

## **GROVE CITY'S DEMOGRAPHIC TRENDS**

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### LOCAL DEMOGRAPHIC TRENDS

Demographic trends, based on U.S. Census data and projections published by SITES USA, a geo-demographic forecasting firm that focuses on the retail industry, are analyzed below for three levels of geography relative to Grove City's Town Center. The first level is a 1-mile radius around Broadway and Park Streets. This is considered to be the "close-in" residential market that is within a convenient driving, or even, walking distance of the Town Center's merchants. The next level is the City of Grove City, based on its 2000 boundaries, as the Town Center's purposed is to serve the entire city. However, since retail dollars do not necessarily respect municipal boundaries, we have also analyzed demographics at the 3-mile radius level which includes portions of neighboring villages and townships. This is the maximum trade area, in our opinion, for most of the Town Center's retailers, except those that are more tourist/visitor-oriented. Demographic data for Franklin County was also collected to provide benchmarks where appropriate.

### POPULATION

As shown in Table 1 below, about 8,800 persons live within 1-mile of Grove City's Town Center. This represents about one-third of the City's population (2000 boundaries) of 27,500 persons. About 41,300 persons live within 3 miles of the Town Center, representing another 14,000 potential retail customers.

Population density is highest near the Town Center (2,800 persons per square mile within a 1-mile radius) and tapers off as one travels further outward. While population density peaks in the 1-mile radius, it still has relatively low density for a Town Center. New housing options are needed, especially to serve empty nesters and senior boomers (read below).

The Town Center's 1-mile ring population has remained in the 8,700 to 8,800 range since 1990 but is forecast to lose about 150 residents over the next 5 years. (but it is not too late to intervene). The rest of the City (2000 boundaries) and its adjacent townships grew at a rapid pace during the 1990's but have slowed down in this decade so far.

The population within a 1-mile radius includes relatively large segment of seniors (14.5% of its population vs. 9.9% county-wide). The population at all three levels of geography has about 30% of its residents in the under 20 age group, the same at the county benchmark.

**TABLE 1: POPULATON TRENDS**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
2007 Est. Population	8,816	27,471	41,355	1,100,045
Population Density	2,808	1,969	1,443	2,031
2012 Projection	8,657	27,692	42,871	1,150,446
Avg. Annual Change, 2007-2012	-32	+44	+303	+10,080
1990 Census	8,694	21,132	29,586	959,789
Avg. Annual Change, 1990-2007	+7	+373	+692	+8,250
2007 % Age 65+	14.5	11.8	10.3	9.9

SOURCES: U.S. Census Bureau, SITES USA, and Boulevard Strategies

## HOUSEHOLDS

There are about 3,900 households within a 1-mile radius of Broadway and Park Streets, and 11,900 households within the 2000 boundaries of the City. In addition, there are 5,000 more households beyond Grove City but within 3 miles of the Town Center. About 30 new households per year are forming within the 1-mile ring in spite of its flat population growth. This reflects a nationwide trend toward small household sizes over the past several decades. The average household size in the 1-mile ring is 2.27 persons (vs. 2.35 persons county-wide).

The 1-mile radius has a significant percentage of “empty-nest” households. This is reflected in the fact that 81% of its households are considered to be “family” households by the Census Bureau (defined as two or more related persons living in the same residence) but only 36% have any children present. In Franklin County overall, those ratios are prime candidates for condominium and other urban household products.

The rest of Grove City and the outlying regions within 3 miles of the Town are home to above-average proportions of family households, including those with children (38% vs. 34% countywide). These markets also have very high percentages of empty nesters, both younger and older, compared to countywide averages.

Households within a 1-mile radius are more likely to be occupied by renters (38%) than households within the 2000 Grove City borders (27%) or in the 3-mile radius (28%), but less likely than Franklin County households, in general. Median years living at the same residence, is slightly below the countywide average for all 3 levels of geography, which reflects the changing population in the Grove City area. Homes within a 1-mile radius are 14 years older on average than homes within the 2000 boundaries of Grove City, but are only 2.4 years older than the typical home in Franklin County.

