

Demographic, Lifestyle, and Spending Analysis

The demographic and lifestyle characteristics of trade area residents provide valuable information for analyzing local spending potential, purchasing preferences and marketing strategies.

Demographic Analysis

To assist in understanding the characteristics of residents, the following tables compare demographic traits for the Superior Primary Trade Area and Superior-Duluth Combined Trade Area, with the combined states of Wisconsin and Minnesota (Wisconsin-Minnesota combined). Comparing demographics of each of these geographic areas helps to differentiate local consumers and may identify potential customer niches.

Demographic characteristics are derived from public and private datasets, including ESRI Business Information Solutions (ESRI BIS) and the 2000 Decennial Census. The demographics for each geographic area are not mutually exclusive. The Superior-Duluth Combined Trade Area includes the figures from the Superior Primary Trade Area.

Population Trends

Population is the basis for quantifying market size and growth trends, both of which are used to measure consumer demand. In examining the population change over the past eight years (2000-2008), the Superior Primary and Superior-Duluth Combined Trade Areas experienced only small growth. The Wisconsin-Minnesota combined population growth outpaced the growth rate of the trade areas.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
2000 Total Population	59,777	174,234	10,283,154
2000 Group Quarters	1,568	8,505	291,841
2008 Total Population	60,455	178,204	11,059,320
2013 Total Population	60,854	178,551	11,533,639
2008 - 2013 Annual Rate	0.13%	0.04%	0.84%

Source: ESRI Business Information Solutions

With almost 60,000 local residents, the Superior Primary Trade Area represents a large potential consumer base. Unlike other communities in the Upper Midwest, Superior also has a large concentration of residents within the broader Superior-Duluth Trade Area. Accordingly, Superior has a unique opportunity to serve a much larger market than other cities of its size.

Housing Units - 2008

Occupancy rate reveals the percentage of housing units that were occupied during a given year, while housing tenure characterizes the differences between owner-occupied and renter-occupied housing units. Housing tenure and occupancy rate figures are useful in analyzing the potential for a variety of different home-related products and services.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Owner Occupied Housing Units	61%	68%	64%
Renter Occupied Housing Units	25%	23%	26%
Vacant Housing Units	14%	9%	11%

Source: ESRI Business Information Solutions. Note: Vacant housing units include 2nd-home inventory in the trade area.

The Superior trade areas have similar concentrations of rental units compared to the Wisconsin-Minnesota combined region. The number of rental units should be considered in determining the need for products and services for the nearby resident market. The high percentage of vacant units in the Superior Primary Trade Area is likely due to the number of seasonal recreational homes in these outlying areas. These seasonal nonresidents and other visitors to the area should also be recognized when assessing the true size of the market.

Housing Values - 2000

In 2000, a majority of housing values in the Superior Primary and Superior-Duluth Combined Trade Areas were below \$100,000 (79-percent and 65-percent respectively). Housing values were significantly lower than those in the Wisconsin-Minnesota combined region. Business development opportunities related to serving the needs of these homeowners in the trade areas should be considered.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
< \$50,000	30%	18%	11%
\$50,000 - \$99,999	49%	47%	31%
\$100,000 - \$149,999	14%	21%	30%
\$150,000 - \$199,999	4%	8%	15%
\$200,000 - \$299,999	2%	5%	9%
\$300,000 - \$499,999	1%	1%	4%
\$500,000 - \$999,999	0%	<0%	1%
\$1,000,000+	0%	<0%	<0%

Source: ESRI Business Information Solutions. Note: Vacant housing units include 2nd-home inventory in the trade area

Per Capita Income Trends

The Superior Primary Trade Area significantly trails the Wisconsin-Minnesota combined region in per capita income by almost 30-percent. Using 2000 census data as a baseline, the Superior Primary Trade Area experienced a 32-percent increase in per capita incomes over the past eight years, slightly less than Wisconsin-Minnesota combined. Although skewed lower, Superior Primary Trade Area is seeing growth in income levels similar to the Wisconsin-Minnesota combined region (expected to grow by 16-percent from 2008 to 2013).

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
2000	\$17,363	\$19,173	\$22,193
2008	\$23,004	\$25,394	\$29,901
2013	\$26,795	\$29,452	\$36,095

Source: ESRI Business Information Solutions

Business development efforts should recognize the lower incomes in the Superior Trade Area and consider value retailing and services that would serve the income limitations of the market.

