# Kentucky County Retail Sector Profiles
## Boyle County 2016

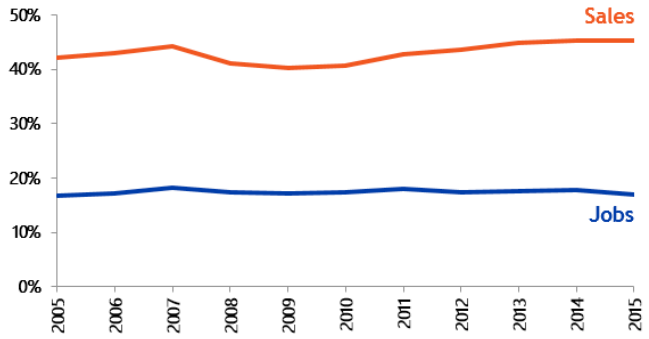
**The retail sector comprises businesses engaged in selling merchandise to the general public - the final step in the distribution of these goods and services.**

**In 2015, 45.2% of county sales and 16.9% of county jobs were attributable to the retail sector.**

| 2015 Retail Sector Employment Characteristics | Employment Characteristics by Age | | | County Total | Area Development District | Kentucky State |
|---|---|---|---|---|---|---|
| | ≤ 24 years old | 25-54 years old | ≥ 55 years old | | | |
| Employment in the Retail Sector | 336 | 990 | 400 | 1,727 | 43,215 | 210,128 |
| Retail Share of Employment across All Sectors | 19.8% | 11.0% | 12.3% | 12.4% | 12.9% | 11.8% |
| New Hires in the Retail Sector | 292 | 388 | 80 | 768 | 5,783 | 29,834 |
| Retail Share of New Hires across All Sectors | 12.5% | 9.8% | 12.7% | 11.1% | 15.6% | 12.0% |
| Change in Retail Employment from 2014 | n/a | n/a | n/a | 54 | 786 | 4,806 |
| Annual Earnings per Employee | $11,656 | $33,816 | $27,852 | $29,388 | $25,633 | $27,000 |

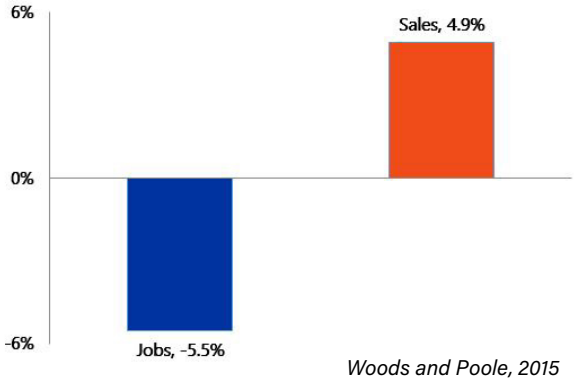
*US Census Longitudinal Employer-Household Dynamics, 2015*

