



Sales Gap Analyses *for* Nelson County, Virginia

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Index of Tables

Table 1	Taxable retail sales in Nelson County in 2000 and 2004
Table 2	Average sales per retail business for Nelson County and vicinity (including national retail chains other than discount superstores)
Table 3	Average sales per business for several categories of retail businesses (not including discount superstores)
Table 4	Composition of businesses and other uses in downtown Lovingston and downtown Nellysford
Table 5	Market position of businesses in downtown Lovingston and downtown Nellysford, relative to similar businesses in the region
Table 6	Sales performance of businesses in downtown Lovingston and downtown Nellysford, relative to similar businesses within the region
Table 7	Estimated total 2004 retail sales in downtown Lovingston and downtown Nellysford
Table 8	ESRI's demographic segment analysis for Nelson County, Lovingston, and Nellysford
Table 9	Nelson County residents' estimated buying power for ten major retail categories
Table 10	Buying power of Nelson County residents with household incomes under and over \$50,000 for four major retail categories
Table 11	Buying power of Nelson County residents, by household income, for four major retail categories
Table 12	Buying power of residents of the Lovingston and Rockfish Districts for two retail categories - groceries and restaurant meals – according to household income
Table 13	Buying power of residents of the Lovingston and Rockfish Districts with household incomes under and over \$50,000 for groceries and restaurant meals

- Table 14 Median disposable household income and median *per capita* income for Lovingston (zipcode area 22949), Nellysford (zipcode area 22958) and Nelson County
- Table 15 Nelson County residents' buying power for various retail goods and services; actual sales captured by Nelson County businesses; and estimated sales gaps for these retail categories
- Table 16 Buying power of the households of Lovingston's and Nellysford's downtown workers for various retail goods and services
- Table 17 Estimated buying power of the households represented by Wintergreen's 550 year-round workers
- Table 18 Estimated amount of unmet market demand for *restaurant meals* for downtown Lovingston workers' households, Lovingston District residents, and other Nelson County residents, and conservative percentages of those amounts for downtown Lovingston to set as a sales target within the next 2-3 years
- Table 19 Estimated amount of unmet market demand for *restaurant meals* for downtown Lovingston workers' households, Lovingston District residents, and other Nelson County residents, and slightly more aggressive percentages of those amounts for downtown Lovingston to set as a sales target within the next 2-3 years
- Table 20 Actual sales for the Charlottesville and Lynchburg Metropolitan Statistical Areas and for the Staunton-Waynesboro Micropolitan Statistical Area
- Table 21 Estimated amount of unmet market demand for *restaurant meals* for downtown Nellysford workers' households, Rockfish District residents, and other Nelson County residents, and reasonable percentages of those amounts for downtown Nellysford to set as a sales target within the next 2-3 years

- Table 22 Estimated amount of unmet market demand for *restaurant meals* for downtown Nellysford workers' households, Rockfish District residents, and other Nelson County residents, and slightly more aggressive percentages of those amounts for downtown Nellysford to set as a sales target within the next 2-3 years
- Table 23 Conservative estimates of restaurant meal sales potential from Wintergreen guests, with target capture rates of 1, 2 and 3 percent
- Table 24 Potential sales targets from Nelson County residents for a general store – like the Kittery Trading Post of Vermont Country Store

Nelson County, Virginia

SALES GAP ANALYSES

Retail market analysis and sales gap analysis

For centuries, town centers functioned as the commercial, government, and social hubs of their communities – the places where people came together to conduct business, administer government, relax, worship, and celebrate. But America’s communities have gone through a series of profound transformations over the past fifty years that have changed the economies of the nation’s downtowns. Many of these transformations are a consequence of the expanding highway system, which stimulated suburban development and made it possible for people to move farther away from town centers. As people have moved outward, the retail industry – always a market follower, rather than a market leader – has moved outward, also. With the advent of regional shopping malls and discount superstores, downtown retailing – the bedrock of a traditional main street district’s economic foundation – has slowly eroded.

This market erosion is largely the result of retail overbuilding over the past five decades, as retail space has expanded at a rate far beyond the ability of most communities to absorb it. In the past 50 years the amount of retail space in the United States has grown almost ten-fold, from four square feet of retail space *per capita* in 1960, to 38 square feet *per capita* today. But, Americans only have the “buying power” to support about 20 square feet of retail space *per capita* – which means that the United States has almost twice as much retail space as it needs or can support. Few downtowns have been able to rebuild the concentration of retail and other uses needed to maintain economic viability.

In addition to the change in the amount of retail space over the past five decades, retail has also become more stratified over the years. In general, there are three retail categories:

- ▶ Convenience: Retail goods and services for which shoppers tend to patronize the closest business, like gas stations, dry cleaners, and grocery stores. “Impulse” retail – like card shops, florists, and gourmet cookies – also fall into this category.
- ▶ Comparison: Retail goods and services for which shoppers like to compare styles, brands and prices before making a purchase, like apparel, shoes and (sometimes) furniture. For this reason, comparison retail businesses tend to cluster together, and a comparison business is likely to be more successful if located in a cluster than if it is freestanding, without related businesses nearby.
- ▶ Destination: Retail goods and services for which shoppers will travel significant distances. These might include specialty businesses (like musical instruments), large clusters of related businesses (like antiques or restaurants), or businesses that offer exceptional service and that have developed a very loyal clientele.

In the mid-twentieth century, many downtowns offered a blend of businesses in all three categories. Shopping malls, though, specialize in comparison retail businesses (particularly apparel and apparel accessories, like shoes and jewelry) and typically offer enough of a concentration of these businesses to dominate the local market and make it very difficult for downtowns to successfully compete in this category. Discount superstores, which began appearing in the late 1970s, have created additional challenges for communities and for traditional main street districts by saturating additional retail niches. They also offer such a broad range of merchandise that they put a broad range of existing businesses in the community at risk. By siphoning away even relatively small percentages of sales from existing businesses, the discount superstores often make it difficult or impossible for those businesses to achieve gross sales levels sufficient to remain in business.

The shift America’s communities have undergone since the mid-20th century - from concentrating retail activity in a central business district to diffusing retail activity throughout a number of commercial centers and along highway strips - makes it extremely unlikely that America’s downtowns will be able to support the number of retail businesses they once supported, at least not for decades. This means that communities must find new

combinations of uses (retail, housing, small industry, entertainment, wholesale, etc.) to occupy the district's buildings as fully as possible and must be strategic in planning retail development.

