$2.84 | -69.2% | -9,499 | 7 | 1.3% |
| Eating & Drinking Places | \$16.33 | \$13.17 | -\$3.16 | -19.3% | -2,657 | 30 | 13.5% |
| Repair, Maintenance | \$2.55 | \$2.66 | +\$0.11 | +4.5% | 618 | 32 | 2.7% |
| Personal Services, Laundry | \$1.59 | \$0.45 | -\$1.14 | -71.8% | -9,858 | 28 | 0.5% |
| Total Taxable Retail & Service* | \$91.44 | \$97.77 | +\$6.33 | +6.9% | 950 | 338 | 100.0% |

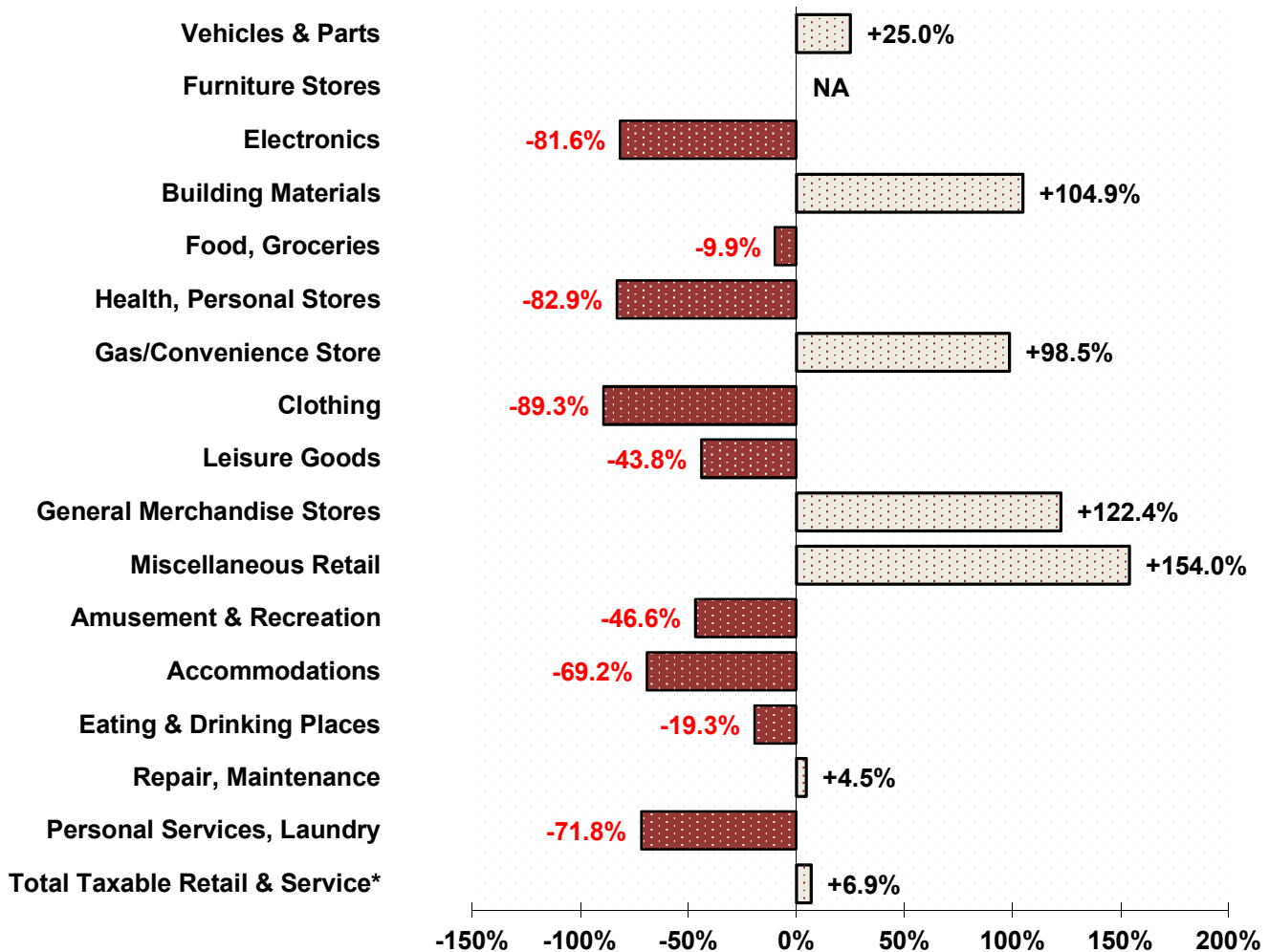
*All retail and service categories are included in Total Sales, including some categories not shown. Therefore, the merchandise groups shown here generally will not sum to Total Sales.