### Retail Share of County Jobs & Sales, 2005-2015



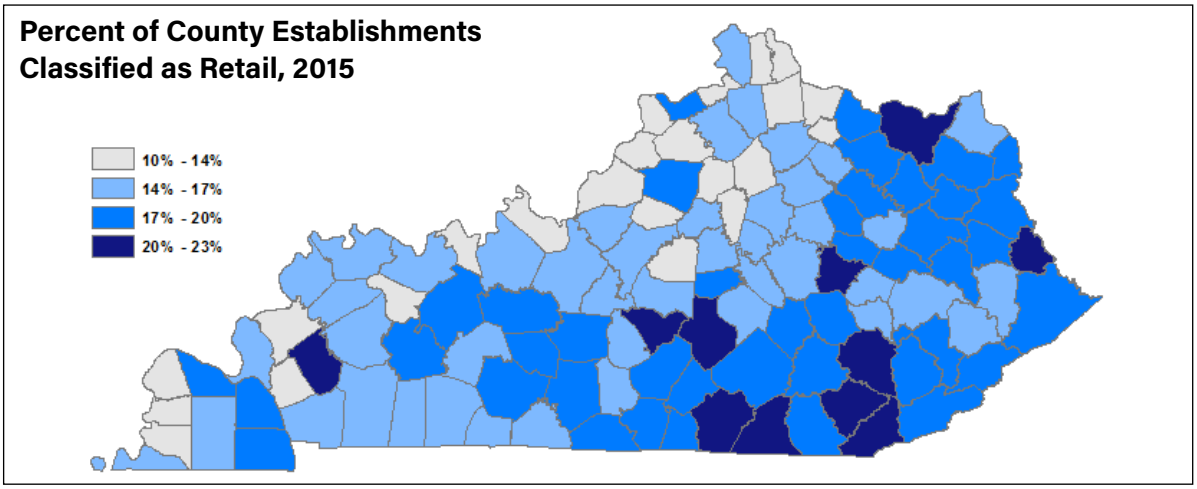

*Woods and Poole, 2015*

### Percent Change Retail Sector Jobs & Sales, 2005-2015




*Woods and Poole, 2015*

### Percent of County Establishments Classified as Retail, 2015



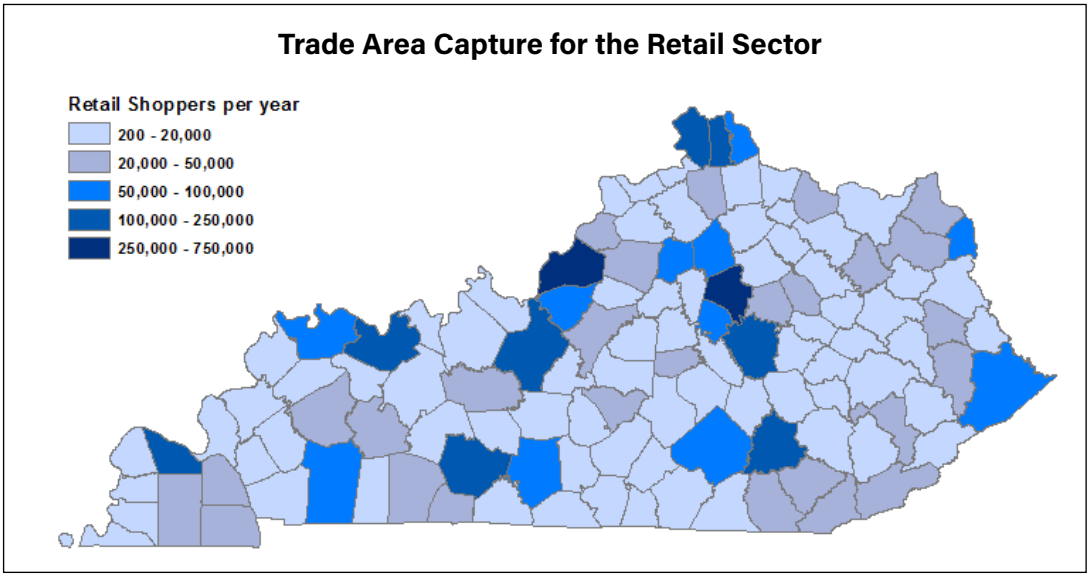

*ESRI/Business Analyst, 2015*

| Retail Sector Establishments Characteristics | Boyle County | Kentucky |
|---|---|---|
| Total Retail Sector Establishments | 249 | 26,981 |
| Average Number of Employees per Retail Establishment | 14 | 8 |

*ESRI/Business Analyst, 2015*

College of Agriculture, Food and Environment
CEDIK Community & Economic Development Initiative of Kentucky

**Trade Area Capture measures the number of retail shoppers drawn to a county per year. Not surprisingly, urban counties have more shoppers, and thus, higher trade area captures.**




*Woods and Poole, 2015*

**Pull Factor Analysis: By dividing a county's trade area capture to its population, a pull factor measures a county's ability to attract shoppers in the retail sector.**

**Pull Factor > 1: the county is pulling retail shoppers from another county.**
**Pull Factor < 1: the residents are shopping in another county.**