**TABLE 2: HOUSEHOLD TRENDS**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
2007 Est. Population	3,934	11,920	17,038	466,144
Avg. Annual HH Formation, 1990-2007	+30	+237	+377	+5,176
% Family Households	81.9	86.2	84.9	59.8
% Households with Children	35.8	38.0	38.2	33.7
% Households without Children	46.1	48.2	46.7	26.1
% 1-Person Households	28.5	23.6	23.4	31.3
% Owner/% Renters	62/38	73/27	72,28	57/43
Median Years at Same Residence	3.8	3.9	3.7	4.1
Median Age of Home	42.8	28.6	26.3	40.4

SOURCES: U.S. Census Bureau, SITES USA, and Boulevard Strategies

### EDUCATIONAL ATTAINMENT

Education attainment among adults aged 25 and over who live within 1 mile of the Town Center is relatively low compared to countywide benchmarks. Though most adults have high school diplomas (84% vs. 87% county-wide), relatively few have college degrees (13% vs. 34% county-wide).

Grove City adults who live outside of the 1-mile radius are better educated, on average, with about 25% earning college degrees. Education levels in the villages and townships beyond Grove City but within a 3-mile radius of the Town Center are very low as only 80% of adults graduated from high school and 9% graduated from college.

The relatively low proportion of adults with college degrees in the Grove City area may indicate an opportunity for a branch campus of a local university or college to provide continuing education opportunities as workforce needs constantly evolve.

**TABLE 3: EDUCATIONAL ATTAINMENT, 2004  
(Adults Aged 25 and Over, 2004)**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
Less Than High School	16.0%	11.8%	15.7%	12.6%
High School Grad Only	43.2%	38.8%	40.4%	27.0%
Some College/Assoc. Degree	27.7%	28.7%	27.8%	26.9%
Bachelor Degree or Higher	13.1%	20.7%	16.1%	33.5%

SOURCES: U.S. Census Bureau, SITES USA, and Boulevard Strategies

### OCCUPATION/LIVE HERE VS. WORK HERE

Those who live within a 1-mile radius of Grove City's Town Center primarily work in white collar occupations (59%) but also are more likely than the typical Franklin County resident to have a blue collar occupation (41% vs. 37.5%). The remainder

of Grove City's residents are heavily white collar (about 70%) while those who live in the outlying areas are more blue collar (47%).

There were 4,331 employed adults living within a 1-mile radius of the Town Center, according to the 2000 Census. There were 4,184 jobs within a 1-mile radius of the Town Center, 61% of which require white collar skills. The Town Center exports about 150 blue collar workers (net) and imports about 10 white collar workers (net) each day, which is a fairly reasonable balance.

At the Grove City level (based on 2000) boundaries), there were 9,301 white collar workers among its residents in 2000. This contrasts with only 6,795 white collar positions available by its employers resulting in a net outflow of 2,506 white collar workers each day in 2000.

Conversely, Grove City has 4,770 blue collar workers, not enough to fill the 5,043 blue collar jobs offers by its employers. Therefore, if Grove City's economy would shift towards more white collar, office-based employment, more of its residents could shorten their commutes by switching to local employment centers, including the Town Center.

Only 1.7% of Town Center residents that work have a zero commute time, i.e., work out of their homes. The same figure is 2.1% for all Grove City workers. This compares to 4.2% county-wide. Work/live spaces have yet to take strong root in Grove City but may represent a future opportunity.

**TABLE 4: OCCUPATION/LIVE HERE VS. WORK HERE, 2000**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
Employed Adults	4,331	14,071	20,087	480,918
White Collar Workers	2,559 (59%)	9,301 (34%)	12,394 (62%)	301,053 (63%)
Blue Collar Workers	1,772 (41%)	4,770 (34%)	7,693 (38%)	179,865 (38%)
Jobs	4,148	11,838	17,685	794,557
White Collar Jobs	2,569	6,795	10,009	479,912
Blue Collar Jobs	1,615	5,043	7,676	314,645
Import(+) vs. Export (-), White Collar Labor	+10	-2,506	-2,385	+178,859
Import(+) vs. Export(-), Blue Collar Labor	-157	+273	-17	+134,780
Import(+) vs. Export (-), All Labor	-147	-2,233	-2,402	+313,639
% Work at Home	1.7	2.1	1.9	4.2

SOURCES: U.S. Census Bureau, SITES USA, and Boulevard Strategies

#### INCOME LEVELS

The demographic variables that have the most impact on retail spending patterns are household income and per capita income. Households within a 1-mile radius of the Town Center earn incomes very close to Franklin County benchmarks. Median household income of \$48,095 and per capita income of \$24,630 each exceeded countywide statistics by about 0.7% in 2007. Over 59% of the 1-mile radius

households earn incomes between \$25,000 and \$74,999 vs. less than 50% at the county level.