The keys to rebuilding a downtown's economic viability are therefore (a) ensuring that the community is directing new development into the downtown area and discouraging new commercial development outside the district, and (b) restructuring the economy of the district, focusing intently on two or three economic development goals, rather than continuing to have the district try to provide the broad range of goods and services it was once able to do.

Fortunately, there are many opportunities available for main street districts. Among the many paths districts have successfully pursued:

- ▶ A district might develop one or more retail niches unique within a 100- or 150-mile radius. Many districts have developed specialized antiques niches (although these may sometimes represent a transition point in a district's economic recovery and therefore be short-lived); some focus on gourmet food items, books, home furnishings, or any number of other niches with little regional competition.
- ▶ A district might create or expand an arts and entertainment cluster, often anchored by one or two theatres and a group of restaurants and cafés.
- ▶ A district might create enough residential units and small industries or professional offices within the district to provide enough "captive" customers (residents and workers) to support convenience-oriented businesses in many or most of the district's retail storefront spaces. An added benefit: because this path does not depend on attracting many customers from outside the district, it does not increase demand on parking and traffic infrastructure.
- ▶ A district might create a cluster of businesses that provide support to one or more key local industries or institutions – suppliers, consultants, or distributors, for example.

- ▶ A district might intensively target a particular demographic segment whose needs are not being well met within the community or region – Generation Xers, for example, or empty nesters – and might provide an array of housing, shopping, work, and entertainment options for them.
- ▶ A district might develop a highly specialized cluster of businesses and small industries whose customers are not likely to come from the community or region but, instead, are generated almost exclusively from the internet or catalogs. The increased base of workers in the district then provides customers for the district's convenience-oriented businesses (like restaurants, office supplies, and personal services)

Each of these is an example of a market-based strategy – a strategy that is based on the district's specific economic opportunities and that has a specific economic goal. Many districts can (and should) successfully pursue more than one market-based strategy simultaneously – but it is unlikely that a district can successfully implement more than three (or, in rare situations, four) such strategies without losing focus and diluting the impact of their work.

Successfully implementing market-based strategies involves thinking and acting locally, regionally, and, in some instances, globally; marketing the district and its businesses creatively and collaboratively; creating and implementing a long-term, district-wide business development plan; and integrating each strategy into the four broad areas of work represented by the Main Street four-point approach (Design; Organization; Promotion; Economic Restructuring), so that all the revitalization program's activities reinforce its market-based strategies.

The process of creating market-based strategies begins with a solid understanding of the district's current economic condition and viable options.

Retail market analysis is an essential downtown revitalization tool, providing crucial information about the district's economic condition. A good retail market analysis assesses the district's current economic performance, estimates the types and amounts of retail development the community can realistically support, and tests the viability of possible retail development options. The retail market analysis then serves as the springboard for crafting business development plans and marketing strategies for the district. While retail market analysis does not provide a detailed blueprint for action, it is an indispensable tool for making well-informed decisions about how best to guide a district's economic future.

A sales gap analysis is one of several critical components in the overall retail market analysis process. Sales gap analysis involves several steps:

- ▶ First, it estimates the amount of money people in the community are likely to spend on various retail goods and services.

$$\text{Typical purchases/household}^1 \times \text{Number of households}^2 = \text{Potential sales}$$

- ▶ It then measures the difference (or "gap") between the total amount of money people spend on retail goods and services and the amount of money that is captured by the community's businesses. If community residents are spending more money than local businesses capture, it means that they are probably shopping outside the community, and the community has a sales "leakage." If, on the other hand, local businesses are selling more than community residents are spending, the community has a sales "surplus."

$$\text{Potential sales} - \text{Actual sales}^3 = \text{Sales gap (or surplus)}$$

¹ This information is usually obtained from the "Consumer Expenditure Survey," conducted by the US Department of Commerce's Bureau of Labor Statistics.

² This information is usually obtained from the "Census of Population."

³ This information is usually obtained from state departments of taxation, local commissioners of revenue, and/or the "Census of Retail Trade."

- ▶ Finally, it estimates how many square feet of new retail businesses, by type, the community can probably support.

$$\text{Sales gap} \div \text{Typical sales/square foot}^4 = \text{New square feet supportable}$$

In most cases, a sales leakage suggests that there is unmet demand in the community for the product or service being measured and that the community can therefore probably support additional square footage of that type of business (either in one or more existing businesses or, if there is enough demand, in one or more new businesses).

But, in some instances, this is not the case. While a sales leakage suggests that there is unmet demand in the community for a product or service, it does not necessarily mean that the community can, in fact, support one or more businesses (or additional square footage in an existing business) selling that product or service. There could be a strong competitor in a nearby community, for example, which is so popular that a new business would have difficulty competing. There could be a cultural reason why local customers might not be likely to buy certain products or services, even though it might appear that they have they buying power to do so. Or, there could be any number of other reasons why the presence of a sales leakage might not necessarily translate into a business opportunity for the district.

Similarly, a sales *surplus* in a particular category does not necessarily mean that a district *cannot* support additional businesses of that type. Many districts have become well known within their regions for having a strong cluster of home furnishings stores, restaurants, art galleries, or other specialties that attract shoppers from a broad geographic area. Having established regional dominance in a niche, they are often able to attract even more customers from that region – and therefore to support additional businesses within those categories or related categories. Many communities find that they have sales surpluses in

⁴ There is no published data on typical sale per square foot in downtown businesses. Some retail market analysts use data from the Urban Land Institute's "Dollars and Cents of Shopping Centers," while others rely on estimates based on their professional experiences.

some categories and sales leakages in others – and this can sometimes be an indicator of regional economic shifts underway.

Also, while sales gap analysis is initially a measurement of the extent to which a community's own residents are making retail purchases locally (or are leaving the community to shop), the basic tools and techniques involved in sales gap analysis can also be used for gauging potential retail sales to people who live outside the community and for establishing sales goals and benchmarks over a period of time. With online shopping growing almost exponentially every year, the marketplace for many downtown businesses is shifting from local to global, making it possible for businesses that would have been dependent almost exclusively on purchases by community residents and visitors a decade or two ago to reach customers almost anywhere in the world. This means – among other things – that, with a good marketing plan and a solid understanding of ecommerce, highly specialized retail businesses can locate in historic downtown districts without necessarily needing to rely primarily on locally-generated sales.