| Retail Subsector | Retail Share Rank | Share of Total Retail | Change in Sales, 2005-2015 | County Pull Factor | ADD* Pull Factor |
|---|---|---|---|---|---|
| All Subsectors | -- | -- | 4.9% | 1.5 | 1.0 |
| General Merchandise Stores | 1 | 21.8% | 0.3% | 1.9 | 1.2 |
| Motor Vehicles & Parts Dealers | 2 | 20.0% | -4.8% | 1.6 | 1.1 |
| Eating & Dining | 3 | 11.9% | 23.9% | 1.7 | 0.9 |
| Building Materials & Gardening Stores | 4 | 11.4% | 9.8% | 2.3 | 1.2 |
| Food and Beverages | 5 | 10.7% | 14.8% | 1.3 | 1.0 |
| Gasoline Stations | 6 | 7.4% | 12.1% | 0.7 | 1.1 |
| Health & Personal Care Stores | 7 | 5.9% | 8.1% | 1.2 | 1.8 |
| Furniture Stores | 8 | 3.8% | 1.5% | 3.4 | 0.8 |
| Clothing Stores | 9 | 2.8% | -6.2% | 1.2 | 1.3 |
| Non-Store Retail | 10 | 2.1% | 33.3% | 0.8 | 1.0 |
| Miscellaneous | 11 | 1.3% | -25.6% | 0.8 | 0.8 |
| Sporting Goods | 12 | 0.6% | -27.2% | 0.7 | 0.7 |
| Electronics & Appliances Stores | 13 | 0.4% | -19.3% | 0.4 | 1.2 |

* Area Development District

*Woods and Poole, 2015*

The data in this profile were prepared by the Community and Economic Development Initiative of Kentucky (CEDIK) at the University of Kentucky. For questions on the data contained in this profile contact Simona Balazs, Research Associate, at 859.218.5764 or simona.balazs@uky.edu. Special thanks to Joe Kercsmar for his work on this profile.

# Kentucky County Retail Sector Profiles
# Insights for Data Interpretation

*Prepared by Simona Balazs, CEDIK Research Associate*

September 2016

CEDIK's Retail Sector Profile is comprised of four sections. Page one is a description of Retail Sector Trends, 2015 Retail Sector Employment Characteristics, and Retail Establishments. Page two showcases Trade Area Capture and Pull Factors for the retail sector. In an effort to provide as much data as possible on two pages, precise definitions of some measures were not included. Thus, questions may arise including: What does this number represent exactly? How can I interpret this? This short overview provides additional clarification to the meaning of the selected measures in the profile.

1. **2015 Retail Sector Employment Characteristics**

Data represented in this table comes from the Quarterly Workforce Indicators compiled and published by the U.S. Census, which takes a quarterly snapshot of employment across various sectors and demographic distributions.

Census defines employment as the sum of workers per business who were employed at the beginning of a quarter and received wages in the previous quarter. Employment is defined by the receipt of wages, so it can be full-time, part-time, long-term, or temporary. Further, because employment is recounted quarterly, someone employed all year with one employer will be counted four times. For this reason, CEDIK took the average of retail employment across the four quarters of 2015. However, one limitation is that those working with more than one retail employer in a given quarter are counted twice—once for each position. The retail share of employment is simply the 2015 quarterly average of employment in the retail sector divided by 2015 quarterly average of employment across all sectors.

Next, Census defines new hires as the total number of workers who started receiving wages in a given quarter from an employer whom they had not worked for in the past year. Again, because hiring is defined by a receipt of wages, the hire could be fired either twenty years or two days later and be counted equally. This measure should NOT be interpreted as the number of new jobs created because many jobs, especially in retail, have relatively quick turnover rates.

How measures of employment and new hires are defined may produce results that seem counterintuitive, since the table might report in some instances more new hires than workers employed. To understand how this may happen, consider the following example: Chloe graduated college in Spring of 2015 and looked for a job to launch her career in the 3rd quarter. After an unsuccessful month, she started work as a grocer clerk to pay the bills. Two weeks later, and still in the same quarter, she landed a morning manager position at a retail outlet and quickly quit her grocer position. Thus, when employment was calculated for the 4th quarter, she was counted. Since employment is averaged across all four quarters, Chloe only adds .25 to county employment, but she will add 2 new hires since she received wages from two new employers in 2015. If many counties' residents face similar circumstances this may result in new hires outnumbering workers employed.

To calculate the change in retail employment for 2014, CEDIK took the difference between retail employment from the beginning of quarter one in 2015 and the beginning of quarter one in 2014. A positive number represents the total number of additional workers who are considered employed one year later, and vice versa.

Average annual earnings are based on the Census's average quarterly earnings, which are only estimated for full-quarter employees. Thus, reported average earnings may include part-time wages, but not those who were hired or separated in that quarter. This measure provides some indication of the quality of retail jobs and how this might differ across age groups.