The remainder of Grove City is fairly affluent. Not counting those who live within 1 mile of the town center, Grove City households had a median household income of about \$67,000 in 2007, 40% above the county-wide median, and per capita income of about \$29,000, 20% above the county-wide average.

Income levels drop off outside of Grove City's borders but still are in line with countywide benchmarks.

**TABLE 5: INCOME DISTRIBUTION, 2007**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
Less Than \$25,000	21%	15%	16%	23%
\$25,000-\$49,999	34%	27%	30%	29%
\$50,000-\$74,999	25%	16%	26%	21%
\$75,000-\$99,999	12%	25%	16%	12%
\$100,000 and Over	8%	17%	12%	15%
<b>TOTAL</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
Median HH Income	\$48,095	\$60,714	\$56,829	\$47,749
Per Capita Income	\$24,630	\$27,592	\$25,702	\$24,453

SOURCES: U.S. Census Bureau, SITES USA, and Boulevard Strategies

#### RETAIL SPENDING PATTERNS

Boulevard Strategies has developed a proprietary model that estimates a given population's retail spending on 34 categories that are split into 5 major merchandise groups as follows:

- Convenience Goods and Services: Grocery, Pharmacy/Health & Beauty Aids, Retail Services (such as dry cleaners and hair salons), Cards/Gifts/Flowers, and Fast Food
- Home Goods: Home Furnishings/Décor (including art), Household Items, Appliances, Hardware/Home Improvement, Lawn and Garden, Office Supplies, and Automotive Supplies
- Fashion Goods: Women's, Men's, Children's Apparel, Footwear, Jewelry, and numerous Specialty Fashion niches
- Leisure Goods: Consumer Electronics, Computers, Sporting Goods, Books/Magazines, Music/Media/Software, Toys/Games, Hobby/Crafts, Pet Supplies, and Other Miscellaneous categories
- Dining & Entertainment: Sit-Down Restaurants, Taverns/Bars/Clubs, Cinemas, Bowling Alleys, Game Arcades, and Specialty Foods/Beverages/Desserts

The retail spending model is based on data from the U.S. Department of Labor's Annual Consumer Expenditure Survey, which allows the analyst to derive correlations between demographic variables and spending on specific retail categories. For instance, a population with a large senior cohort would be expected to spend a greater proportion of its collective retail spending on Pharmacy/Health &

Beauty Aids categories. Independent variables used in the model include region of the country, race, and education of householder, housing value distribution, and household income distribution. The model does not include automotive-related retail such as motor vehicle sales and gasoline.

According to the model, residents who live within 1 mile of the Town Center spent about \$91 million on retail purchases in 2007. The 1-mile ring's collective demographic profile suggests that this group spends particularly high proportions of their income on everyday Convenience Goods & Services as well as Home Goods categories in comparison to Franklin County benchmarks.

Residents in Grove City (2000 boundaries) overall spent about \$283 million on the purchase of retail goods and services in 2007. Due to having higher income, Grove City outspent the typical Franklin County household on all major merchandise groups, except Dining & Entertainment. It is a relatively strong market for retailers that offer comparison shopping goods in the Home, Fashion, and Leisure Goods categories.

Spending patterns are similar in the 3-mile radius except less is spent on Fashion and Leisure Goods.