Wadena County Retail Trade Performance in Percentages

The chart below depicts the percentage amount Wadena County's actual sales were above or below potential sales in 2018 by merchandise group. Of the 15 merchandise categories with reported data, sales in 6 of the categories were above what would be expected based on the county's population and income characteristics as well as statewide spending patterns. The strongest merchandise group by this standard is the Miscellaneous Retail category, which has a 154 percent surplus. Overall, Wadena County had a retail sales surplus of 6.9 percent.

It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers and transportation patterns, as well as the individual retailer's management and marketing, can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.

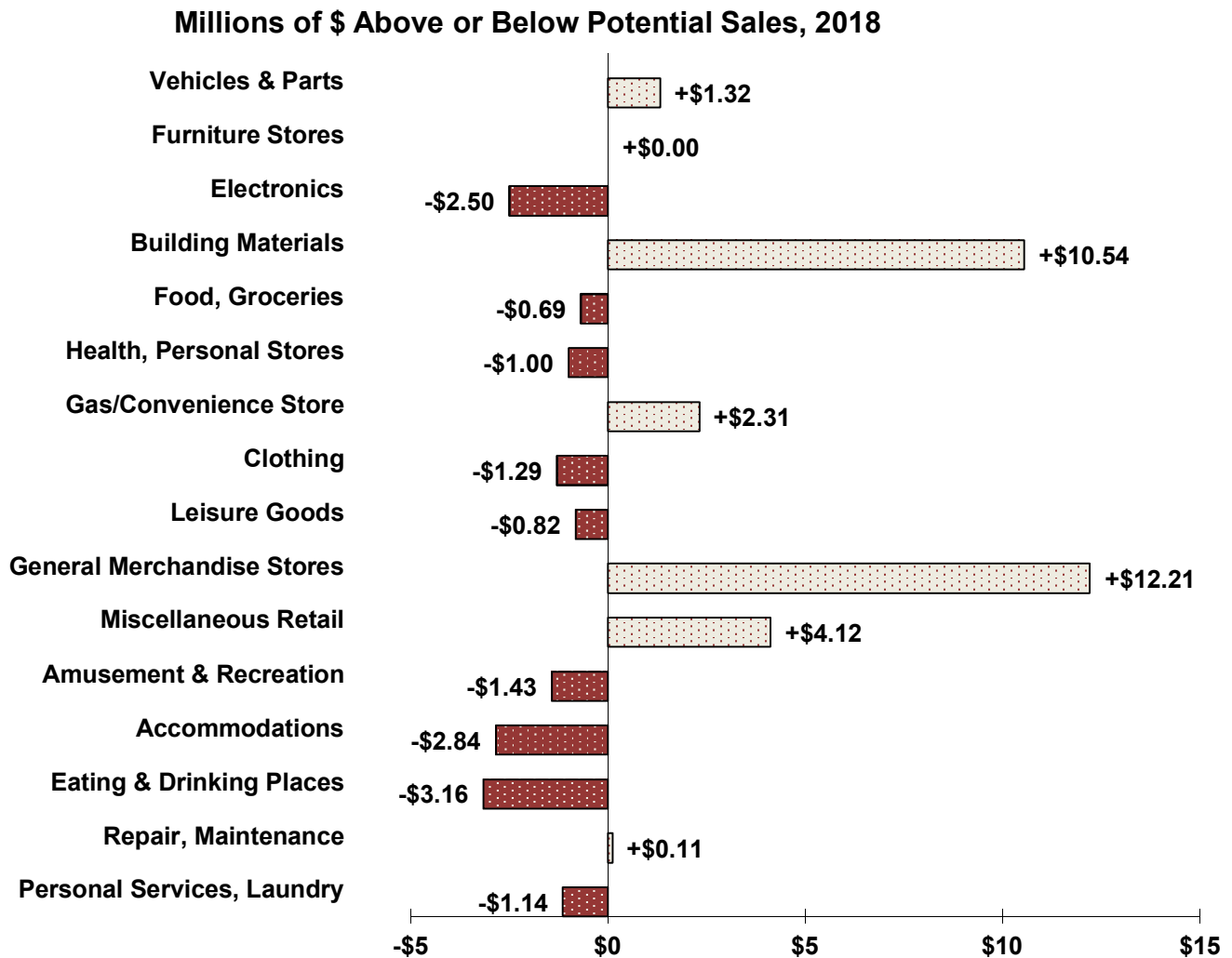
Percentage Above or Below Potential Sales, 2018