Finally, CEDIK has manipulated the Census data to breakdown each measure into three age groups within the county: those 24 and under, those 55 and older, and those in between. The measures are defined in the same way for the age breakdown, except that the result only applies to those within a particular age group. Unfortunately, data was not available for spaces marked "n/a".

| | | Change in Retail Share | | |
|---|---|---|---|---|
| | | Positive | Zero | Negative |
| Percentage Change | Positive | Retail has grown faster than economy | Retail has grown at the same speed as economy | Retail has grown but economy grew faster |
| | Zero | No change in retail but economy has declined | No change in retail or in rest of the economy | No change in retail but economy has grown |
| | Negative | Retail has declined but economy declined faster | Retail has declined at the same speed as economy | Retail has declined faster than the economy |

### 2. Trends in the Retail Sector

Two graphs make up the profile's section regarding trends in the retail sector, and each uses different data to describe how the retail sector has changed in your county over time. The graph on the left showcases the retail share for jobs and sales, over a time period of 10 years. In other words, of all the jobs held or sales generated in the county, what percentage is attributable to the retail sector? This measure is meant to highlight the relative importance of the retail sector to your county's economy and how that has changed over time.

The graph on the right presents two numbers: the percent change in number of retail jobs and the percent change in amount of retail sales, between 2005 to 2015.

This measure is meant to suggest an overall decline or increase in the actual number of retail jobs or annual retail sales in your county. However, it does not show if this change was gradual, sudden, significant, or inconclusive. For example, was this change the result of a clear increase or decline in retail or nothing more than one might expect from normal year-to-year volatility? This table does not answer that question, but it helps identify the overall trend.

### 3. Retail Establishments

Retail establishments are featured in the profile's third section, which maps an interesting pattern in the percentage of county establishments classified as retail across Kentucky. This percentage could vary for many reasons, including economic diversification, prevalence of tourism, strong interest in retail entrepreneurship, or a smaller manufacturing/industrial economy. Below the map, county-specific information is provided, including the number of retail sector establishments and the average number of employees per retail establishment. In many counties, retail establishments and their accessibility to local residents is a good portion of what characterizes the community.

### 4. Trade Area Capture (TAC) and Pull Factors

Trade Area Capture (TAC) is used to estimate the number of customers who have shopped in a given area (e.g., county or state) within a one-year period. Specifically, it is calculated by dividing annual retail sales for that area by the state average of annual per capita spending on retail goods and services, which is further adjusted by a ratio of local-to-state per capita income (where applicable) to account for differences in average incomes. In other words, TAC is the ratio of total retail sales to the average amount of money that a retail shopper spends— adjusting for income differences—and thus estimates the number of shoppers for that area. Therefore, it is not surprising that Kentucky's more urban counties, which have higher populations, also have higher TACs (see map). One caveat is that the TAC assumes that local residents purchase goods and services at the same rate as the average state resident, though it allows for their average incomes to vary.

Pull Factors take retail analysis to the next level by dividing TAC by the local population. Thus, if the estimated number of shoppers for that area (i.e., TAC) is greater than the local population, the Pull Factor will be greater than one, and vice versa. In the Pull Factor table, CEDIK has calculated the Pull Factors for each retail subsector for the county and the Area Development District. Subsectors are also ranked by the greatest percentage of total retail sales in the county.

How can these figures be interpreted? A Pull Factor may be greater than a value of one for two reasons: 1) most often, the local area is attracting retail customers from outside its boundaries, and/or 2) local residents are spending more on retail than the average state resident. Conversely, if a Pull Factor is less than one then the reverse is true; the local area is losing retail shoppers to outside business, the residents are spending less than the state average, or both. Finally, a Pull Factor equal to a value of one indicates a balance of trade where purchases by local residents outside local boundaries are matched by sales made to non-local shoppers.

In addition to thinking about your county's retail subsectors when interpreting this table, it is also important to remember county commuting patterns and tourism. Both have a high potential for bringing in or sending out significant numbers of people for reasons completely unrelated to retail shopping. However, while working or traveling in a county other than where they reside, people are likely to purchase gas, eat at restaurants, buy gifts or clothes, etc. In other words, Pull Factors are not merely an indication of the strength or potential of the retail sector, but also how much the county is relied upon by its residents and outsiders for their retail shopping needs.

References:

Hustedde, Shaffer, and Pulver. "Community Economic Analysis: A How To Manual." (1993). Retrieved from: http://www.epa.gov/greenkit/pdfs/howto.pdf

Still have questions?

If you have further questions regarding the data in this profile, please contact CEDIK Research Associate Simona Balazs at (859) 218-5764.