Sales gap analysis provides a wealth of information for commercial district revitalization programs, offering insight both into the current condition of the district and also into areas for possible development and economic expansion. But, just as it answers many questions about how to economically restructure the district, it also opens up many more questions that can be answered only with further research (by conducting consumer surveys, for example). Even so, a sales gap analysis provides a solid starting point for defining the market-based strategies the district's revitalization initiative will pursue in the coming years.

Downtown Lovingston and Downtown Nellyford

The County contracted with us to conduct sales gap analyses for downtown Lovingston and downtown Nellysford and, based on these analyses, to make some suggestions for retail development activities within the two districts. In approaching this assignment, we outlined five basic questions to answer:

1. How are the County's non-chain retail businesses performing?
2. What retail shopping patterns appear to exist, and how might the demographic and psychographic characteristics of the County's residents affect their shopping habits and preferences?
3. How much demand for retail goods and services do the County's residents generate?
4. Is there sales leakage and, if so, in which retail categories?
5. How might sales leakage best be recaptured?

Question 1: How are downtown Lovingston, downtown Nellysford, and Nelson County's non-chain retail businesses currently performing?

First, we looked at how taxable retail sales have changed in Nelson County over the past several years [TABLE 1]. We found that, overall, taxable retail sales have grown by about 12 percent since 2000. The retail categories whose sales have grown most significantly are "food" (which includes both dining out and groceries), "general merchandise" (department stores, dry goods, etc.), "machinery and equipment", and "miscellaneous" (in this category, most of Nelson County's sales growth has been in taxable sales of personal and

professional services). In all other categories, retail sales have been relatively flat over the past four years.

Category	Virginia taxable retail sales		% Change
	2000	2004	
Apparel	15,990	-	n/a
Automotive	3,382,000	3,866,000	14%
Food	15,115,000	16,207,000	7%
Furniture, home furnishings	1,589,000	1,797,000	13%
General merchandise	1,756,000	2,924,000	67%
Lumber, building materials	849,000	817,000	-4%
Machinery, equipment	447,000	870,000	95%
Miscellaneous	8,087,000	10,004,000	24%
Hotels, motels	19,564,000	19,007,000	-3%
Alcoholic beverages	688,000	879,000	28%

TABLE 1: Taxable retail sales in Nelson County in 2000 and 2004. *Primary source: Virginia Department of Taxation.*

Area	Average sales per business
Nelson County	\$ 749,000
Charlottesville Metropolitan Statistical Area	2,340,000
Lynchburg Metropolitan Statistical Area	2,142,000
Staunton-Waynesboro Micropolitan Statistical Area	1,905,000
Commonwealth of Virginia	2,453,000

TABLE 2: Average sales per retail business in Nelson County and vicinity (including national retail chains other than discount superstores). *Primary source: 2002 Census of Retail Trade.*

Next, we looked at the current performance of the County's retail businesses and found that Nelson County's average sales per retail business are significantly below those of surrounding areas and significantly below the state average. These averages reflect the

presence of national retail chains (like chain fast-food restaurants and drug stores), but do not include discount superstores (like Wal-Mart). [TABLE 2]

Category	Nelson	Albemarle	Virginia
Groceries (non-chains)	\$ 361,597	498,136	558,163
Groceries (chains)	n/a	10,622,968	4,467,791
Restaurant meals	154,972	509,453	567,031
Furniture + home furnishings	359,349	954,038	1,011,617
Florists, garden supplies, etc.	59,203	129,490	196,529
Gifts, ceramics, collectibles	30,686	267,018	138,776
Misc. retailers	194,941	1,131,899	333,865

TABLE 3: Average sales per business for several categories of retail businesses (not including discount superstores). *Primary source: Commonwealth of Virginia Taxable Retail Sales, 2004.*

We then calculated the average sales for individual types of businesses in Nelson County, comparing these to (among others) sales in Albemarle County (not including Charlottesville) and the Commonwealth of Virginia, using both *Census of Retail Trade* data and data from Virginia state taxable retail sales reports, and found that Nelson County's retail sales lag behind in all categories. [TABLE 3]

	Downtown Lovingson	Downtown Nellysford
Retail	12%	21%
Restaurants	5%	9%
Professional offices	18%	25%
Service businesses	22%	19%
Wholesalers	3%	-
Manufacturers	3%	-
Other	37%	25%

TABLE 4: Composition of businesses and other uses in downtown Lovingson and downtown Nellysford.

We also looked at the composition of businesses and other uses in the two commercial districts [TABLE 4] and at the market position and sales performance of the two districts' businesses. [TABLES 5 + 6]

District	Market position		
	Low	Moderate	High
Downtown Lovingston	2%	72%	26%
Downtown Nellysford	-	49%	51%

TABLE 5: Market position of businesses in downtown Lovingston and downtown Nellysford, relative to similar businesses in the region. Market position is a measurement of price points, the prices for which goods and services are sold.

District	Sales performance		
	Below Avg	Average	Above Avg
Downtown Lovingston	-	72%	28%
Downtown Nellysford	-	69%	31%

TABLE 6: Sales performance of businesses in downtown Lovingston and downtown Nellysford, relative to similar businesses within the region.

We found that downtown Lovingston has a relatively weak retail concentration – only 17 percent of its businesses are retail businesses or restaurants. Downtown Nellysford has more of a concentration – 30 percent retail and restaurants. Downtown Lovingston's businesses sell goods and services at more moderate prices than Nellysford's. The majority of businesses in both districts perform at an average level, relative to similar businesses in the region.

Finally, using an inventory of businesses in downtown Lovingston and downtown Nellysford, the state's 2004 taxable retail sales report, the *Census of Retail Trade*, and our own proprietary database of sales levels of downtown businesses in communities of various sizes

and at different stages in the revitalization process, we estimated the amount of retail sales being captured by businesses in the two downtown districts. [TABLE 7]

Downtown district	Total retail sales
Downtown Lovingston	\$ 4,085,000
Downtown Nellysford	5,734,000

TABLE 7: Estimated total 2004 retail sales in downtown Lovingston and downtown Nellysford. These totals include retail businesses only (not professional offices, wholesale businesses, or manufacturers).

Question 2: What retail shopping patterns appear to exist, and how might the demographic and psychographic characteristics of the County's residents affect their shopping habits and preferences?

There has been little consumer research done in Nelson County in recent years, but there are several obvious patterns that strongly affect retail shopping:

- Lovingston residents tend to go to Charlottesville and Lynchburg to shop.
- Nellysford residents tend to go to Waynesboro and Staunton to shop.
- Lovingston and Nellysford operate as very separate business districts, serving somewhat different types of residents and visitors, with Lovingston's retail affected most strongly by the presence of County government offices and by US Rt. 29 and Nellysford's retail affected most strongly by its proximity to the Wintergreen resort.