**TABLE 6: RETAIL SPENDING PATTERNS, 2007**

	<b>1-Mile Radius</b>	<b>Grove City</b>	<b>3-Mile Radius</b>	<b>Franklin County</b>
Convenience Goods & Services Per Household	\$43M \$10,865	\$125M \$10,528	\$179M \$10,494	\$4,840M \$10,387
Home Goods Per Household	\$20M \$5,086	\$62M \$5,216	\$87M \$5,100	\$2,260M \$4,977
Fashion Goods Per Household	\$12M \$3,005	\$40M \$3,319	\$55M \$3,224	\$1,510M \$323
Leisure Goods Per Household	\$7M \$1,849	\$25M \$2,134	\$34M \$1,993	\$970M \$2,077
Dining & Entertainment Per Household	\$9M \$2,312	\$31M \$2,513	\$43M \$2,495	\$1,180M \$2540
<b>TOTAL Per Household</b>	<b>\$91M \$23,117</b>	<b>\$283M \$23,710</b>	<b>\$398M \$23,332</b>	<b>\$10,760M \$23,082</b>

SOURCES: U.S. Department of Labor Consumer Expenditure Survey and Boulevard Strategies

#### DAYTIME MARKETPLACE

In addition to local residents, Grove City's Town Center merchants serve a daytime workplace of about 4,200 workers with a 1-mile radius. A recent study sponsored by the International Council of Shopping Centers indicates that the typical household makes about 12% of its annual retail and restaurant expenditures near the workplace, before and after shifts as well as during breaks including lunch. The typical white collar worker will spend about \$3,200 per year on workplace retail purchases. About half of that amount will be spent on Dining and Entertainment venues. Blue collar workers spend \$2,150 a year on workplace retail purchases. About half of their spending occurs in Convenience Goods and Services, which includes fast food.

These statistics applied to the 1-mile ring results in estimated add-on retail demand of about \$12 million, about 70% of which is accounted for by white collar workers.

The close-in daytime marketplace adds about \$4 million in spending for Convenience Goods & Services, \$5 million for Dining & Entertainment, and \$1 million for each Home, Fashion, and Leisure Goods for Town Center merchants to potentially capture.

Outside of the 1-mile radius but within 3 miles of the Town Center are another 13,500 workers who may patronize the Town Center, on occasion, if not daily. This represents about a \$37 million per year daytime marketplace, including \$15 million spent at Dining and Entertainment venues.

**TABLE 7: DAYTIME MARKETPLACE, 2007**

	<b>1-Mile Radius +</b>	<b>1-3 Mile Radius =</b>	<b>3-Mile Radius</b>
Est. No. of White Collar Workers	2,600	7,400	10,000
X \$3,200	\$8.3M	\$23.7M	\$32.0M
Est. No. of Blue Collar Workers	1,600	6,100	7,700
X \$2,150	\$3.4M	\$13.1M	\$16.5M
Total No. of Workers	4,200	13,500	\$17,700
Total Spending	\$11.7M	\$36.8M	\$48.5M
<b>By Category:</b>			
Convenience Goods & Services	\$3.8M	\$12.5M	\$16.3M
Home/Fashion/Leisure Goods	\$2.9M	\$9.2M	\$12.1M
Dining & Entertainment	\$5.0M	\$15.1M	\$20.1M

SOURCES: International Council of Shopping Centers, SITES USA, and Boulevard Strategies

PRELIMINARY RESULTS OF MERCHANT INTERVIEWS (Approximately one half of all interviews have been completed>)

Fifteen in-person interviews have been completed with Town Center merchants as of this writing. Merchants interviewed so far include:

- Evans Florist
- Grandstand Pizza
- Kenstar Pharmacy
- Lilly's Kitchen
- Sommer House Gallery
- Broadway Cleaners
- Red Letter Journals
- HER Realtors
- Always in Stitches
- Village Merchant
- 5<sup>th</sup> 3<sup>rd</sup> Bank
- Massinelli Cardinal Foods
- Home Country Moods Embroidery
- Act II Styles and Consignments
- Red Maple Curio

Preliminary results include the following:

The typical merchant has been in business for 16 years, 14 at its current location. One-third of those interviewed have been in business for over 20 years while one-third have been in business less than 5 years.

About half of the merchants own their space and half rent. Store size averages about 2900 square feet. Eighty percent report general satisfaction with their current location.

The typical merchant is open for 54 hours per week. Half are closed on Sundays. About 36% of the stores interviewed are open after 6pm on weeknights.

The typical Town Center merchant employs 7 persons, including the owner(s). The staff is split about 50/50 between full-time and part-time workers. About 72% of those who work in Town Center businesses also live in Grove City.

