



Demographics and Lifestyles Analysis

Population Trends

Population is the basis for quantifying the current market size and growth trends, both of which are necessary to determine consumer demand. Population is defined as all persons living in a geographic area. Growth trends in population may indicate future opportunities for business.

	Lake Mills Trade Area	Wisconsin	U.S.
2000 Total Population	7,097	5,363,675	303,582,361
2000 Group Quarters	71	155,958	7,778,633
2006 Total Population	7,429	5,667,706	303,582,361
2011 Total Population	7,694	5,922,828	323,785,827
2006 - 2011 Annual Rate	0.7%	0.88%	1.3%

Source: ESRI Business Information Solutions

The table indicates that the trade area population of about 7,500 is somewhat larger than the City of Lake Mills (pop. 5,241). The trade area is expected to grow at a modest rate: behind that of Wisconsin and the U.S.

Housing Units - 2006

Housing data provides the number of owner-occupied and renter-occupied housing units. Vacant housing is an indicator of seasonal housing units. These statistics are valuable in analyzing the potential for a variety of different products and services. For instance, home ownership correlates with expenditures for home furnishings and equipment. Housing data is presented below.

	Lake Mills Trade Area	Wisconsin	U.S.
Owner Occupied Housing Units	70.3%	62.7%	61.6%
Renter Occupied Housing Units	21.6%	26.7%	28.9%
Vacant Housing Units	8.2%	10.6%	9.5%

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

Compared to Wisconsin and the U.S., there is a higher percentage of homeownership in the trade area. In addition, the percentage of housing that is vacant is lower than both Wisconsin and the U.S.

Per Capita Income Trends

Per capita income is a good indicator of the spending power of residents as it positively correlates with retail expenditures in many categories. The following table presents per capita income data.

	Lake Mills Trade Area	Wisconsin	U.S.
2000	\$22,319	\$21,271	\$21,587
2006	\$27,261	\$26,829	\$27,084
2011	\$33,203	\$32,668	\$32,982

Source: ESRI Business Information Solutions

Per capita income in the trade area is nearly identical to per capita income for Wisconsin and the U.S.

Household Income - 2006

Retailers are often interested in the median or average household income in a trade area or seek a minimum number of households within a certain income range. One common practice is to analyze the distribution of household incomes as presented in the following table.

	Lake Mills Trade Area	Wisconsin	U.S.
< \$15,000	6.3%	9.5%	12.4%
\$15,000 - \$24,999	10.7%	10.2%	10.2%
\$25,000 - \$34,999	7.9%	10.5%	10.7%
\$35,000 - \$49,999	17.3%	16.1%	15.1%
\$50,000 - \$74,999	27.1%	22.4%	19.5%
\$75,000 - \$99,999	12.6%	14.2%	12.3%
\$100,000 - \$149,999	14.6%	11.7%	12.1%
\$150,000 - \$199,999	1.7%	2.8%	3.7%
\$200,000 +	1.9%	2.6%	4.0%
Average Household Income	\$67,863	\$66,730	\$71,092

Source: ESRI Business Information Solutions

The average household income in the trade area is slightly higher than that of Wisconsin and slightly behind that of the U.S. Approximately 27-percent of trade area households have between \$50,000 and \$74,999 in income (compared to 22-percent in Wisconsin and 20-percent for the US). Conversely, the trade area has only 6-percent of its households with less than \$15,000 in income (compared to 10-percent in Wisconsin and 12-percent for the US).