To better understand how Nelson County residents spend their leisure time and how they shop, we obtained psychographic data from ESRI on Nelson County residents – the County as a whole, and those who live in the Lovingston zipcode area and in the Nellysford zipcode area. ESRI assigns residential neighborhoods to 65 segments – with names like “Laptops and Lattes” and “The Elders” – based on demographic, lifestyle, and shopping characteristics.

ESRI Segment	Entire County	Lovingston (22949)	Nellysford (22958)	Balance of County
17: Green Acres ⁵	9.1%	-	-	9.1%
25: Salt of the Earth ⁶	9.8%	1.7%	-	8.2%
26: Midland Crowd ⁷	10.5%	-	1.2%	9.3%
31: Rural Resort Dwellers ⁸	14.1%	-	9.4%	4.7%
32: Rustbelt Traditions ⁹	5.9%	0.8%	-	5.1%
33: Midlife Junction ¹⁰	7.2%	4.5%	0.6%	2.2%
46: Rooted Rural ¹¹	43.3%	2.3%	-	41.0%
Totals:	100.0%	9.3%	11.2%	79.5%

TABLE 8: ESRI's demographic segment analysis for Nelson County, Lovingston, and Nellysford.

5 Upscale blue-collar baby boomers with a median household income of \$61,200 who live in scenic areas, enjoy do-it-yourself projects, gardening, NASCAR, pro football, hiking, backpacking, and House and Garden Television.

6 Hard-working agricultural, manufacturing, or mining families with a median income level right around the national median who prefer newspapers to television, take part in church activities and veterans' clubs, enjoy country music, travel domestically, and actively participate in civic events, almost never missing an election.

7 Rural households with a median income level of around \$47,000 and median age of 36 who tend to drive American-made trucks, travel domestically, enjoy hunting and fishing, love their pets, listen to country music, and are somewhat conservative politically.

8 Middle-aged, middle-income families – often empty-nesters – with simple tastes who live in rural, non-farm communities in scenic areas and who enjoy gardening, home improvements, cooking, hunting, boating, listening to country music, and participating in civic activities.

9 A mix of married couples, single-parent, and single households with a median age of 36 years, these households are the backbone of manufacturing industries. They are financially conservative, enjoy bowling and fishing, subscribe to cable television, and watch sports programs.

10 "Quiet, settled" households with a median household income of \$42,900 who are conservative in their spending, dine out on weekends, enjoy reading and gardening, watch television, and are winding down towards retirement.

11 "Stable and settled" rural families, with an adult median age of 41 and median home value of \$82,800, who tend to eat at home more than dining out and who often shop from catalogs.

The data suggests that Nelson County's residents share several important characteristics – a love of the County's scenic beauty; a tendency towards simple, uncomplicated living; interest in gardening and do-it-yourself projects. The data was also noteworthy for *not* including consumer segments heavily interested in shopping or consumerism.

It also suggests some subtle differences between Lovingston residents (zipcode 22949), Nellysford residents (zipcode 22958), and residents of the rest of the County, categorizing almost half of Lovingston's residents as "Midlife Junction" residents and almost all of Nellysford's residents as "Rural Resort Dwellers". [TABLE 8]

While the psychographic differences in Lovingston and Nellysford residents are small, the data suggests that Lovingston residents are perhaps more likely to dine out regularly than Nellysford residents, but that Nellysford residents might be more inclined to spend slightly more on general consumer goods and services (like clothing or home furnishings).

ESRI categorizes more than 40 percent of the remaining County residents as "Rooted Rural", who tend to eat at home more than dining out and who tend to shop from catalogs. Roughly 10 percent of the remaining County residents – "Green Acres" – have upscale tastes and spend money on home improvements and outdoor activities. Roughly another 10 percent – "Midland Crowd" – are a little less affluent, spending money on outdoor activities, on their pets, and on domestic travel.

Question 3: How much demand for retail goods and services do the County's residents generate?

We estimated the buying power of Nelson County residents using data from the 2000 *Census of Population* and the *Consumer Expenditure Survey*, then again using the *Consumer Expenditure Survey* and 2004 Census updates from the Thomas Jefferson Partnership for Economic Development. We found that, although the majority of the County's households are of modest means, there is nonetheless substantial buying power for all major retail categories – meaning that Nelson County residents are currently probably

spending approximately this much money on retail goods and services *somewhere* (but not necessarily in Nelson County). [TABLE 9]

Category	Buying power
Groceries	\$ 19,075,000
Restaurant meals	13,849,000
Alcoholic beverages	2,615,000
Furniture + home furnishings	9,338,000
Apparel	10,246,000
Gasoline station goods, services	11,845,000
Pharmaceuticals	2,949,000
Entertainment	12,632,000
Personal care	3,264,000
Reading material	744,000

TABLE 9: Nelson County residents' estimated buying power for ten major retail categories.

We also looked at County residents' estimated buying power in detail, according to their household income levels, ages of householders, household size, and other characteristics [TABLES 10 and 11].

Household income	Groceries	Restaurant meals	Furniture + furnishings	Apparel
Under \$50K	\$ 10,170,000	5,876,000	3,463,000	4,493,000
\$50K+	8,906,000	7,972,000	5,874,000	5,752,000
Totals:	19,075,000	13,849,000	9,338,000	10,246,000

TABLE 10: Buying power of Nelson County residents with household incomes under and over \$50,000 for four major retail categories

We found that the amount of buying power being generated by Nelson County households earning less than \$50,000 (the median household income nationally is about \$49,000) is

roughly the same as the amount of buying power being generated by Nelson County households earning more than \$50,000, with higher-income households in the County spending slightly more in most categories except groceries.