Household Income - 2008

The lower household incomes in the Superior Primary Trade Area are driven by a significant number of households with incomes less than \$50,000 (56-percent of households compared to only 41-percent in the Wisconsin-Minnesota combined region). It is important to point out many of the higher incomes in the Wisconsin-Minnesota combined region are located in larger metropolitan areas such as Minneapolis/St. Paul.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
< \$15,000	13%	12%	8%
\$15,000 - \$24,999	13%	11%	9%
\$25,000 - \$34,999	12%	11%	9%
\$35,000 - \$49,999	18%	16%	15%
\$50,000 - \$74,999	21%	22%	22%
\$75,000 - \$99,999	14%	16%	16%
\$100,000 - \$149,999	7%	10%	14%
\$150,000 - \$199,999	1%	3%	3%
\$200,000 +	1%	2%	4%
Average Household Income	\$52,812	\$60,911	\$74,581

Source: ESRI Business Information Solutions

Age - 2008

Expenditures and consumer preferences change with age. Accordingly, retail, service and restaurants often target certain age segments. The following table presents age data.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Total	60,455	178,204	11,059,320
0 – 4	6%	6%	7%
5 – 9	6%	5%	6%
10 – 14	6%	6%	7%
15 – 19	7%	8%	7%
20 – 24	7%	8%	7%
25 – 34	13%	12%	13%
35 – 44	13%	13%	14%
45 – 54	16%	16%	15%
55 – 64	12%	12%	11%
65 – 74	7%	7%	6%
75 – 84	5%	5%	4%

Source: ESRI Business Information Solutions

The projected data for 2013 points to an aging population (55+ ranges) in the Superior Primary Trade Area. The growth in 55+ residents outpaces Wisconsin-Minnesota combined averages and points to Superior's increasing role as a community for retirees. Retailers and service providers should focus their attention on needs of an older population.

Gender - 2008

The Superior Primary Trade Area is similar to the Wisconsin-Minnesota combined region in the ratio of males to females as presented below.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Male	49%	49%	49%
Female	51%	51%	51%

Source: ESRI Business Information Solutions

Race/Ethnicity – 2008

Both Trade Areas are racially homogenous as they are primarily white. The following table presents data on the ethnic diversity of the community.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Total	60,455	178,204	11,059,320
White Alone	94%	94%	87%
Black Alone	1%	1%	5%
American Indian Alone	2%	3%	1%
Asian/Pacific Islander Alone	1%	1%	3%
Some Other Race Alone	<0%	<0%	2%
Two or More Races	2%	2%	2%
Hispanic Origin	1%	1%	4%
Diversity Index	13	15	30

Source: ESRI Business Information Solutions

Educational Attainment (Population 25+) – 2008

Compared to the Wisconsin-Minnesota combined region, the Superior Primary Trade Area has a lower percentage of the population with a college degree. These trends underscore the importance of Superior's educational institutions as part of the community's overall labor market and economic development efforts.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Total	41,395	119,971	7,316,423
Less than 9th Grade	3%	3%	4%
9th-12th Grade, No Diploma	9%	8%	7%
High School Graduate	37%	33%	32%
Some College, No Degree	22%	23%	22%
Associate Degree	10%	9%	9%
Bachelor's Degree	13%	17%	18%
Master's/Prof/Doctorate	6%	8%	9%

Source: ESRI Business Information Solutions

Employment Occupations (Population 16+) – 2008

Employment in the Superior Primary Trade Area is divided into three main areas. White collar employment accounts for over half of all the local jobs, but represents a smaller percentage of total employment compared to the Wisconsin-Minnesota combined region. Conversely, employment in services is higher than the Wisconsin-Minnesota combined region.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
TOTAL	28,978	87,833	5,622,006
White Collar	55%	58%	60%
Management/Business/Financial	9%	11%	14%
Professional	19%	22%	21%
Sales	13%	12%	11%
Administrative Support	14%	13%	13%
Services	21%	21%	16%
Blue Collar	24%	21%	24%
Farming/Forestry/Fishing	1%	<0%	1%
Construction/Extraction	6%	5%	5%
Installation/Maintenance/Repair	4%	4%	4%
Production	6%	5%	9%
Transportation/Material Moving	8%	7%	6%

Source: ESRI Business Information Solutions

Employment Occupations - NAICS Business Summary - 2008

Compared to the Wisconsin-Minnesota combined region, the Primary Trade Area has a high concentration of transportation employment and services occupations.

	Superior Primary Trade Area	Superior-Duluth Combined Trade Area	Wisconsin-Minnesota Combined
Retail Trade	13%	12%	12%
Construction	6%	6%	6%
Manufacturing	7%	7%	16%
Transportation	8%	7%	5%
Agriculture/Mining	2%	1%	2%
Wholesale Trade	3%	3%	3%
Information	2%	2%	2%
Finance/Insurance/Real Estate	6%	6%	7%
Services	49%	51%	44%
Public Administration	4%	4%	3%