Wadena County Retail Trade Performance in Dollars

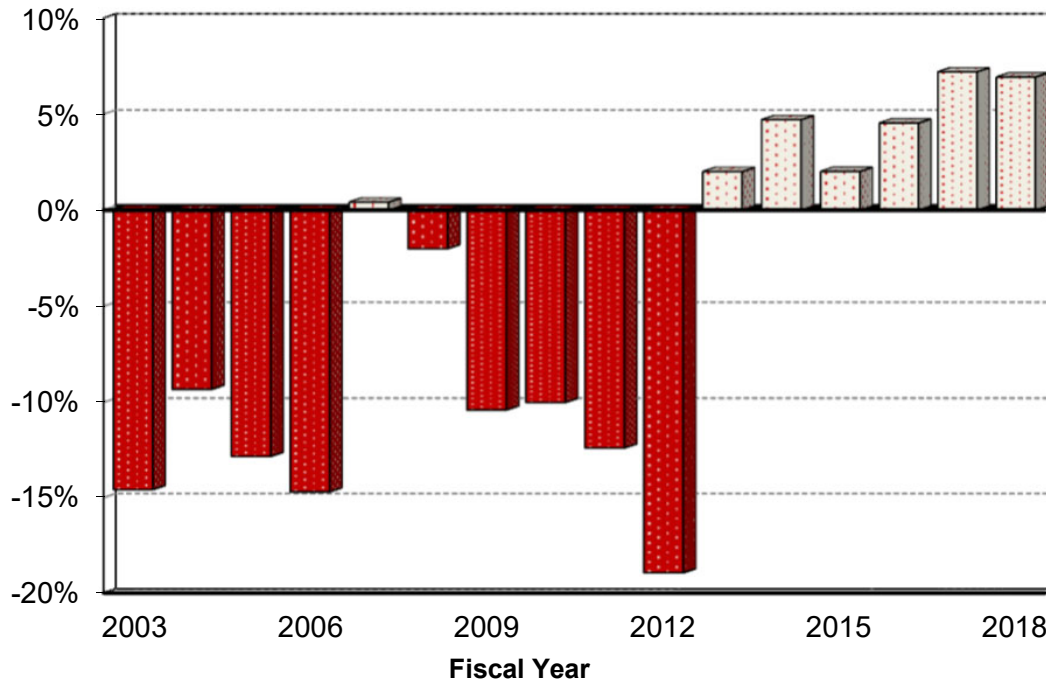
The chart below depicts the dollar amount Wadena County's actual sales were above or below potential sales in 2018 by merchandise group. Of the 15 merchandise categories with reported data, sales in 6 of the categories were above the calculated potential. The strongest merchandise group by this standard is the General Merchandise Stores category, which has a \$12.2 million surplus. Overall, Wadena County had a retail sales surplus of \$6.3 million in 2018.