Household income	Groceries	Restaurant meals	Furniture + furnishings	Apparel
Under \$5K	\$ 645,000	419,000	199,000	327,000
\$5-10K	566,000	290,000	134,000	238,000
\$10-15K	871,000	358,000	200,000	327,000
\$15-20K	1,049,000	525,000	261,000	452,000
\$20-30K	2,662,000	1,382,000	893,000	1,036,000
\$30-40K	2,521,000	1,609,000	944,000	1,243,000
\$40-50K	1,856,000	1,293,000	832,000	870,000
\$50-70K	3,404,000	2,586,000	1,687,000	1,810,000
\$70-80K	1,145,000	840,000	540,000	670,000
\$80-100K	1,721,000	1,540,000	1,289,000	1,059,000
\$100-120K	792,000	811,000	585,000	496,000
\$120-150K	508,000	490,000	362,000	365,000
\$150K+	1,336,000	1,705,000	1,411,000	1,352,000
Totals:	19,075,000	13,849,000	9,338,000	10,246,000

TABLE 11: Buying power of Nelson County residents, by household income, for four major retail categories

We then looked at the buying power of households in the Lovingston District (Lovingston) and Rockfish District (Nellysford). [TABLE 12]

The Lovingston District's households of more modest means spend more money on groceries, in total, than the District's wealthier households, and households that earn less than \$50,000 and those that earn more than \$50,000 spend roughly the same amount, in total, on restaurant meals. But the Rockfish District's more affluent households generate

significantly more market demand for restaurants than the District's less affluent households [TABLE 9] – not surprising, given that the 2005 median *per capita* income of residents of the 22949 zipcode area (Lovington) is \$25,136, while the median *per capita* income of residents of the 22958 zipcode (Nellysford) is \$49,010 [TABLES 13 and 14].

Household income	Groceries		Restaurant meals	
	Lovington District	Rockfish District	Lovington District	Rockfish District
Under \$5K	\$ 215,384	162,318	139,932	105,456
\$5-10K	188,888	142,350	96,876	73,008
\$10-15K	409,825	203,700	168,493	83,748
\$15-20K	520,590	233,026	260,820	116,748
\$20-30K	982,464	636,888	510,152	330,709
\$30-40K	896,112	810,768	571,830	517,370
\$40-50K	488,334	627,396	340,052	436,888
\$50-70K	1,066,833	1,356,667	810,505	1,030,700
\$70-80K	333,807	456,009	244,950	334,623
\$80-100K	545,952	701,466	488,796	628,029
\$100-120K	117,069	426,957	119,952	437,472
\$120-150K	102,627	250,647	98,904	241,554
\$150K+	371,702	713,266	474,414	910,362
Totals:	6,239,586	6,721,457	4,325,676	5,246,667

TABLE 12: Buying power of residents of the Lovington and Rockfish Districts for two retail categories - groceries and restaurant meals – according to household income

Household income	Groceries		Restaurant meals	
	Lovingston District	Rockfish District	Lovingston District	Rockfish District
Under \$50K	\$ 3,701,597	2,816,446	2,088,155	1,663,927
Over \$50K	2,537,990	3,905,012	2,237,521	3,582,740

TABLE 13: Buying power of residents of the Lovingston and Rockfish Districts with household incomes under and over \$50,000 for groceries and restaurant meals

Characteristic	Zip 22949 (Lovingston)	Zip 22958 (Nellysford)	Nelson County
Median disposable income (hslid)	\$ 33,660	49,153	36,033
Median <i>per capita</i> income	25,136	49,010	28,286

TABLE 14: Median disposable household income and median *per capita* income for Lovingston (zipcode area 22949), Nellysford (zipcode area 22958) and Nelson County. *Source: ESRI.*

Question 4: Is there sales leakage and, if so, in which retail categories?

When we compared the County’s residents’ buying power to the actual sales the County’s retailers are achieving, we found that the County is experiencing substantial sales leakage in *all* major retail sales categories – groceries; restaurant meals; apparel; furniture, home furnishings, and floor coverings; and gasoline stations and automotive service stations. [TABLE 15] We also obtained data from ESRI, a third-party data service, which used slightly different data sets but nonetheless showed an identical pattern (but somewhat larger sales gaps).

Product/service	Buying power	- Actual sales	= Gap/surplus
Groceries	\$ 19,075,000	10,506,000	8,569,000
Restaurant meals	13,849,000	4,649,000	9,200,000
Apparel	10,246,000	800,000	9,446,000
Furniture, floor coverings	2,726,000	1,797,000	929,000
Gasoline, service stations	11,845,000	3,269,000	8,576,000

TABLE 15: Nelson County residents' buying power for various retail goods and services; actual sales captured by Nelson County businesses; and estimated sales gaps for these retail categories.

Question 5: How might sales leakage best be recaptured?

There are *many* different combinations of businesses a community could pursue to capture unmet retail market demand. In Nelson County, for example, a large portion of the retail sales gap could, *theoretically*, be absorbed by a big-box discount superstore that would attract resident dollars that are probably now migrating to Charlottesville, Lynchburg, Waynesboro, Staunton and Lexington.

But there are many reasons why this would probably be a poor choice. It would almost certainly endanger the County's existing small businesses, for example. Many of the indirect economic benefits that usually accrue to a community from business activity (everything from bank deposits to advertising revenues to charitable contributions) would disappear. The amount of vehicular traffic it would generate would be inconsistent with the County's environmental plans. And it would erase Nelson County's distinction as one of the few counties – if not the only county – in Virginia without a big-box superstore.

The best combination of retail uses for an older or historic town center is the one that meets these four criteria:

- (a) There is strong market demand for the products and services offered.
- (b) There is also strong consumer desire for the products and services offered.
- (c) The businesses work together as a cohesive unit, with each business helping create synergy for the others.

(d) The district's businesses closely reflect the community's personality and its vision of its future.

Given the substantial sales leakages that the County is experiencing, there are many retail development possibilities for downtown Lovingston and downtown Nellysford for which there is *strong market demand* (a).

There is enough anecdotal information about *consumer desire* (b) – from business surveys the County has conducted, from interviews conducted by 310 Ltd., from public meetings held in recent years to discuss land use planning, and from a few other sources – to suggest that consumer desire exists for more basic goods and services and for more entertainment.

The latter two criteria – (c) business clusters that work together synergistically and that (d) reflect the community's personality – are more subjective, and there are a number of possible combinations that might work well economically, reflect the community's personality, and reinforce the County's development goals.

Ironically, having ample market opportunity – in the form of sales leakage, or unmet market demand – does not necessarily make retail development easy. In fact, for several reasons, retail development can be much more difficult in situations in which a district's retail identity is weak, as is the case in both downtown Lovingston and downtown Nellysford.

For example, districts whose retail identity is weak must not only put in place a strong marketing program to sustain visibility for the business cluster and drive customers to the shopping district, they often must also reverse negative perceptions of the district that have developed over many years.