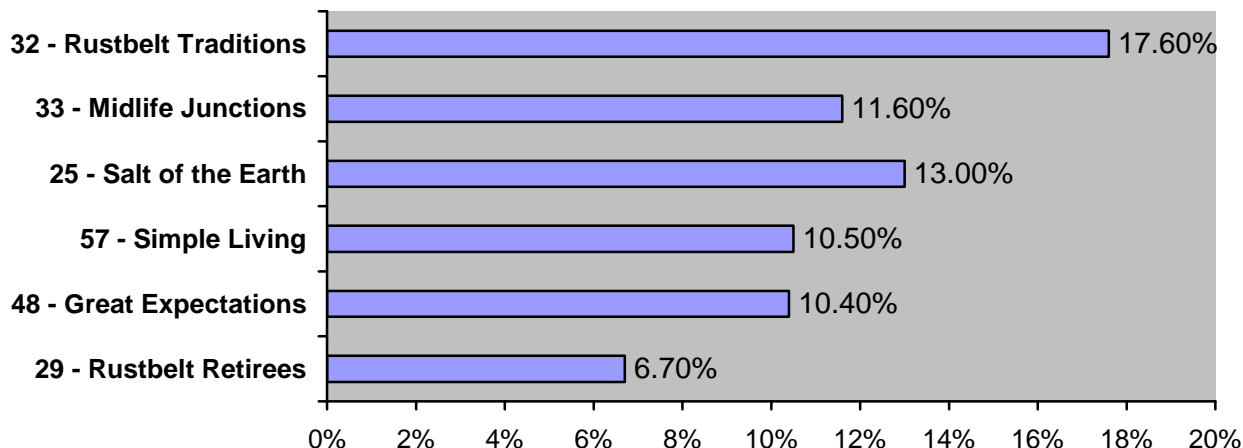
Source: NAICS Business Summary

Lifestyle Analysis

The Superior Primary Trade Area resident lifestyles can also be studied using lifestyle segmentation information. Lifestyle segmentation systems examine the buying habits and preferences of consumers in a geographic area. One lifestyle segmentation system is Tapestry™, by ESRI Business Information Solutions. Consumers are classified into 65 demographic and behaviorally distinct segments. The segments are based on type of

neighborhood (urban, suburban, rural); the residents' socioeconomic status (age, income, occupation, type and value of residence); and their buying behaviors. A summary for the Superior Primary Trade Area is shown in the following graph.

Major Tapestry Segments in the Superior Primary Trade Area



Source: ESRI Business Information Solutions

A brief snapshot of the lifestyle characteristics and preferences for these national segments as described by ESRI is presented below. Note the income and home values data in these descriptions are from a 2006 ESRI staff paper (Community Tapestry – The Fabric of America’s Neighborhoods) and have likely changed.

Rustbelt Traditions (segment 32): Rustbelt Traditions neighborhoods are the backbone of older, industrial cities in states bordering the Great Lakes. Most employed residents work in the service, manufacturing, and retail trade industries. Most residents own and live in modest single-family homes and have a median value of \$97,000. Households are primarily a mix of married-couple families, single-parent families, and singles that live alone. The median age is 35.9 years; the median household income is \$45,300. Residents prefer to use a credit union and invest in certificates of deposit. They use coupons regularly, especially at Sam’s Club, work on home remodeling or improvement projects, and buy domestic.

Midlife Junction (segment 33): Midlife Junction communities are found in suburbs across the country. Residents are phasing out of their child-rearing years. Approximately half of the households are composed of married-couple families; 31 percent are singles who live alone. The median age is 40.5 years; the median household income is \$43,600. One-third of the households receive Social Security benefits. Nearly two-thirds of the households are single-family structures; most of the remaining dwellings are apartments in multiunit buildings. These residents live quiet, settled lives. They spend their money prudently and do not succumb to fads. They prefer to shop by mail or phone from catalogs such as J.C. Penney, L.L. Bean, and Lands’ End. They enjoy yoga, attending country music concerts and auto races, refinishing furniture, and reading romance novels.

Salt of the Earth (segment 25): A rural or small-town lifestyle best describes the *Salt of the Earth* market. The median age is 40.4 years. Labor force participation is higher than the U.S. level, and unemployment is lower. Above-average numbers of employed residents work in the manufacturing, construction, mining, and agricultural industries. The median household income is \$48,800. Households are dominated by married-couple families who live in single-family dwellings, with homeownership at 86 percent. Twenty-eight percent of the households own three or more vehicles. Most homes own a truck; many own a motorcycle. Residents are settled, hardworking, and self-reliant, taking on small home projects as well as vehicle maintenance. Families often own two or more pets, usually dogs or cats. Residents enjoy fishing, hunting, target shooting, attending country music concerts and auto races, and flying kites.

Simple Living (segment 57): Simple Living neighborhoods are found in urban outskirts or suburban areas throughout the United States. Half of the households are singles who live alone or share housing, and 32 percent consist of married-couple families. The median age is 40.1 years. Approximately one-third of householders are aged 65 years or older; 19 percent are aged 75 years or older. Housing is a mix of single-family dwellings and multiunit buildings of varying stories. Some seniors live in congregate housing (assisted living). Fifty-five percent of households are occupied by renters. Approximately 40 percent of households receive Social Security benefits. Younger residents enjoy going out dancing, whereas seniors prefer going to bingo night. To stay fit, residents play softball and volleyball. Many households do not own a computer, cell phone, or DVD player. Residents watch hours of TV per day, especially sitcoms and science fiction shows.

Great Expectations (segment 48): Neighborhoods are located throughout the country, with higher proportions found in the Midwest and South. Young singles and married-couple families dominate. The median age is 33.0 years. Labor force participation is high. Manufacturing, retail, and service industries are the primary employers. Approximately half of the households are owners living in single-family dwellings with a median value of \$100,600; the other half are renters, mainly living in apartments in low-rise or mid-rise buildings. Most of the housing units in these older, suburban neighborhoods were built before 1960. Residents enjoy a young and active lifestyle. They go out to dinner, to the movies, to bars, and to nightclubs. They enjoy roller skating; roller blading; playing Frisbee, chess, and pool; and attending auto races. They read music magazines and listen to rock music on the radio.