It is important to note that variations in a county's relative retail performance may occur for a variety of reasons, some of which are beyond the control of local policy. Proximity to larger population centers, management, marketing, and transportation patterns are just a few factors that can cause the retail sales of a particular county to deviate substantially from potential sales. It is important that decision-makers consider these influences when constructing policies, plans, or projects.



Wadena County Retail Trade Surplus or Leakage

County Surplus or Leakage as a Percent of Potential



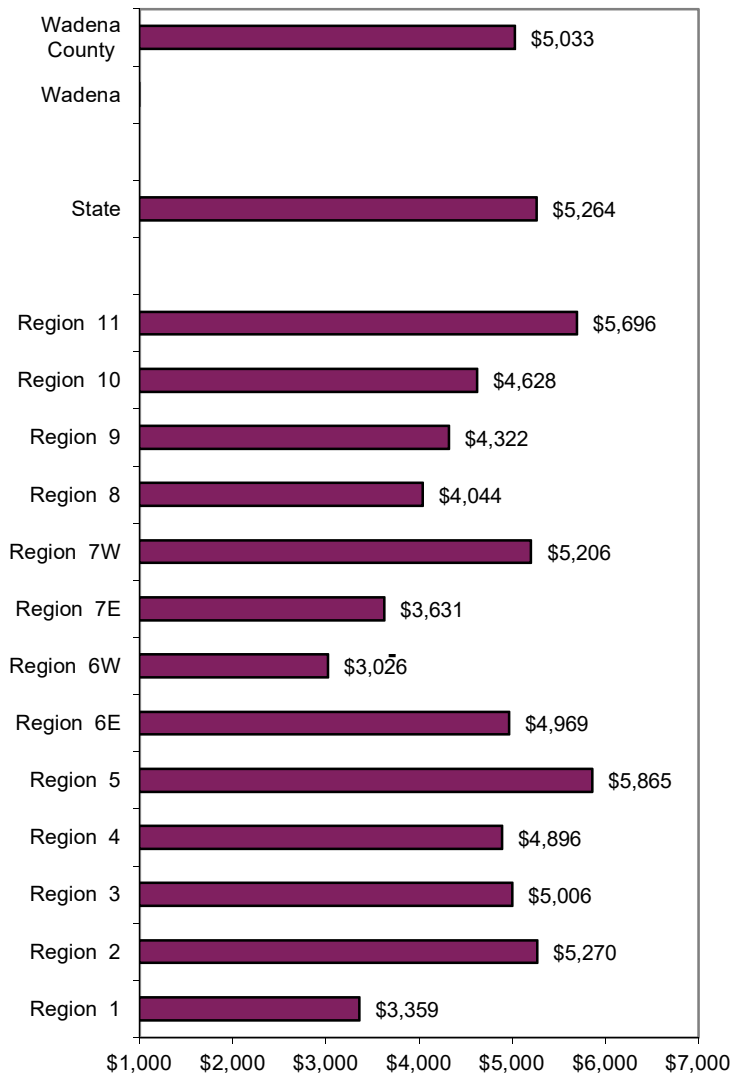
| Fiscal Year | Population Estimate | Index of Income | Potential Sales (in millions) | Actual Sales (in millions) | Surplus or Leakage (in millions) | Surplus or Leakage as % of Potential | Trade Area Population Gain or Loss |
|-------------|---------------------|-----------------|-------------------------------|----------------------------|----------------------------------|--------------------------------------|------------------------------------|
| 2003 | 13,603 | 0.66 | \$80.1 | \$68.4 | -\$11.7 | -14.6% | -1,984 |
| 2004 | 13,603 | 0.66 | \$82.8 | \$75.0 | -\$7.7 | -9.3% | -1,268 |
| 2005 | 13,650 | 0.66 | \$85.2 | \$74.3 | -\$10.9 | -12.8% | -1,753 |
| 2006 | 13,445 | 0.64 | \$82.6 | \$70.4 | -\$12.1 | -14.7% | -1,976 |
| 2007 | 13,382 | 0.63 | \$81.4 | \$81.8 | \$0.3 | +0.4% | +55 |
| 2008 | 13,311 | 0.66 | \$84.3 | \$82.6 | -\$1.7 | -2.0% | -267 |
| 2009 | 13,269 | 0.71 | \$84.2 | \$75.5 | -\$8.8 | -10.4% | -1,380 |
| 2010 | 13,833 | 0.68 | \$85.3 | \$76.7 | -\$8.5 | -10.0% | -1,384 |
| 2011 | 13,709 | 0.68 | \$87.4 | \$76.6 | -\$10.8 | -12.4% | -1,699 |
| 2012 | 13,778 | 0.69 | \$92.0 | \$74.6 | -\$17.4 | -18.9% | -2,610 |
| 2013 | 13,821 | 0.68 | \$81.2 | \$82.8 | \$1.6 | +2.0% | +277 |
| 2014 | 13,768 | 0.67 | \$80.8 | \$84.6 | \$3.8 | +4.7% | +648 |
| 2015 | 13,879 | 0.70 | \$87.4 | \$89.2 | \$1.8 | +2.0% | +279 |
| 2016 | 13,799 | 0.70 | \$87.7 | \$91.7 | \$4.0 | +4.5% | +625 |
| 2017 | 13,731 | 0.69 | \$88.7 | \$95.1 | \$6.4 | +7.2% | +987 |
| 2018 | 13,774 | 0.69 | \$91.4 | \$97.8 | \$6.3 | +6.9% | +953 |