Also, there are a number of retail categories in which a business is much more likely to succeed if it is part of a cluster of related businesses than if it is the only business of its type, or the only business targeting customers of a certain type. Apparel stores are a good example: when people shop for clothing and shoes, they typically like to compare prices,

styles, and brands at several different stores before making a purchase. This is why shopping malls always have many clothing, shoe, and jewelry stores – shoppers have a variety of choices, and each store generates higher sales by being part of a cluster of related stores than it would generate independently.

But, in order to support a cluster of related businesses (like clothing stores), the community must have substantial unmet market demand for these products – enough to support five apparel stores, for instance, rather than just one. In older and historic downtowns, it is extremely difficult to build a market strong enough to support a cluster of businesses if the district does not already have a market foothold in this business category. The likelihood of being able to rapidly build a market that would generate, say, \$350,000 in gross sales for each of five clothing stores – a total of \$1.75 million in gross sales – is small, unless the businesses are well capitalized and able to operate for several years without turning a profit.

So, while Nelson County has a significant sales leakage in the apparel category, we do not believe that an apparel cluster is a viable option for Lovingston or Nellysford – at least not for a while. The same is true of furniture/home furnishings and other types of “comparison” retail. We believe a more realistic strategy is to establish a retail foothold in easier-to-root retail categories first – restaurants, for instance, that appeal to both locals and visitors, and specialty retail clusters that have little market competition and that reach customers through multiple distribution channels – then to grow from there over the next 5-10 years.

We therefore recommend the following:

- **In each district, begin by capturing a greater share of the district’s captive markets.** Both downtown Lovingston and downtown Nellysford have “captive markets” of workers who spend hours there every work day and who represent largely untapped markets for downtown businesses (and potential businesses). Downtown Lovingston has approximately 450 full-time-equivalent workers; downtown Nellysford has approximately 330. Assuming these households’ average income is equivalent to the County’s average household income level, the households of Lovingston’s downtown workers spend about \$6.1 million annually on products and services one might expect to find in a traditional

downtown, and those of Nellysford’s downtown workers spend about \$4.5 million annually on these goods and services. [TABLE 16]

While each downtown is undoubtedly capturing a portion of these workers’ households’ purchases, each could capture much more. Without conducting consumer intercept surveys (which measure the percentages of district workers and non-workers, among other things), it is impossible to know what percentage of district workers’ household purchases businesses in the two districts are capturing – but, based on our observations of traffic in the districts and our experience with districts with similar in business composition and numbers of workers, we estimate that downtown Lovingston is capturing no more than 15 percent of district workers’ household purchases and downtown Nellysford is capturing no more than 20 percent of its workers’ household purchases.

Category	Lovingston	Nellysford
Groceries	\$1,455,300	1,067,200
Restaurant meals	1,013,400	743,200
Household furnishings/equipment	652,500	478,500
Apparel and services	681,800	500,000
Gasoline and motor oil	672,300	493,000
Pharmaceuticals	232,200	170,300
Medical supplies	44,500	32,700
Entertainment	866,200	635,200
Personal care products, services	239,800	175,900
Reading	58,000	42,600
Tobacco products, smoking supplies	186,800	137,000
Totals:	6,102,800	4,475,600

TABLE 16: Buying power of the households of Lovingston’s and Nellysford’s downtown workers for various retail goods and services.

There are other captive markets available, as well – particularly for downtown Nellysford, which has a large number of Wintergreen workers relatively nearby. Most of Wintergreen’s workers are of modest means, but they have substantial spending power. The households represented by the roughly 550 people who work at Wintergreen year-round (e.g., not including seasonal workers), for example, spend about \$5.7 million annually on goods and services one might typically find in a traditional downtown. If downtown Nellysford were able to capture just an additional 20 percent of these purchases, it could increase the district’s sales by \$1.1 million. [TABLE 17]

Item	Per hslid	x 550 hslids	x 20%
Groceries	2,856	1,570,800	314,200
Restaurant meals	1,483	815,650	163,100
Household furnishings/equipment	958	526,900	105,400
Apparel and services	1,112	611,600	122,300
Gasoline and motor oil	1,053	579,150	115,800
Pharmaceuticals	535	294,250	59,000
Medical supplies	111	61,050	12,200
Entertainment	1,517	834,350	166,900
Personal care products, services	384	211,200	42,200
Reading	95	52,250	10,400
Tobacco products, smoking supplies	324	178,200	35,600
	Totals:	5,735,400	1,147,100

TABLE 17: Estimated buying power of the households represented by Wintergreen’s 550 year-round workers (assuming an average household income of \$20,000-\$30,000). If the County’s retail businesses – particularly those in Nellysford – were able to capture just 15 percent of these households’ retail purchases, it would add more than \$850,000 to retailers’ revenues – enough to support at least two retail businesses.

There are a number of actions that can help a district’s businesses capture a larger percentage of the retail purchases made by captive markets – actions like shifting store hours, making in-district deliveries, offering “insider” loyalty benefits (such as frequent purchaser bonuses or routine discounts), actively promoting the district’s businesses’

convenience to workers, maintaining ongoing email contact with district workers, and organizing special events and activities primarily for district workers. It is imperative that retail businesses in both districts – particularly those that offer goods and services of greatest interest to downtown workers – make it as convenient as possible for downtown workers and other captive-market consumers to do business with them. This will inevitably mean making some changes in how the two districts' businesses operate (possibly shifting store hours from 9-to-5 to 10-to-6 or 11-to-7, for example), but these changes will be essential for the long-term economic viability of the two districts.

- **Position downtown Lovingston as a daytime business center and evening destination.** We recommend positioning downtown Lovingston as (a) a daytime general business center and (b) as an evening destination dining and entertainment district, primarily for Nelson County residents, for people from Charlottesville and Albemarle County, for people from Lynchburg and Amherst County, and, to an extent, for US Rt. 29 travelers. Restaurants and specialty retail shops would do well in this cluster.

Restaurants meet both of these needs, serving the district's daytime population as well as forming the core of an evening entertainment district. Rapunzel's and the Lovingston Café already establishing a restaurant foothold for the district.

We believe it is reasonable for downtown Lovingston to absorb between \$859,000 and \$1,302,000 in additional restaurant sales to downtown workers, Lovingston District residents, and other Nelson County residents, depending on how aggressive the district's marketing plan might be [TABLES 18 and 19]. This represents enough to support at least one additional restaurant – probably two - in downtown Lovingston, as well as strengthening sales in the district's existing restaurants.