Rustbelt Retirees (segment 29): Most Rustbelt Retirees neighborhoods can be found in older, industrial cities in the Northeast and Midwest, especially in Pennsylvania and other states surrounding the Great Lakes. Households are mainly occupied by married couples with no children and singles who live alone. The median age is 43.8 years. Although many residents are still working, labor force participation is below average. More than 40 percent of the households receive Social Security benefits. Most residents live in owned, single-family homes, with a median value of \$118,500. Unlike many retirees, these residents are not inclined to move. They are proud of their homes and gardens and participate in community activities. Some are members of veterans' clubs. Leisure activities include playing bingo, gambling in Atlantic City, going to the horse races, working crossword puzzles, and playing golf.

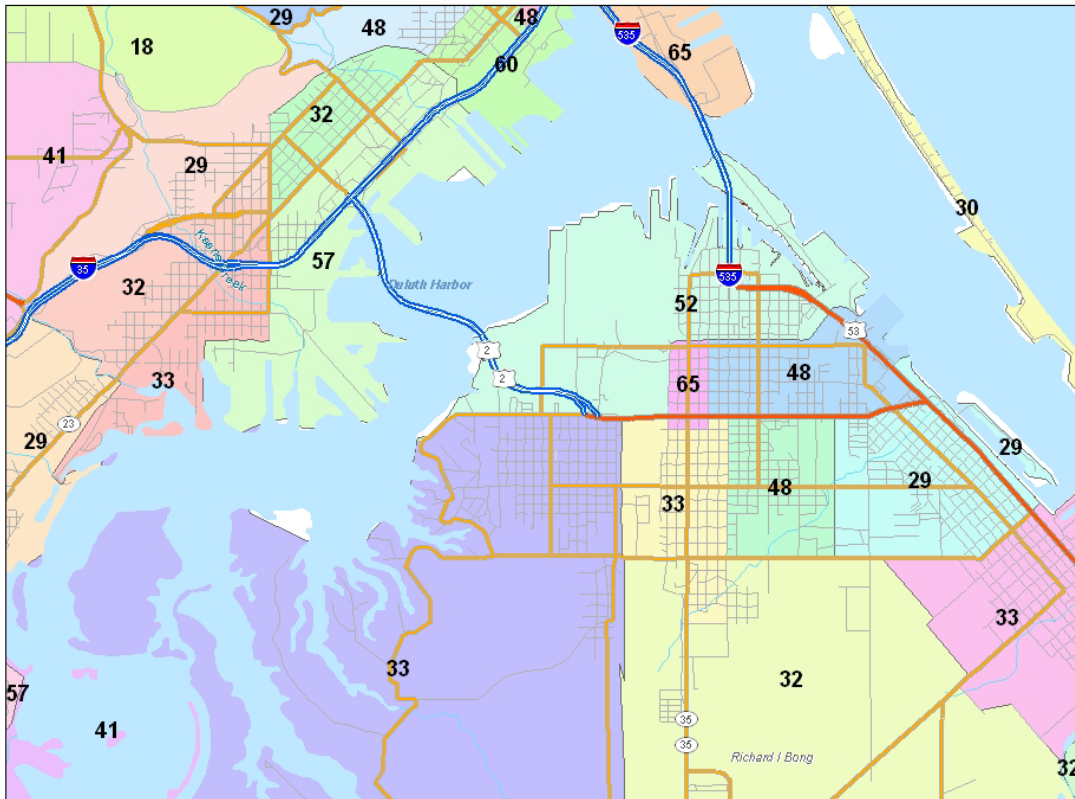
In addition to the major tapestry segments within the Superior Primary Trade Area, two additional segments help describe residents who live in or near the Superior BID. These are presented below.

Inner City Tenants (segment 52): These neighborhoods are a microcosm of urban diversity, located primarily in the South and West. This multicultural market is young, with a median age of 27.8 years. Households are a mix of singles and families. Most residents rent economical apartments in mid- or high-rise buildings. Recent household purchases by this market include video game systems, baby food, baby products, and furniture. Internet access at home is not typical; those who have no access at home surf the Internet at school or at the library. Playing games and visiting chat rooms are typical online activities. Residents frequently eat at fast-food restaurants. They enjoy going to the movies; attending football and basketball games; water skiing; and playing football, basketball, and soccer. Some enjoy the nightlife, visiting bars and nightclubs to go dancing.

Social Security Set (segment 65): Four in ten residents in the Social Security Set segment are aged 65 years or older; the median age is 44.6 years. Most of these residents live alone. Located in large cities scattered across the United States, these communities are dispersed among business districts and around city parks. The service industry provides more than half of the jobs held by residents who work. Households subsist on very low, fixed incomes. Most residents rent apartments in low-rent, high-rise buildings. Many rely on public transportation, because more than half of these households do not own a vehicle. Limited resources somewhat restrict the purchases and activities of these residents, although many have invested their savings in stock. They enjoy going to movies and soccer games and reading science fiction. Many households subscribe to cable TV; residents particularly enjoy watching game shows, sports, and entertainment news shows.

