

# Resident 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. This section provides baseline information to understand the local resident consumer.<sup>1</sup>*

To assist in understanding the characteristics and purchasing preferences of local consumers, this section contains various tables that compare Tomahawk Trade Area residents (in zip codes 54487 and 54442) with Wisconsin residents. Data describing demographic characteristics, lifestyles and spending potential are presented as derived from the ESRI Business Information Solutions dataset and the 2000 Decennial Census.

## Population Trends

Population is the basis for quantifying market size and growth trends, both of which are necessary to determine consumer demand. Population change in Tomahawk over the past nine years (2000-2009) indicates that the Trade Area has experience only nominal growth. See the following table.

	Tomahawk Trade Area	Wisconsin
2000 Total Population	11,329	5,363,675
2000 Group Quarters	426	155,958
2009 Total Population	11,674	5,706,220
2014 Total Population	11,730	5,863,394
2009-2014 Annual Rate	0.10%	0.55%

Source: ESRI Business Information Solutions, 2009 estimates

The following map illustrates population density in the region. While the surrounding area is mostly rural, there are areas of higher population density in Rhinelander, Merrill and Wausau.

<sup>1</sup> This analysis was completed by Alex Deley, graduate student in Urban and Regional Planning at the University of Wisconsin-Madison; and Bill Ryan, Center for Community & Economic Development, University of Wisconsin-Extension. This analysis was completed in consultation with Art Lersch, University of Wisconsin-Extension, Lincoln County.



## Housing Values - 2000

The following table indicates that in 2009, a majority (54%) of housing values in Trade Area were below \$100,000. This compares to a State average of 44%.

	Tomahawk Trade Area	Wisconsin
<50,000	13.4%	10.0%
\$50,000-\$99,999	40.3%	33.8%
\$100,000-\$149,999	25.7%	28.8%
\$150,000-\$199,999	11.4%	14.8%
\$200,000-\$299,999	6.7%	8.7%
\$300,000-\$499,999	1.6%	3.0%
\$500,000-\$999,999	0.4%	0.8%
\$1,000,000+	0.4%	0.2%

Source: ESRI Business Information Solutions, 2009 estimates.

Note: Vacant housing units include 2nd-home inventory in the Trade Area.  
Also, recent changes in the housing market may not be fully reflected in these data.

In the Tomahawk Trade Area, the market predominately contains homes in the \$50,000 to \$150,000 range. It is interesting to note that although the Tomahawk Trade Area does not have as high a percentage of affluent households (as the State does), it exceeds the State in homes valued at \$1,000,000 and up. Many of these upper end houses are likely second homes owned by seasonal residents.

## Per Capita Income Trends

The Tomahawk Trade Area is 20% below the State in per capita income. From 2009 to 2014 the Trade Area is expected to see an increase in per capita income of 3.2%, while the State is expected to grow by 4.5%. Per capita income is one measure of consumer spending potential and price sensitivity.

	Tomahawk Trade Area	Wisconsin
2000	\$18,017	\$21,271
2009	\$22,038	\$27,384
2014	\$22,757	\$28,681

Source: ESRI Business Information Solutions, 2009 estimates.

## Household Income - 2009

Income is positively correlated with expenditures on many product categories and is one indicator of spending power; although it should not be used as the only indicator for the market's purchasing power and spending preferences. As indicated in the following table, both the average and median household incomes in the Tomahawk Trade Area are below the State average.