Market segment	Unmet demand ¹²	Target percent	Sales target
Downtown workers' households	\$861,000	15%	129,000
Lovingston District residents	3,677,000	10%	368,000
Other Nelson Co. residents	7,234,000	5%	362,000
			859,000

TABLE 18: Estimated amount of unmet market demand for *restaurant meals* for downtown Lovingston workers' households, Lovingston District residents, and other Nelson County residents, and conservative percentages of those amounts for downtown Lovingston to set as a sales target within the next 2-3 years.

Market segment	Unmet demand ¹³	Target percent	Sales target
Downtown workers' households	\$861,000	20%	172,000
Lovingston District residents	3,677,000	15%	552,000
Other Nelson Co. residents	7,234,000	8%	579,000
			1,302,000

TABLE 19: Estimated amount of unmet market demand for *restaurant meals* for downtown Lovingston workers' households, Lovingston District residents, and other Nelson County residents, and slightly more aggressive percentages of those amounts for downtown Lovingston to set as a sales target within the next 2-3 years.

Restaurants alone are not enough to build a successful evening destination district, of course – the district will also need a few specialty retailers. There are countless options for creating a cluster of specialty retail shops in downtown Lovingston. People who live within a 60-mile radius of Lovingston spend millions of dollars annually on groceries, home furnishings, and apparel, among other things, and it is reasonable to expect that, with careful planning and marketing, downtown Lovingston could capture at least 1.5-2.0 percent of these purchases. One and one-half percent of the Charlottesville MSA's

¹² Not including the sales volume of restaurant meals that we estimate are already being captured by restaurants in downtown Lovingston.

¹³ Not including the sales volume of restaurant meals that we estimate are already being captured by restaurants in downtown Lovingston.

home furnishings sales, for example, would total more than \$900,000 – enough to support at least two new businesses, assuming no additional customers from outside the MSA. [TABLE 20]

Category	Charlottesville MSA	Lynchburg MSA	Staunton- Waynesboro Micro StatArea
Groceries	\$ 358,095,000	290,611,000	150,242,000
Furniture/home furnishings	69,130,000	56,531,000	25,542,000
Apparel	125,538,000	86,979,000	32,729,000

TABLE 20: Actual sales for the Charlottesville¹⁴ and Lynchburg¹⁵ Metropolitan Statistical Areas and for the Staunton-Waynesboro Micropolitan Statistical Area¹⁶.

We will provide some specific suggestions for possible specialty retail clusters for both districts later in this report.

- **Position downtown Nellysford as a neighborhood dining and entertainment center.** We recommend positioning downtown Nellysford as a neighborhood dining and entertainment center, primarily for residents of the western part of the County and for Wintergreen guests.

Like Lovingston, Nellysford has considerable unmet market demand for restaurants and entertainment. We estimate that, conservatively, it could capture an additional \$823,000 annually in restaurant sales (or, with slightly more aggressive sales targets, an

¹⁴ The Charlottesville MSA includes Albemarle, Fluvanna, Greene and Nelson Counties and the city of Charlottesville.

¹⁵ The Lynchburg MSA includes Amherst, Appomatox, Bedford, and Campbell Counties and the cities of Bedford and Lynchburg.

¹⁶ The Staunton/Waynesboro Micropolitan Statistical Area includes Augusta County and the cities of Staunton and Waynesboro.

additional \$1,252,000) from downtown workers, Rockfish District residents, and other County residents [TABLES 21 and 22]. When combined with the buying power of Wintergreen guests [TABLE 23] and Wintergreen workers who live outside Nelson County, there is much room for restaurant sales growth in downtown Nellysford.

Market segment	Unmet demand ¹⁷	Target percent	Sales target
Downtown workers' households	\$ 595,000	15%	89,000
Rockfish District residents	4,198,000	10%	420,000
Other Nelson Co. residents	6,287,000	5%	314,000
			823,000

TABLE 21: Estimated amount of unmet market demand for *restaurant meals* for downtown Nellysford workers' households, Rockfish District residents, and other Nelson County residents, and reasonable percentages of those amounts for downtown Nellysford to set as a sales target within the next 2-3 years.

Market segment	Unmet demand ¹⁸	Target percent	Sales target
Downtown workers' households	\$ 595,000	20%	119,000
Rockfish District residents	4,198,000	15%	630,000
Other Nelson Co. residents	6,287,000	8%	503,000
			1,252,000

TABLE 22: Estimated amount of unmet market demand for *restaurant meals* for downtown Nellysford workers' households, Rockfish District residents, and other Nelson County residents, and slightly more aggressive percentages of those amounts for downtown Nellysford to set as a sales target within the next 2-3 years.

¹⁷ Not including the sales volume of restaurant meals that we estimate are already being captured by restaurants in downtown Nellysford.

¹⁸ Not including the sales volume of restaurant meals that we estimate are already being captured by restaurants in downtown Nellysford.

Visitors per year	Dinners per visit	Average meal cost	Target capture		
			1%	2%	3%
500,000	2	\$15	\$150,000	\$300,000	\$450,000

TABLE 23: Conservative estimates of *restaurant meal* sales potential from Wintergreen guests, with target capture rates of 1, 2 and 3 percent (assuming 500,000 people visit Wintergreen annually and dine out twice during each visit, spending an average of \$15 per meal).

One of the challenges for businesses in downtown Nellysford – particularly restaurants – is to lure Wintergreen visitors away for a few hours of dining out or shopping. But attracting Wintergreen visitors to downtown Nellysford will not only help the district’s businesses, it will also enhance visitors’ overall experience of Wintergreen and Nelson County, giving them more reasons to come back again in the future.

- **Strengthen the supply of community-serving businesses in the County.** As we outlined earlier, there is substantial unmet market demand for practical, moderately priced clothing and general household goods in Nelson County [TABLE 23]. While a discount superstore might fill this need in terms of merchandising, we believe a big-box superstore model would be inconsistent with Nelson County’s environmental and quality-of-life goals. Also, Nelson County is almost alone among Virginia counties in having no discount superstore, and we believe this offers the County a highly advantageous marketing niche that will become even more valuable as shoppers grow increasingly weary of commercial sprawl and big-box superstores along US Route 29 both north and south of Nelson County.

One alternative is to develop a general store – not a “theme” store focusing on nostalgia and catering primarily to tourists, but a genuine general store offering a wide range of practical goods and services of interest to community residents (work clothes, shoes and boots; kitchen accessories; hunting and fishing gear; etc).