A map displaying the dominant Tapestry categories within each of the Superior Primary Trade Area's census tracts is presented on the following page. This map illustrates the diversity of the area and can be used in target marketing efforts to specific neighborhoods of the community.

Map 3.1 – Dominant Tapestry Categories within the Superior Primary Trade Area



Source: ESRI Business Information Solutions

- 32 – Rustbelt Traditions**
- 33 – Midlife Junctions**
- 25 – Salt of the Earth**
- 57 – Simple Living**
- 48 – Great Expectations**
- 29 – Rustbelt Retirees**
- 52 – Inner City Tenants**
- 65 – Social Security Set**

For more information on these lifestyle categories, a database describing detailed consumer purchasing patterns for each segment is available on the Community Tapestry CD accompanying this report (available through the Superior BID office). These patterns are expressed using a purchase potential index (PPI). The PPI examines a wide range of retail, service, entertainment and psychographic categories to determine a household's propensity for purchasing products or participating in activities. Given the value of this information, it is suggested this PPI information be made readily available to existing and prospective businesses in Superior.

An alternative analysis of how trade area residents spend their money is presented next. Here, a Market Potential Index (MPI) will be used in place of the Community Tapestry PPI data.

Consumer Behavior and Purchasing Patterns of Residents

Consumer behavior and purchasing patterns data for 2008 for the Superior trade areas is presented in the following tables. Displayed are the number of adults or households likely to purchase a variety of goods and services. A market potential index (MPI) is provided to compare household patterns with national averages (U.S. index = 100). Consumer patterns of by visitors and nonresidents are not included in these figures.

Superior Primary Trade Area			
Demographic Summary	2008	2013	
Population	60,455	60,854	
Total Number of Adults	47,391	48,194	
Households	25,916	26,337	
Median Household Income	\$44,240	\$52,794	

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Apparel (Adults)			
Bought any men's apparel in last 12 months	23,116	48.8%	97
Bought any women's apparel in last 12 months	21,592	45.6%	102
Bought apparel for child <13 in last 6 months	12,377	26.1%	98
Bought any shoes in last 12 months	23,737	50.1%	98
Bought any costume jewelry in last 12 months	9,004	19.0%	92
Bought any fine jewelry in last 12 months	9,740	20.6%	89
Bought a watch in last 12 months	10,535	22.2%	97
Automobiles (Households)			
HH owns/leases any vehicle	22,659	87.4%	100
HH bought new vehicle in last 12 months	2,399	9.3%	86
Automotive Aftermarket (Adults)			
Bought gasoline in last 6 months	41,555	87.7%	101
Bought/changed motor oil	25,945	54.7%	107
Had tune-up	13,903	29.3%	95
Beverages (Adults)			
Drank bottled water/seltzer in last 6 months	26,061	55.0%	89
Drank regular cola in last 6 months	25,513	53.8%	101
Drank beer/ale in last 6 months	18,575	39.2%	92
Cameras & Film (Adults)			
Bought any camera in last 12 months	8,251	17.4%	98
Bought film in last 12 months	13,173	27.8%	102
Bought digital camera in last 12 months	2,818	5.9%	77
Bought memory card for camera in last 12 months	2,775	5.9%	85

Superior Primary Trade Area Continued

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Computers (Households)			
HH owns a personal computer	16,605	64.1%	92
HH spent <\$500 on home PC	2,407	9.3%	101
HH spent \$500-\$999 on home PC	4,364	16.8%	99
HH spent \$1000-\$1499 on home PC	3,713	14.3%	98
HH spent \$1500-\$1999 on home PC	1,646	6.4%	74
Spent \$2000+ on home PC	1,540	5.9%	74
Convenience Stores (Adults)			
Shopped at convenience store in last 6 months	28,245	59.6%	101
Bought cigarettes at convenience store in last 30 days	8,168	17.2%	125
Bought gas at convenience store in last 30 days	17,306	36.5%	114
Spent at convenience store in last 30 days: <\$20	4,451	9.4%	93
Spent at convenience store in last 30 days: \$20-39	4,678	9.9%	95
Spent at convenience store in last 30 days: \$40+	16,741	35.3%	110
Entertainment (Adults)			
Attended movies in last 6 months	25,065	52.9%	93
Went to live theater in last 12 months	5,089	10.7%	85
Went to a bar/night club in last 12 months	9,038	19.1%	104
Dined out in last 12 months	22,541	47.6%	98
Gambled at a casino in last 12 months	6,800	14.3%	86
Visited a theme park in last 12 months	8,995	19.0%	86
Rented 1 DVD in last 30 days	1,397	2.9%	94
Purchased 1 DVD in last 30 days	2,467	5.2%	97
Spent on toys/games in last 12 months: <\$50	3,164	6.7%	116
Spent on toys/games in last 12 months: \$50-\$99	1,441	3.0%	106
Spent on toys/games in last 12 months: \$100-\$199	3,043	6.4%	97
Spent on toys/games in last 12 months: \$200-\$499	4,754	10.0%	108
Spent on toys/games in last 12 months: \$500+	2,427	5.1%	96
Financial (Adults)			
Have home mortgage (1st)	6,889	14.5%	91
Used ATM/cash machine in last 12 months	20,896	44.1%	92
Own any stock	3,625	7.6%	86
Own shares in mutual fund (stock)	3,646	7.7%	84
Own shares in mutual fund (bonds)	2,086	4.4%	80
Own any credit/debit card (in own name)	32,375	68.3%	97
Used full service brokerage firm in last 12 months	2,526	5.3%	88
Have 401K retirement savings	6,214	13.1%	85
Grocery (Adults)			
Used beef (fresh/frozen) in last 6 months	33,792	71.3%	104
Used bread in last 6 months	45,928	96.9%	101
Used chicken/turkey (fresh or frozen) in last 6 months	35,555	75.0%	102
Used fish/seafood (fresh or frozen) in last 6 months	23,392	49.4%	101
Used fresh fruit/vegetables in last 6 months	40,213	84.9%	100
Used fresh milk in last 6 months	43,548	91.9%	102