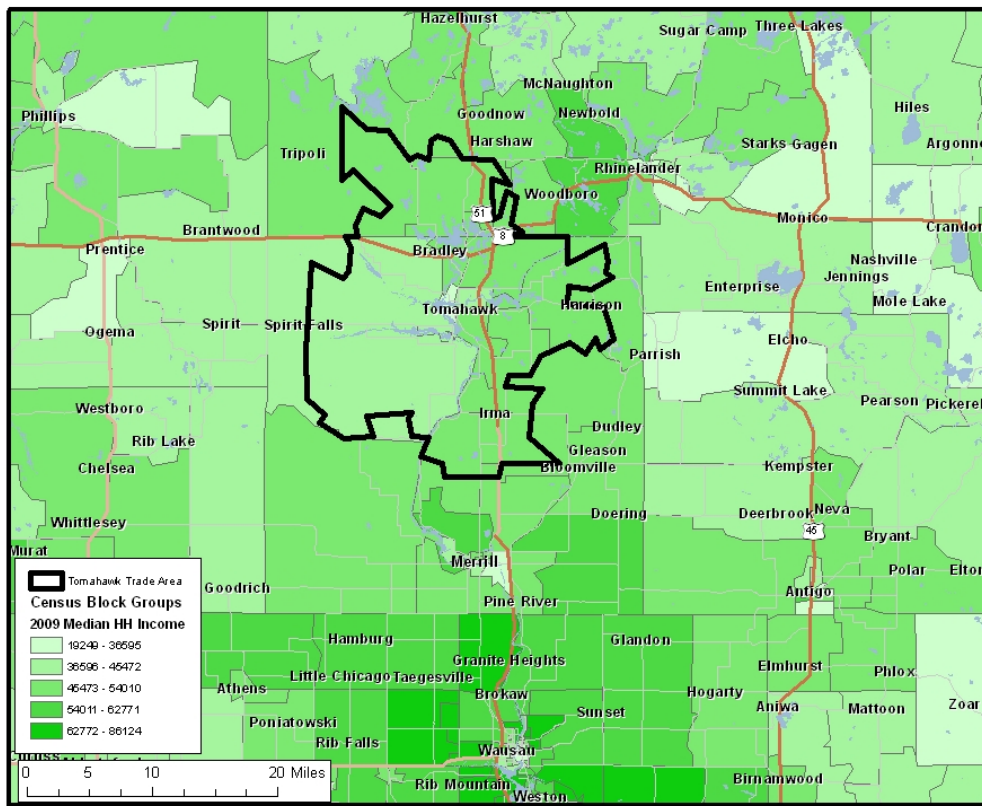
	Tomahawk Trade Area	Wisconsin
<15,000	11.2%	8.9%
\$15,000-\$24,999	13.1%	9.6%
\$25,000-\$34,999	13.1%	9.8%
\$35,000-\$49,999	17.6%	15.5%
\$50,000-\$74,999	25.4%	23.4%
\$75,000-\$99,999	12.0%	16.6%
\$100,000-\$149,999	6.1%	11.0%
\$150,000-\$199,999	0.7%	2.8%
\$200,000+	0.8%	2.4%
Average Household Income	\$52,122	\$67,483

Source: ESRI Business Information Solutions, 2009 estimates.

In 2009, the Tomahawk Trade Area had 37.4% of its households with incomes below \$35,000 (compared to 28.3% in the State). ESRI projections for 2014 indicate a continuation of these trends, with Tomahawk Trade Area household incomes continuing to lag behind the State.

An analysis of household incomes on a regional basis indicates that there are pockets of higher income households outside of the Tomahawk Trade and closer to Rhinelander and Wausau. The following map illustrates the household income levels by census block group throughout the region.

### Tomahawk Trade Area and Regional Median Household Income



Source: ESRI Business Analyst

## Age Distribution - 2009

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

	<b>Tomahawk Trade Area</b>	<b>Wisconsin</b>
Total	11,674	5,706,220
0-4	4.7%	6.4%
5-9	5.0%	6.4%
10-14	5.9%	6.5%
15-24	12.2%	14.4%
25-34	8.7%	12.6%
35-44	12.3%	13.4%
45-54	16.5%	15.3%
55-64	15.1%	11.8%
65-74	10.4%	6.7%
75-84	6.4%	4.5%
85+	2.8%	2.2%
18+	78.6%	76.6%

Source: ESRI Business Information Solutions, 2009 estimates.