Compare the Community to the Region

Wadena and Wadena County

On other pages of this report we compared communities using a combination of retail sectors and service sectors. The information on this page only includes businesses in **retail trade** and does not include service sectors. The retail trade sectors include the following: building materials, motor vehicles & parts, clothing, food stores, electronics, convenience stores, leisure goods, health stores, furniture, general merchandise, non-store retail, and miscellaneous stores.

2018 Retail Sales per capita



State of Minnesota Per Capita Taxable Retail Sales & Threshold Levels for Selected Goods and Services 2018

Threshold level refers to the number of people per business, which can be used as a general guide for determining the "critical mass" necessary to support a business. These are broad averages for the state as a whole and do not reflect differences in income, tourism, agglomeration, establishment, etc. Further, the business counts are based on the number of sales tax returns filed and are converted to "full-time equivalents." Multiplying people per business by sales per capita yields average sales per firm. In addition to state averages, averages for the non-metropolitan regions were calculated by excluding the seven county Minneapolis-St. Paul metropolitan region.

| Business Activity / Store Type NAICS | People Per Business | | Sales Per Capita | | |
|--|---------------------|-----------|------------------|------------|--------|
| | State | Non-Metro | State | Non-Metro | Wadena |
| 441 Vehicles, Parts | 2,004 | 1,449 | \$552.18 | \$555.24 | NA |
| 442 Furniture Stores | 3,424 | 3,480 | \$273.39 | \$167.96 | NA |
| 443 Electronics | 3,822 | 4,729 | \$320.65 | \$143.58 | NA |
| 444 Building Materials | 2,998 | 1,978 | \$1,052.24 | \$1,175.79 | NA |
| 445 Food and Beverage Stores | 1,682 | 1,472 | \$731.43 | \$585.01 | NA |
| 446 Health, Personal Stores | 2,950 | 3,615 | \$125.87 | \$76.45 | NA |
| 447 Gas/Convenience Stores | 2,743 | 1,984 | \$246.05 | \$317.26 | NA |
| 448 Clothing & Accessory Stores | 1,695 | 2,047 | \$151.69 | \$81.51 | NA |
| 451 Leisure Goods | 1,881 | 1,608 | \$196.30 | \$153.78 | NA |
| 452 General Merchandise | 5,053 | 3,895 | \$1,044.57 | \$1,118.67 | NA |
| 453 Miscellaneous Merchandise | 569 | 455 | \$280.29 | \$261.51 | NA |
| 454 Non-store Retail | 897 | 832 | \$288.84 | \$91.31 | NA |
| Retail Total | | | \$5,263.51 | \$4,728.08 | \$0.00 |
| INFORMATION | | | | | |
| 511 Publishing Industry | 10,273 | 19,969 | \$4.11 | \$0.61 | |
| 512 Movie & Recording Industry | 10,764 | 39,938 | \$41.04 | \$17.10 | |