Age - 2006

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

	Lake Mills Trade Area	Wisconsin	U.S.
Total	7,429	5,667,706	303,582,361
0 – 4	6.7%	6.4%	6.9%
5 – 9	6.6%	6.1%	6.5%
10 – 14	6.6%	6.7%	7.0%
15 –19	7.4%	7.3%	7.1%
20 – 24	6.6%	7.8%	7.1%
25 – 34	10.9%	12.0%	13.2%
35 – 44	14.7%	14.5%	14.6%
45 – 54	16.3%	15.4%	14.5%
55 – 64	11.2%	10.7%	10.5%
65 – 74	6.0%	6.3%	6.3%
75 – 84	4.8%	4.6%	4.4%
85 +	2.4%	2.1%	1.8%

Source: ESRI Business Information Solutions

Compared to Wisconsin and the U.S., trade area age distribution indicates that residents may leave the community after high school and through their early career years (15-34). However, there are more 55+ residents in the community. The more mature segments of a community are often good customers for traditional downtown districts.

Gender - 2006

The trade area is similar to Wisconsin and the U.S. in the ratio of males to females as presented below.

	Lake Mills Trade Area	Wisconsin	U.S.
Male	49.3%	49.5%	49.2%
Female	50.7%	50.5%	50.8%

Source: ESRI Business Information Solutions

Race/Ethnicity – 2006

The trade area is primarily White Alone, though approximately 3-percent of the community is Hispanic. The following table presents data on the ethnic diversity of the community.

	Lake Mills Trade Area	Wisconsin	U.S.
Total	7,429	5,667,706	303,582,361
White Alone	96.8%	87.5%	73.0%
Black Alone	0.3%	6.1%	12.6%
American Indian Alone	0.2%	0.9%	0.9%
Asian/Pacific Islander Alone	1.0%	2.2%	4.4%
Some Other Race Alone	0.8%	1.9%	6.4%
Two or More Races	0.9%	1.3%	2.8%
Hispanic Origin	3.1%	4.3%	14.8%

Source: ESRI Business Information Solutions

Educational Attainment (Population 25+) – 2000

Educational attainment is another way to determine the socio-economic status of an area. Because income typically (but not always) increases with advancing educational attainment, many retailers focus on income levels rather than education.

	Lake Mills Trade Area	Wisconsin	U.S.
Total	4,711	3,475,878	182,211,639
Less than 9th Grade	3.5%	5.4%	7.5%
9th-12th Grade, No Diploma	8.0%	9.6%	12.1%
High School Graduate	33.5%	34.6%	28.6%
Some College, No Degree	21.6%	20.6%	21.0%
Associate Degree	7.7%	7.5%	6.3%
Bachelor's Degree	20.0%	15.3%	15.5%
Master's/Prof/Doctorate	5.7%	7.2%	8.9%

Source: ESRI Business Information Solutions

The trade area has more residents with college degrees. Approximately 33-percent of trade area residents have a college degree (associates or beyond) compared to 30-percent in Wisconsin and 31-percent in the U.S.

Employment Occupations (Population 16+) – 2006

The type of employment in a community is sometimes related to market demand for certain products and services.

	Lake Mills Trade Area	Wisconsin	U.S.
TOTAL	3,677	2,843,048	139,189,597
White Collar	58.6%	57.9%	60.5%
Management/Business/Financial	14.9%	13.4%	13.6%
Professional	21.7%	19.9%	21.3%
Sales	9.9%	11.0%	11.6%
Administrative Support	12.1%	13.5%	14.0%
Services	13.0%	15.3%	16.4%
Blue Collar	28.4%	26.9%	23.1%
Farming/Forestry/Fishing	0.7%	0.7%	0.6%
Construction/Extraction	5.2%	5.5%	6.4%
Installation/Maintenance/Repair	3.4%	3.8%	3.9%
Production	13.5%	10.0%	6.3%
Transportation/Material Moving	5.6%	6.8%	5.9%