ESRI data suggests there are higher levels of older residents (55-up) in the Tomahawk Trade Area when compared to the State. These higher levels are projected to continue to 2014. Retailers and service providers may want to focus on more mature market segments as they are expected to grow in significance in the Trade Area. It is possible that growth in the 55 and older demographic can be partly attributed to retiring baby boomers making their second homes in the Tomahawk area their new full time residences.

## Gender - 2009

The Tomahawk Trade Area is similar to Wisconsin in the ratio of males to females as presented below. In contrast to the rest of the State, The Tomahawk Trade Area has a slight balance towards more males.

	<b>Tomahawk Trade Area</b>	<b>Wisconsin</b>
Male	50.8%	49.5%
Female	49.2%	50.5%

Source: ESRI Business Information Solutions, 2009 estimates.

## Race/Ethnicity - 2009

The Tomahawk Trade Area is primarily "White Alone." The following table presents data on the ethnic diversity of the community in contrast to that of the State. The trend from 2000-2009 in both the Trade Area and the State suggests growing ethnic diversity, especially in terms of the growing Hispanic population.

	Tomahawk Trade Area	Wisconsin
Total	11,674	5,706,220
White Alone	96.9%	86.9%
Black Alone	0.9%	6.3%
American Indian Alone	0.6%	0.9%
Asian/Pacific Islander Alone	0.6%	2.3%
Some Other Race Alone	0.4%	2.1%
Two or More Races	0.7%	1.4%
Hispanic Origin	1.1%	4.8%
Diversity Index	8.1%	30.9%

Source: ESRI Business Information Solutions, 2009 estimates.

### Educational Attainment (Population 25+) – 2009

Approximately 24% of Tomahawk Trade Area residents (age 25+) have an Associates or higher college degree. This compares to 33% for the State.

	Tomahawk Trade Area	Wisconsin
Total	8,433	3,787,621
Less Than 9 <sup>th</sup> Grade	3.6%	4.0%
9 <sup>th</sup> -12 <sup>th</sup> Grade, No Diploma	9.7%	8.0%
High School Graduate	41.8%	34.6%
Some College, No Degree	21.4%	20.3%
Associate Degree	8.5%	8.5%
Bachelor's Degree	10.1%	16.5%
Master's/Prof/Doctorate	5.0%	8.0%

Source: ESRI Business Information Solutions, 2009 estimates.

### Employment Occupations (Population 16+) – 2009

On average, the Tomahawk Trade Area has a significantly lower white-collar employment percentage than the State. It also has a higher percentage employed in service and blue-collar work.

	Tomahawk Trade Area	Wisconsin
<b>TOTAL</b>	5,322	2,775,195
<b>White Collar</b>	49.7%	59.3%
Management/Business/Financial	8.7%	13.5%
Professional	18.5%	21.3%
Sales	10.5%	11.1%
Administrative Support	12.0%	13.4%
<b>Services</b>	19.1%	16.0%
<b>Blue Collar</b>	31.2%	24.6%
Farming/Forestry/Fishing	1.9%	1.2%
Construction/Extraction	6.2%	4.3%
Installation/Maintenance/Repair	5.5%	3.6%
Production	10.4%	9.1%
Transportation/Material Moving	7.2%	6.4%

Source: ESRI Business Information Solutions, 2009 estimates.

## Lifestyles

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 trade 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 brief snapshot of the segments for the Tomahawk Trade Area, as described by ESRI, is presented below. Note that the income and home value data in these descriptions are dated as they are from a 2006 ESRI staff paper (*Community Tapestry*).