Customers are split into 3 groups geographically: 28% live or work within a 1-mile radius of the Town Center, 44% live in other sections of Grove City, and 28% live outside of Grove City. This split, however, varies widely among individual businesses as there are some operators that rely heavily on nearby residents and workers for their business while others cater to the tourist and visitor trade.

In terms of demographics, the Town Center base is heavily female (70%) and older (56% are 45 or older).

Stores that Town Center merchants list as biggest draws include Kenstar Pharmacy and three restaurants (Lilly's, Plank's, and Josiah's). The library and City Hall were also mentioned as draws even though they are not businesses as was Graeter's which is yet to re-open.

Each merchant was asked to name its top 3 competitors. About two-thirds of competitors mentioned are national and regional retailers such as Wal-Mart and Target. About 56% of the Town Center's competitors are found on Stringtown Road. Only 10% are other Town Center merchants. About 25% of the Town Center competitors have locations outside of Grove City area, including West Broad, Hilliard, Dublin, downtown Columbus, and Easton.

Competitive advantages that Town Center merchants claim include friendly, personal, and knowledgeable customer service, unique, "eclectic" product selection, competitive prices, superior product or food quality, and convenient hours/location.

Boulevard Strategies estimated annual sales volume for each merchant based on the merchant's (confidential) responses, industry standards, and the consultant's observations and experience. We estimate that the typical Town Center merchant had sales per square foot of \$165 in 2007. Retailers, in general, average about \$250 per square foot, though this varies widely by type of merchandise or services sold and location. About 40% of merchants interviewed reported that sales had declined over the past several years.

Based on this preliminary information, Town Center retail sales would be about \$24 million per year. About \$7 million would be sold to those who work within a 1-mile radius of the Town Center. Since we know this market, including daytime workers spent about \$103 million on retail purchases in 2007, this means the Town Center is capturing only about 7% of their demand. Similarly, it captured only about \$10 million of the \$229 million spent by other Grove City residents and workers, a 4% market share.

Merchants were asked what they perceived to be the strengths and the challenges of the business environment in the Town Center. Perceived strengths include its friendly, hometown atmosphere; the variety of businesses within close proximity to each other, resulting in a walkable, convenient place to shop and eat; Broadway's central location and high traffic volume; the Town Center's historic architecture and beautiful streetscape; events and activities, including the Saturday farmer's market, held in the Town Center; and low rents.

Perceived challenges include a lack of retail anchors or draws; lack of support and cooperation from the City; lack of parking; low awareness of the town Center to outsiders, especially those who are new Grove City residents. Merchants cited problems with the City government ranging from slowness in initiating work on the Town Center plan and the lumberyard site, difficulty in working with building inspectors and signage codes, less attention received than other parts of town including Stringtown Road, and lack of patronage

at Town Center stores and restaurants by government officials and workers in spite of their proximity to City Hall. Several of those with complaints did allow that their problems were with the previous administration and that they are hopeful that the relationship will improve with the new administration.

Parking was mentioned as a problem by most merchants but when they were asked about their own businesses and customers, only one third believed their customers found it difficult to park during busy periods. More specifically, only 10% of their customers had to park at least on block away from their front doors during busy times.

Merchants were asked to rate their perceptions of the Town Center on a dozen attributes. Their ratings were converted to 1 to 10 scale with 8 to 10 being an excellent score and 1 to 3 being a poor rating. The results so far are as follows:

Personal safety	7.2
Store cleanliness	6.8
Appearance of the area	6.1
Competitive prices	5.7
Attitude of merchants	5.3
Support from City government	5.3
Selection of restaurants	4.2
Store hours	4.0
Selection of stores	3.4
Available parking	3.3
Selection of entertainment venues	3.1

Suggestions for improvement primarily centered around improving the City's relationship with Town Center stakeholders, doing more to promote and advertise the Town Center, adding more parking, possibly including a parking structure, and cleaning up the streetscape, including better lighting.

Merchants had a wide variety of suggestions for new businesses needed in the Town Center. Twenty different types of stores were mentioned by at least one merchant. Those receiving at least 2 mentions include another sit-down restaurant of mid-scale quality ("like a Rusty Bucket or an Old Bag of Nails"), a bakery, a bookstore, a coffee shop, and women's fashion.