| 515 Broadcasting | 57,443 | 629,020 | \$39.07 | \$0.00 | |
| 516 Info -Internet Publ/Brcst | | | \$299.12 | \$0.00 | |
| 517 Telecommunications | 8,851 | 11,035 | \$299.12 | \$153.91 | |
| 518 Internet Service | 15,725 | 61,368 | \$17.37 | \$0.61 | |
| 519 Other Information Services | 6,053 | 7,671 | \$52.16 | \$40.35 | |
| FINANCE AND INSURANCE | | | | | |
| 522 Credit Intermediation | 9,036 | 8,646 | \$24.75 | \$6.53 | |
| 523 Securities, Commodities | 16,460 | 64,515 | \$2.07 | \$0.04 | |
| 524 Insurance Carriers | 10,053 | 23,515 | \$0.30 | \$0.18 | |
| 525 Funds, Trusts | 148,143 | 629,020 | \$0.22 | \$0.29 | |
| REAL ESTATE AND RENTAL AND LEASING | | | | | |
| 531 Real Estate | 1,966 | 2,302 | \$44.71 | \$39.25 | |
| 532 Rental, Leasing Services | 3,760 | 3,594 | \$164.74 | \$67.32 | |
| 533 Lessors Nonfinancial Assets | 244,757 | | \$0.26 | | |
| PROFESSIONAL, SCIENTIFIC, AND TECHNICAL SERVICES | | | | | |
| 541 Prof, Scientific, Technical Services | 484 | 728 | \$177.70 | \$84.02 | |
| 551 Mgmt Of Companies | 27,595 | 125,804 | \$9.54 | \$3.73 | |
| ADMINISTRATIVE & SUPPORT; WASTE MGMT & REMEDIATION SVCS | | | | | |
| 561 Admin, Support Services | 556 | 570 | \$177.70 | \$168.08 | |
| 562 Waste Mgmt, Remediation | 13,565 | 13,600 | \$9.54 | \$2.39 | |
| EDUCATIONAL SVCS; HEALTH & SOCIAL ASSISTANCE | | | | | |
| 611 Educational Services | 3,970 | 4,651 | \$17.84 | \$14.57 | |
| 621 Health -Ambulatory Care | 1,003 | 1,232 | \$22.29 | \$18.02 | |
| 622 Health -Hospitals | 36,794 | 114,367 | \$15.39 | \$8.49 | |
| 623 Health -Nursing, Residential Care | 9,445 | 9,640 | \$3.07 | \$2.40 | |
| 624 Health -Social Assistance | 10,522 | 18,101 | \$3.38 | \$3.17 | |
| ARTS, ENTERTAINMENT & RECREATION | | | | | |
| 711 Performing Art, Spectator Sports | 1,830 | 2,292 | \$87.78 | \$13.78 | |
| 712 Museums, Historical Sites | 29,785 | 64,515 | \$6.29 | \$0.49 | |
| 713 Amusement, Gambling, Recr | 2,319 | 1,931 | \$320.18 | \$141.57 | NA |
| ACCOMMODATION & FOOD SERVICES | | | | | |
| 721 Accommodation | 2,188 | 1,232 | \$430.20 | \$393.40 | NA |
| 722 Food Services, Drinking Places | 477 | 475 | \$1,709.87 | \$1,239.97 | NA |
| OTHER SERVICES | | | | | |
| 811 Repair, Maintenance | 694 | 499 | \$267.06 | \$282.78 | NA |
| 812 Personal, Laundry Service | 624 | 570 | \$166.76 | \$57.90 | NA |
| 813 Religious, Civic, Professional Orgs | 2,634 | 2,173 | \$34.80 | \$36.03 | |
| 814 Private Households | 86,606 | | \$0.29 | | |
| 921 Exec., Legisla., Other Govt | 7,918 | 4,857 | \$48.91 | \$58.70 | |
| TOTAL RETAIL AND SERVICES | | | \$9,576.45 | \$7,583.75 | |