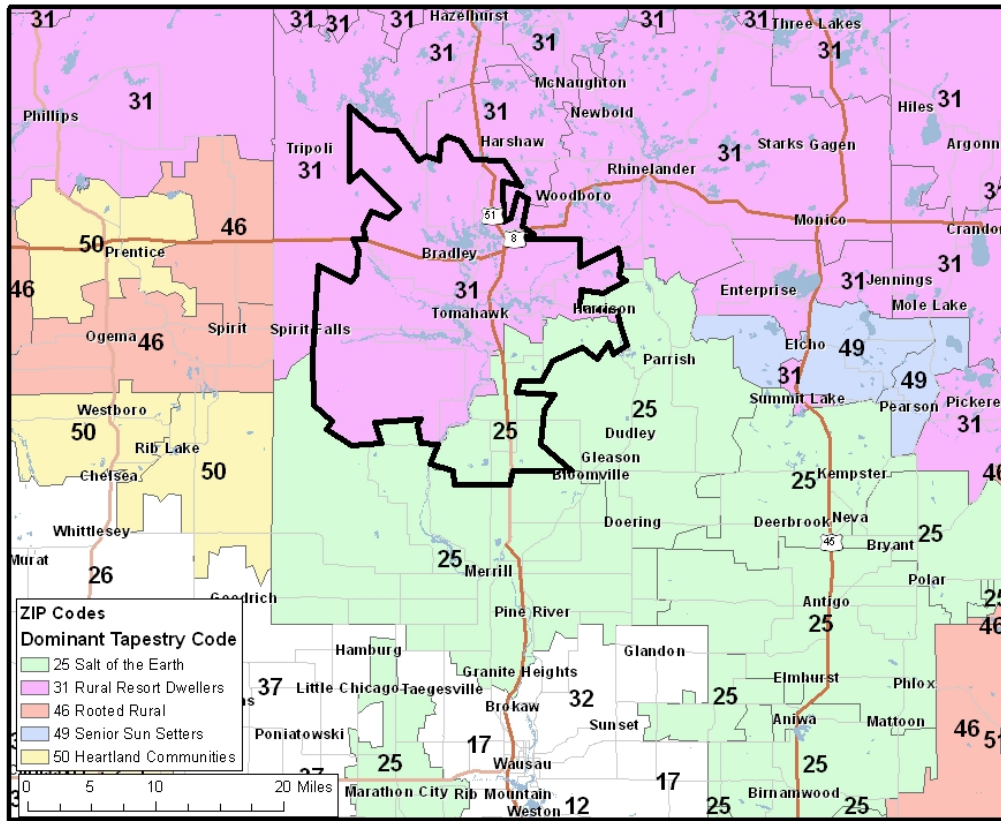
#31 - Rural Resort Dwellers (37.9% of Trade Area): Favoring milder climates and pastoral settings, *Rural Resort Dwellers* residents live in rural, non-farm areas. These small, growing communities mainly consist of single-family and mobile homes, with a significant inventory of seasonal housing. This somewhat older market has a median age of 46.0 years. Most households consist of married couples with no children living at home or singles who live alone. A higher-than-average proportion of residents are self employed and work from home. The median household income is \$45,600. Modest living and simple consumer tastes describe this market. Because of the rural setting, residents have riding lawn mowers and satellite dishes. Lawn maintenance and gardening is a priority, and households own a plethora of tools and equipment. Many households own or lease a truck. Residents enjoy boating, hunting, fishing, snorkeling, canoeing, and listening to country music.

#25 - Salt of the Earth (31.9% of Trade Area): A rural or small-town lifestyle best describes the *Salt of the Earth* market. The median age is 40. 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. Residents enjoy fishing, hunting, target shooting, country music, auto races, and kite flying.

#50 - Heartland Communities (10.4% of Trade Area): These neighborhoods can be found primarily in small towns in the Midwest and South. More than 75 percent of the households are single-family dwellings with a median home value of \$74,400. Most homes are older, built before 1960. The median age is 41.3 years; nearly one-third of the householders are aged 65 years or older. The distinctly country lifestyle of these residents is reflected in their interest in hunting, fishing, woodworking, playing bingo, and listening to country music. In addition to working on home improvement projects, they are avid gardeners and read gardening magazines. They participate in civic activities and take an interest in local politics. Residents order items from catalogs, QVC, and Avon sales representatives.

The following map illustrates the dominant Tapestry segment by zip code area. Many of the “#31 - Rural Resort Dwellers” are located to the north of Tomahawk while “#25 - Salt of the Earth” are located to the south.