Superior Primary Trade Area Continued

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Health (Adults)			
Exercise at home 2+ times per week	13,066	27.6%	96
Exercise at club 2+ times per week	4,141	8.7%	79
Visited a doctor in last 12 months	37,284	78.7%	101
Home (Households)			
Any home improvement in last 12 months	8,654	33.4%	105
Used housekeeper/maid/professional cleaning service in last 12 months	3,358	13.0%	82
Purchased any HH furnishing in last 12 months	7,388	28.5%	97
Purchased bedding/bath goods in last 12 months	13,200	50.9%	97
Purchased cooking/serving product in last 12 months	6,587	25.4%	98
Bought any kitchen appliance in last 12 months	4,944	19.1%	106
Insurance (Adults)			
Currently carry any life insurance	24,296	51.3%	104
Have medical/hospital/accident insurance	32,542	68.7%	101
Carry homeowner insurance	25,451	53.7%	102
Carry renter insurance	2,551	5.4%	94
Pets (Households)			
HH owns any pet	11,736	45.3%	108
HH owns any cat	6,621	25.5%	118
HH owns any dog	8,476	32.7%	106
Reading Materials (Adults)			
Bought book in last 12 months	22,248	46.9%	97
Read any daily newspaper	23,354	49.3%	110
Heavy magazine reader	8,817	18.6%	93
Restaurants (Adults)			
Went to family restaurant/steak house last mo: <2 times	12,410	26.2%	98
Went to family restaurant/steak house last mo: 2-4 times	12,976	27.4%	103
Went to family restaurant/steak house last mo: 5+ times	8,526	18.0%	95
Went to fast food/drive-in restaurant in last 6 mo	42,377	89.4%	100
Fast food/drive-in last 6 mo: eat in	17,355	36.6%	98
Fast food/drive-in last 6 mo: home delivery	5,089	10.7%	99
Fast food/drive-in last 6 mo: take-out/drive-thru	25,975	54.8%	105
Fast food/drive-in last 6 mo: take-out/walk-in	11,251	23.7%	98
Telephones & Service (Households)			
HH owns in-home cordless telephone	16,640	64.2%	101
HH owns cellular phone	18,352	70.8%	91
HH average monthly long distance phone bill: <\$16	7,972	30.8%	109
HH average monthly long distance phone bill: \$16-25	2,912	11.2%	91
HH average monthly long distance phone bill: \$26-59	2,532	9.8%	96
HH average monthly long distance phone bill: \$60+	1,021	3.9%	85
HH average monthly cell/digital phone bill: <\$25	1,785	6.9%	99
HH average monthly cell/digital phone bill: \$25-\$49	4,920	19.0%	96
HH average monthly cell/digital phone bill: \$50-\$74	4,155	16.0%	87
HH average monthly cell/digital phone bill: \$75-\$99	2,065	8.0%	80
HH average monthly cell/digital phone bill: \$100+	2,020	7.8%	80

Superior Primary Trade Area Continued

	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Television & Sound Equipment (Households)			
HH owns 1 TV	5,414	20.9%	103
HH owns 2 TVs	6,917	26.7%	102
HH owns 3 TVs	5,372	20.7%	96
HH owns 4+ TVs	5,277	20.4%	98
HH subscribes to cable TV	15,217	58.7%	100
Purchased audio equipment in last 12 months	1,833	7.1%	89
Purchased CD player in last 12 months	1,586	6.1%	96
Purchased MP3 player in last 12 months	1,401	5.4%	72

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

Source: ESRI Business Information Solutions. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of U.S. households. ESRI forecasts for 2008 and 2013.A31

Superior-Duluth Combined Trade Area

Demographic Summary	2008	2013	
Population	178,204	178,551	
Total Number of Adults	140,988	142,461	
Households	72,005	72,810	
Median Household Income	\$50,467	\$59,883	