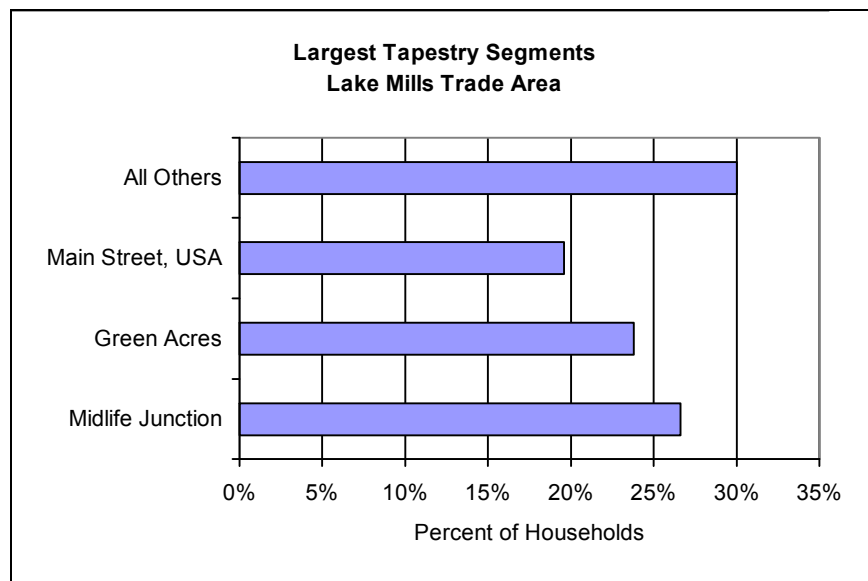
Source: ESRI Business Information Solutions

Compared to the U.S., the Lake Mills trade area has a lower percent of residents in white collar occupations such as professional and administrative positions, and nearly the same percentage as Wisconsin. However, it has more residents employed in blue collar occupations such as construction/extraction and farming.

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' socio-economic status (age, income, occupation, type and value of residence); and their buying behaviors.

A summary for the Lake Mills trade area (Zip Code 53551) is shown in the following graph. The predominant customer classification is *Midlife Junction* making up 27-percent of households in the trade area. This segment, along with *Green Acres* and *Main Street, USA* comprise over two-thirds of trade area households.



Source: ESRI Business Information Solutions

Brief snapshot of the lifestyle preferences of these national segments are **described by ESRI** below.

- **Midlife Junction:** 790 Households / 27% of the Lake Mills trade area –As Midlife Junction residents pass from child rearing into retirement, they live quiet, settled lives. They have been planning and saving for their retirement and actively participating in IRA or 401(k) accounts. They spend their money carefully and do not succumb to fads. Midlife Junction households enjoy dining out at full-service restaurants, particularly on weekends, and take advantage of the convenience of fast-food restaurants. They enjoy tending to their gardens. They prefer domestic cars over foreign cars. Politically, they tend to lean toward the conservative side. They are comfortable making purchases by phone or over the Internet. Comfortable with computer technology, they use e-mail to communicate with friends and families and navigate the Internet at home or at work. Midlife Junction households subscribe to cable and watch television at a higher rate than

the average American. They also like reading newspapers and books. Mindful of their expenses, they search for bargains at Wal-Mart, Kmart, and JCPenney.