## Tomahawk Trade Area and Region - Dominant Tapestry Segments



Source: ESRI Business Analyst

## Consumer Spending by Residents

Consumer spending potential data for 2009 for the Tomahawk Trade Area (54487 and 54442) is presented in the following table. Displayed are the expected amounts spent on goods and services by households that reside in the trade area (excludes visitors and nonresidents).

### **Retail Summary:**

Retail Goods: Total	\$93,852,349
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### **Apparel:**

Apparel & Services: Total	\$5,998,457
Men`s Apparel: Total	\$1,120,932
Women`s Apparel: Total	\$1,846,659
Children`s Apparel: Total	\$1,062,471
Infant Apparel (Under 2 Years): Total	\$314,633
Footwear: Total	\$749,798
Watches & Jewelry: Total	\$739,994
Apparel Products & Services: Total	\$478,603

### **Household Goods:**

Computers & Hardware for Home Use: Total	\$688,149
Software & Accessories for Home Use: Total	\$97,173

### **Entertainment/Recreation:**

Entertainment/Recreation: Total	\$12,426,530
Fees & Admissions: Total	\$1,885,688
Membership Fees: Total	\$518,805
Fees for Participant Sports excluding Trips: Total	\$347,987
Admission to Movies/Theater/Opera/Ballet: Total	\$462,664
Admission to Sporting Events excluding Trips: Total	\$186,972
Fees for Recreational Lessons: Total	\$366,818
TV/Video/Sound Equipment: Total	\$4,392,742
Community Antenna or Cable TV: Total	\$2,792,798
Televisions: Total	518,768
VCRs/Video Cameras & DVD Players: Total	\$92,039
Video Cassettes & DVDs: Total	\$213,637
Video Game Hardware & Software: Total	\$147,911
Satellite Dishes: Total	\$6,179
Rental of Video Cassettes & DVDs: Total	\$150,939
Sound Equipment: Total	\$445,772
Rental/Repair of TV/VCR/Sound Equipment: Total	\$21,743
Pets: Total	\$2,060,691
Toys & Games: Total	\$463,532
Recreational Vehicles & Fees: Total	\$1,986,938
Sports/Rec/Exercise Equipment: Total	\$597,716
Photo Equipment/Supplies: Total	\$435,382
Film Processing: Total	\$111,287
Reading: Total	\$603,841

### **Personal Care:**

Personal Care Products: Total	\$1,406,663
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### **Education:**

Education: Total	\$3,849,007
School Books & Supplies: Total	\$380,422

**Food:**

Food: Total	\$29,000,049
Food at Home: Total	\$17,171,918
Food at Home - Bakery & Cereal Products: Total	\$2,337,805
Food at Home - Meat/Poultry/Fish/Eggs: Total	\$4,012,945
Food at Home - Dairy Products: Total	\$1,985,638
Food at Home - Fruit & Vegetables: Total	\$2,845,280
Food at Home - Snacks/Other Food: Total	\$5,990,251
Food at Home - Nonalcoholic Beverages: Total	\$1,708,720
Food Away from Home: Total	\$11,828,131
Food Away from Home - Meals at Restaurants: Total	\$10,799,906
Alcoholic Beverages: Total	\$1,891,330

**Health Care:**

Health Care: Total	\$15,699,197
Health Insurance: Total	\$7,955,061
Nonprescription Drugs: Total	\$482,644
Prescription Drugs: Total	\$2,431,943
Eyeglasses & Contact Lenses: Total	\$299,134

**Housing:**

Shelter: Total	\$49,526,969
Mortgage Payment & Basics: Total	\$30,536,425
Maintenance & Remodeling Services: Total	\$7,030,993
Maintenance & Remodeling Materials: Total	\$1,851,104
Home Improvement Materials: Total	\$1,964,268
Utilities/Fuel/Public Services: Total	\$17,526,990
Telephone Services: Total	\$5,475,416
Insurance - Owners & Renters: Total	\$1,908,916