Product/Consumer Behavior	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Apparel (Adults)			
Bought any men's apparel in last 12 months	71,423	50.7%	101
Bought any women's apparel in last 12 months	64,155	45.5%	102
Bought apparel for child <13 in last 6 months	35,464	25.2%	94
Bought any shoes in last 12 months	72,891	51.7%	101
Bought any costume jewelry in last 12 months	27,963	19.8%	96
Bought any fine jewelry in last 12 months	29,997	21.3%	92
Bought a watch in last 12 months	30,348	21.5%	94
Automobiles (Households)			
HH owns/leases any vehicle	64,517	89.6%	103
HH bought new vehicle in last 12 months	7,781	10.8%	100
Automotive Aftermarket (Adults)			
Bought gasoline in last 6 months	126,173	89.5%	103
Bought/changed motor oil	76,434	54.2%	106
Had tune-up	43,750	31.0%	100
Beverages (Adults)			
Drank bottled water/seltzer in last 6 months	81,059	57.5%	93
Drank regular cola in last 6 months	73,494	52.1%	98
Drank beer/ale in last 6 months	59,705	42.3%	100
Cameras & Film (Adults)			
Bought any camera in last 12 months	25,146	17.8%	100
Bought film in last 12 months	41,429	29.4%	108
Bought digital camera in last 12 months	9,778	6.9%	89
Bought memory card for camera in last 12 months	9,100	6.5%	94
Computers (Households)			
HH owns a personal computer	50,258	69.8%	100
HH spent <\$500 on home PC	6,852	9.5%	104
HH spent \$500-\$999 on home PC	13,257	18.4%	108
HH spent \$1000-\$1499 on home PC	11,109	15.4%	106
HH spent \$1500-\$1999 on home PC	5,693	7.9%	93
Spent \$2000+ on home PC	5,334	7.4%	92

Superior-Duluth Combined Trade Area continued

	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Convenience Stores (Adults)			
Shopped at convenience store in last 6 months	85,474	60.6%	103
Bought cigarettes at convenience store in last 30 days	21,379	15.2%	110
Bought gas at convenience store in last 30 days	50,488	35.8%	112
Spent at convenience store in last 30 days: <\$20	13,887	9.8%	98
Spent at convenience store in last 30 days: \$20-39	14,936	10.6%	102
Spent at convenience store in last 30 days: \$40+	49,349	35.0%	109
Entertainment (Adults)			
Attended movies in last 6 months	78,163	55.4%	98
Went to live theater in last 12 months	18,380	13.0%	103
Went to a bar/night club in last 12 months	28,537	20.2%	111
Dined out in last 12 months	71,652	50.8%	105
Gambled at a casino in last 12 months	22,477	15.9%	96
Visited a theme park in last 12 months	29,253	20.7%	95
Rented 1 DVD in last 30 days	4,326	3.1%	98
Purchased 1 DVD in last 30 days	7,895	5.6%	105
Spent on toys/games in last 12 months: <\$50	8,743	6.2%	108
Spent on toys/games in last 12 months: \$50-\$99	4,071	2.9%	101
Spent on toys/games in last 12 months: \$100-\$199	9,537	6.8%	103
Spent on toys/games in last 12 months: \$200-\$499	14,525	10.3%	111
Spent on toys/games in last 12 months: \$500+	7,026	5.0%	94
Financial (Adults)			
Have home mortgage (1st)	24,072	17.1%	107
Used ATM/cash machine in last 12 months	68,600	48.7%	102
Own any stock	12,708	9.0%	102
Own shares in mutual fund (stock)	13,744	9.7%	106
Own shares in mutual fund (bonds)	7,867	5.6%	102
Own any credit/debit card (in own name)	103,487	73.4%	104
Used full service brokerage firm in last 12 months	9,270	6.6%	109
Have 401K retirement savings	21,628	15.3%	99
Grocery (Adults)			
Used beef (fresh/frozen) in last 6 months	100,615	71.4%	104
Used bread in last 6 months	136,529	96.8%	101
Used chicken/turkey (fresh or frozen) in last 6 months	106,348	75.4%	103
Used fish/seafood (fresh or frozen) in last 6 months	70,572	50.1%	102
Used fresh fruit/vegetables in last 6 months	120,739	85.6%	100
Used fresh milk in last 6 months	128,432	91.1%	101
Health (Adults)			
Exercise at home 2+ times per week	42,702	30.3%	105
Exercise at club 2+ times per week	14,309	10.1%	92
Visited a doctor in last 12 months	112,984	80.1%	102