- Green Acres: 707 Households / 24% of the Lake Mills Trade Area - Country living describes the lifestyle of Green Acres residents. They are do-it-yourselfers, maintaining and remodeling their homes with paint, decks and patios, and spas. Of course, they own all the necessary power tools to accomplish their projects including power saws, drill presses, and welders. Gardening, especially vegetables, is also a priority, again with the right tools—tillers, tractors, riding mowers, edgers, and even separate home freezers for the harvest. Leisure in Green Acres includes hiking, backpacking, hunting, and bicycling. They also own motorcycles, watch motorcycle events on TV, and read motorcycle magazines. Accommodating the country lifestyle, many households employ satellite dishes in lieu of cable TV. Favorite channels include Home & Garden Television, ESPN, and the Speed Channel. They listen to news-talk radio and read fishing, hunting, and boating magazines. Living in the country does not preclude connection to the rest of world. Green Acres residents own and use PCs, probably purchased by catalog. They own a variety of software packages including education software for their children. They also use the Internet, primarily to purchase consumer goods, such as videos, clothing, and CDs, or to track investments.
- Main Street, USA: 581 Households / 20% of the Lake Mills trade area - Residents of Main Street, USA are active members of their communities, taking part in fund-raisers and volunteer pro grams. They take day trips to the beach, theme parks, or the zoo and occasionally go on domestic vacations. For evening leisure time, they enjoy dinner and a movie or play billiards at their favorite bar. Applebee's, Outback Steakhouse, and Red Lobster are their favorite family restaurants. Many residents prefer to cook at home and play board games or rent a movie. They use the Internet to play games or search for employment, but shopping online is growing in popularity. If they do not have access at home, they may access the Internet at work, school, or the public library. They rely extensively on the Yellow Pages to find restaurants, stores, contractors, and more. Because Main Street, USA homes are older, householders invest in small home remodeling and improvement projects. Residents are more likely to complete work by themselves than hire an outside contractor. To complete the job, they purchase tools and supplies from Home Depot or Lowe's. Residents maintain their gardens by planting new bulbs, fertilizing their lawns, and using insecticide regularly. They give their dogs dog biscuits but prefer the convenience of dry cat or dog food to canned pet food.

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. 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 that this PPI information be made readily available to existing and prospective businesses in Lake Mills.



Consumer Spending Potential of Residents

Consumer spending potential data for 2006 for the Lake Mills trade area is presented in the following table. Displayed are the expected amounts spent on a variety of goods and services by households that reside in the trade area. Expenditures are shown by broad budget categories that are not mutually exclusive. Spending by visitors and nonresidents are not included in these figures.

	Lake Mills Trade Area	Wisconsin	U.S.
Apparel & Services: Total \$	\$5,653,811		
Average Spent	\$1,903.00	\$1,887.50	\$2,722.18
Spending Potential Index	70	69	100
Computers & Accessories: Total \$	\$738,830		
Average Spent	\$248.68	\$245.03	\$257.21
Spending Potential Index	97	95	100
Education: Total \$	\$3,368,973		
Average Spent	\$1,133.95	\$1,106.01	\$1,130.58
Spending Potential Index	100	98	100
Entertainment/Recreation: Total \$	\$9,613,414		
Average Spent	\$3,235.75	\$3,166.11	\$3,306.13
Spending Potential Index	98	96	100
Food at Home: Total \$	\$13,912,799		
Average Spent	\$4,682.87	\$4,687.24	\$4,920.42
Spending Potential Index	95	95	100
Food Away from Home: Total \$	\$9,473,270		
Average Spent	\$3,188.58	\$3,175.94	\$3,336.70
Spending Potential Index	96	95	100
Health Care: Total \$	\$10,876,103		
Average Spent	\$3,660.75	\$3,580.73	\$3,675.67
Spending Potential Index	100	97	100
HH Furnishings & Equip: Total \$	\$5,568,782		
Average Spent	\$1,874.38	\$1,828.63	\$2,204.35
Spending Potential Index	85	83	100
Retail Goods: Total \$	\$72,126,702		
Average Spent	\$24,276.91	\$24,075.33	\$26,066.52
Spending Potential Index	93	92	100
TV/Video/Sound Equip: Total \$	\$3,113,882		
Average Spent	\$1,777.42	\$1,703.63	\$1,789.31
Spending Potential Index	96	95	100
Travel: Total \$	\$5,280,708		
Average Spent	\$1,777.42	\$1,703.63	\$1,789.31
Spending Potential Index	99	95	100
Vehicle Maint. & Repairs: Total \$	\$3,050,305		
Average Spent	\$1,026.69	\$1,018.17	\$1,071.93
Spending Potential Index	96	95	100

Source: ESRI Business Information Solutions. Expenditure data are derived from the 2000, 2001, and 2002 Consumer Expenditure Surveys, Bureau of Labor Statistics. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