**Household Goods:**

Household Furnishings & Equipment: Total	\$6,685,434
Household Textiles: Total	\$493,261
Furniture: Total	\$2,019,750
Floor Coverings: Total	\$293,505
Major Appliances: Total	\$1,219,860
Housewares: Total	\$277,028
Small Appliances: Total	\$130,028
Other HH Items - Luggage: Total	\$33,201
Other HH Items - Telephones & Accessories: Total	\$99,498

**Household Services:**

Computer Information Services: Total	\$814,183
Child Care: Total	\$1,290,739
Lawn & Garden: Total	\$1,735,812
Moving/Storage/Freight Express: Total	\$202,190
Housekeeping Supplies: Total	\$2,761,010
Housekeeping Services: Total	\$433,784

**Transportation (Local):**

Vehicle Insurance: Total	\$4,584,164
Transportation - Vehicle Purchases (Net Outlay): Total	\$18,029,119
Transportation - Gasoline & Motor Oil: Total	\$10,994,168
Vehicle Maintenance & Repairs: Total	\$3,544,657

Consumer Spending by Residents – Indexed to U.S.

Consumer spending potential data as indexed to the U.S. for 2009 for the Tomahawk Trade Area (54487 and 54442) is presented in the following table. Displayed is an index to the U.S. (U.S. = 100) of spending in general categories by households that reside in the trade area (excludes visitors and nonresidents). Consumer spending does not necessarily equal business revenue.

	<b>Spending Potential Index*</b>
Apparel & Services	50
Computers & Accessories	71
Education	64
Entertainment/Recreation	80
Food at Home	78
Food Away from Home	74
Health Care	86
Household Furnishings & Equip	64
Investments	89
Retail Goods	76
Shelter	66
TV/Video/Sound Equipment	75
Travel	72
Vehicle Maintenance & Repairs	79

\* Index: U.S. =100

Source: ESRI Business Analyst, 2009

## Summary

Based on the demographic, lifestyle, and spending data on the Tomahawk Trade Area, a number of summary points can be drawn:

- Demographic trends in the trade area (compared to Wisconsin) indicate Tomahawk has:
  - a stable population of close to 12,000
  - predominately owner occupied housing with many second homes
  - most homes in the \$50,000 to \$150,000 range, but a significant number valued in excess of \$1,000,000 (likely second homes owned by seasonal residents)
  - per capita income 20% below the State
  - average household income 23% below the State
  - 37% of households with incomes below \$35,000 (compared to 28% in the State)
  - pockets of higher income households closer to Rhinelander and Wausau
  - higher levels of older residents (55-up) when compared to the State
  - primarily “White Alone,” but data points to growing Hispanic population
  - 24% of residents (age 25+) have an Associates or higher college degree, compared to 33% for the State
  - lower white-collar employment percentage than the State
- Most of the households in the Tomahawk Trade Area are described by the ESRI Tapestry segmentation system in the following categories:
  - #31 - Rural Resort Dwellers (37.9% of Trade Area): These small, growing communities mainly consist of single-family and mobile homes, with a significant inventory of seasonal housing. This is a somewhat older market. Most households consist of married couples with no children living at home or singles who live alone. Modest living and simple consumer tastes describe this market.
  - #25 - Salt of the Earth (31.9% of Trade Area): A rural or small-town lifestyle best describes the Salt of the Earth market. Above-average numbers of employed residents work in the manufacturing, construction, mining, and agricultural industries. Households are dominated by married-couple families who live in single-family dwellings, with homeownership at 86 percent.
  - #50 - Heartland Communities (10.4% of Trade Area): More than 75 percent of the households are single-family dwellings. Nearly one-third of the householders are aged 65 years or older. The distinctly country lifestyle of these residents is reflected in their interest in hunting, fishing, woodworking, playing bingo, and listening to country music.
- Based in part on local incomes in the Tomahawk Trade Area, residents have lower spending potential per household than the U.S. average household. For retail goods, the average Tomahawk Trade Area household spends \$.75 for every \$1.00 spent by the average U.S. household.