Superior-Duluth Combined Trade Area continued

	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Home (Households)			
Any home improvement in last 12 months	25,412	35.3%	111
Used housekeeper/maid/professional cleaning service in last 12 months	10,556	14.7%	93
Purchased any HH furnishing in last 12 months	21,691	30.1%	103
Purchased bedding/bath goods in last 12 months	37,320	51.8%	99
Purchased cooking/serving product in last 12 months	18,886	26.2%	101
Bought any kitchen appliance in last 12 months	13,483	18.7%	104
Insurance (Adults)			
Currently carry any life insurance	75,427	53.5%	108
Have medical/hospital/accident insurance	100,316	71.2%	104
Carry homeowner insurance	80,425	57.0%	108
Carry renter insurance	7,748	5.5%	95
Pets (Households)			
HH owns any pet	33,441	46.4%	110
HH owns any cat	18,316	25.4%	117
HH owns any dog	24,696	34.3%	111
Reading Materials (Adults)			
Bought book in last 12 months	69,456	49.3%	102
Read any daily newspaper	72,314	51.3%	114
Heavy magazine reader	27,357	19.4%	97
Restaurants (Adults)			
Went to family restaurant/steak house last mo: <2 times	37,224	26.4%	99
Went to family restaurant/steak house last mo: 2-4 times	40,443	28.7%	108
Went to family restaurant/steak house last mo: 5+ times	27,939	19.8%	104
Went to fast food/drive-in restaurant in last 6 mo	127,373	90.3%	101
Fast food/drive-in last 6 mo: eat in	54,321	38.5%	103
Fast food/drive-in last 6 mo: home delivery	14,905	10.6%	97
Fast food/drive-in last 6 mo: take-out/drive-thru	78,637	55.8%	107
Fast food/drive-in last 6 mo: take-out/walk-in	34,495	24.5%	101
Telephones & Service (Households)			
HH owns in-home cordless telephone	47,675	66.2%	104
HH owns cellular phone	54,529	75.7%	97
HH average monthly long distance phone bill: <\$16	22,550	31.3%	111
HH average monthly long distance phone bill: \$16-25	8,454	11.7%	96
HH average monthly long distance phone bill: \$26-59	7,299	10.1%	99
HH average monthly long distance phone bill: \$60+	2,700	3.7%	81
HH average monthly cell/digital phone bill: <\$25	5,426	7.5%	108
HH average monthly cell/digital phone bill: \$25-\$49	14,473	20.1%	102
HH average monthly cell/digital phone bill: \$50-\$74	12,346	17.1%	93
HH average monthly cell/digital phone bill: \$75-\$99	6,374	8.9%	89
HH average monthly cell/digital phone bill: \$100+	6,204	8.6%	88

Superior-Duluth Combined Trade Area continued

	Expected Number of Adults/HHs	Percent of Adults/HHs	MPI
Television & Sound Equipment (Households)			
HH owns 1 TV	13,730	19.1%	94
HH owns 2 TVs	18,820	26.1%	100
HH owns 3 TVs	15,559	21.6%	100
HH owns 4+ TVs	16,431	22.8%	109
HH subscribes to cable TV	43,637	60.6%	103
Purchased audio equipment in last 12 months	5,402	7.5%	94
Purchased CD player in last 12 months	4,494	6.2%	98
Purchased MP3 player in last 12 months	4,834	6.7%	89

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

Source: ESRI Business Information Solutions. These data are based upon national propensities to use various products and services, applied to local demographic composition. Usage data were collected by Mediamark Research Inc. in a nationally representative survey of U.S. households. ESRI forecasts for 2008 and 2013.A31

Conclusions

Based on the demographic, lifestyle, and spending data on the Superior trade areas, a number of conclusions can be drawn:

- Demographic trends in the trade areas (compared to the Wisconsin-Minnesota combined region) indicate Superior has:
 - A stable base of 60,000 in the Superior Primary Trade Area.
 - A population of 178,000 residing in the broader Superior-Duluth combined;
 - Lower home values;
 - Growing elderly population;
 - Lower per capita and household incomes;
 - Limited ethnic diversity;
 - Lower overall educational attainment; and
 - High proportion of service based employees.

- Most of the households in the Superior Primary Trade Area are described by the ESRI Tapestry segmentation system in the following categories:
 - *Rustbelt Traditions (segment 32)* - neighborhoods that are the backbone of older, industrial cities in states bordering the Great Lakes. Households are primarily a mix of married-couple families, single-parent families, and singles that live alone.
 - *Midlife Junction (segment 33)* - neighborhoods are found in suburbs across the country with residents phasing out of their child-rearing years.
 - *Salt of the Earth (segment 25)* - rural or small-town lifestyle, with households dominated by married-couple families who live in single-family dwellings. Twenty-eight percent of the households own three or more vehicles.
 - *Simple Living (segment 57)* - neighborhoods that are found in urban outskirts or suburban areas throughout the United States with many singles who live alone or share housing.
 - *Great Expectations (segment 48)* - neighborhoods with young singles and married-couple families. Residents enjoy a young and active lifestyle.
 - *Rustbelt Retirees (segment 29)* - neighborhoods in older, industrial cities. Households are mainly occupied by married couples with no children and singles that live alone.

- Based on consumer behavior and purchasing patterns of the Superior Primary Trade Areas, residents have lower purchasing potential per household than the U.S. average (as reflected by the many MPI figures that are less than 100). Example products and services that Superior Primary Trade Area residents have higher spending activity include:
 - Smoking products
 - Fast food – drive thru
 - Auto Parts (oil)
 - Bars/Nightclubs
 - Toys/games
 - Home Improvements
 - Kitchen supplies
 - Pets