The number of general stores in the United States has been slowly growing in recent years, with some operating as independent businesses (like Dan and Whit’s, in Norwich,

Vermont) and some operating as community cooperatives (like the Mercantile, in Powell, Wyoming) or community corporations, capitalized by local investment companies (like Township Partners, in Bonaparte, Iowa). Each business model has certain advantages. Residents of Powell, Wyoming, for example, chose to operate the Mercantile as a cooperative in order to minimize the business's profit motivation and therefore make goods and services available at prices competitive with national discount superstores. We recommend that Nelson County civic leaders investigate several models.

Category	Buying power	Target capture	Sales goal
Housekeeping supplies	3,407,000	5.0%	170,350
Household textiles	729,000	5.0%	36,450
Furniture	2,424,000	2.5%	60,600
Floor coverings	302,000	2.5%	7,550
Small appliances, misc. housewares	564,000	5.0%	28,200
Miscellaneous household equipment	4,099,000	5.0%	204,950
Men's and boys' clothes	2,286,000	2.5%	57,150
Women's and girls' clothes	4,101,000	1.0%	41,010
Apparel for children under 2	500,000	2.0%	10,000
Footwear	1,832,000	5.0%	91,600
Personal care products and services	3,264,000	5.0%	163,200
Reading	774,000	5.0%	38,700
Tobacco products and smoking supplies	1,835,000	5.0%	91,750
			1,001,510

TABLE 24: Potential sales targets from Nelson County residents for a general store – like the Kittery Trading Post of Vermont Country Store.

There are good arguments for placing such a business in downtown Nellysford – but there are equally good arguments for placing it in downtown Lovingston. On balance, we believe a general store would do best in downtown Lovingston, with easy access from

US Route 29, and that it could better help anchor a cluster of speciality retailers there than in Nellysford.

- **In each district, focus on developing a synergistic cluster of four or five key businesses.** Since the advent of the internet and online commerce, it has become much easier for older and historic downtowns to establish clusters of specialty retailers, with sales coming not only from local and regional shoppers but also from shoppers throughout the world interested in specialized products and services (or simply in doing business with independently owned businesses). Because these businesses' customers can come from such a broad geographic base, there are many possible retail clusters that, with a good marketing plan and sound understanding of ecommerce, would do well in downtown Lovingston or downtown Nellysford. The best choices are likely to be those:
 - that have some connection to the County and the community (a connection to a local industry, for example, or to a local tradition);
 - that reflect local interests and community personality;
 - that are relatively unique within the region, thus facing relatively little competition from Charlottesville, Lynchburg and other major regional shopping areas; and
 - for which there is still relatively little online competition.

Among the many possibilities that exist, we recommend considering the following retail clusters:

In Lovingston:

- Recycled products and recycling consulting. Used tires refabricated into door mats and pseudo-leather fabric ... license plates made into notebook covers ... refurbished mid-20th-century kitchen appliances ... synthetic fleece clothing made from recycled

plastic grocery bags.... We anticipate that this retail niche will grow rapidly within the next decade – but, at this point, there are still very few businesses specializing in manufacturing or retailing recycled products, with little global competition. Some examples:

- <http://www.amazingrecycled.com/>
 - <http://www.recycledproducts.com>
- “Green” building and alternative energy supplies, books, architectural services, construction, and consulting services. Bird-friendly wind turbines ... building supplies made from recycled materials ... environmentally-friendly paints ... solar energy converters As with the global market for recycled products, we believe the market for green building and alternative energy supplies and services will grow dramatically within the next decade. Some examples:
- <http://www.greenbuildingstore.co.uk/>
 - <http://www.buildinggreen.com>
 - <http://www.voltaicsystems.com/>
- Professional and consumer wine making supplies and services. Wine testing labs ... custom wine labels ... engraved wine bottles for special occasions ... vine grafts ... custom-designed wine cellars ... wine glassware.... With the growth in central Virginia’s wine industry in recent years, we believe there are strong opportunities to both better serve the regional professional market as well as provide specialty wine-related products to consumers.
- An inn. Historically, downtown Lovingson was home to several inns. The County has several relatively new B&Bs, but it lacks a small- or mid-size upscale inn or hotel catering to business travelers, corporate executives, or upscale tourists and offering high-tech, high-quality facilities for small corporate meetings. We believe a 10- to 20-room inn with restaurant, catering and meeting facilities would fill a growing niche in Nelson County, and that a location in a historic building near the County’s government center and with easy access to US Route 29 would be most advantageous.

In Nellysford:

- Mountain bikes, marketed to both Wintergreen guests and regional residents.
- Falconry. Falconry is a sport growing in popularity in the United States, particularly in rural areas – but it does not have much of a profile in Virginia yet, nor are there many online retailers of falconry equipment and supplies. The Virginia Falconry Association (<http://vafalconry.swva.net/>) can provide more information.
- Gourmet carry-out dinners, marketed primarily to downtown workers.
- Specialized herbs for apothecary, ink-making and other specialized purposes, as well as for general gardening.
- Dinner theatre, marketed both to Wintergreen guests and to regional residents. This could be particularly effective with a show written specifically for Nellysford and Nelson County and that can be updated on an ongoing basis to reflect current events and new ideas, thus encouraging regional residents to come back from time to time.

In either district:

- Specialty antiques and collectibles. Watches and clocks. Collectible fountain pens and pipes.
- Airstream accessories.

Among the keys to making clusters of specialty retail businesses work in older and historic downtowns are:

- Articulating a unique marketing identity for the district. Businesses located in districts with a clear sense of market identity tend to outpace businesses

located in districts with a weak market identity. Whether the prevailing mood is down-to-earth, upscale, retro, organic, cool, traditional, avant garde, or something else, articulating the district's mood and reinforcing it in the district's public and in-store promotional events, business development activities, advertising slogans, street graphics, design guidelines, and all other venues is essential to shaping the district's marketing identity (see www.keeplouisvilleweird.com for a good example of an all-pervasive marketing identity).

- o Encouraging and facilitating multichannel retailing. Very few independent retail businesses can survive today by targeting just one or two market segments. It is imperative that independent retailers actively pursue multiple distribution channels – reaching local and regional shoppers, occasional visitors, and people who shop online. Making easy access for retail businesses in the two districts to high-speed internet service will be critical in developing successful specialty retail clusters.
- o Focusing on recruiting entrepreneurs, rather than on recruiting businesses. It is unlikely that the County can find businesses that exactly match the profiles of the businesses it seeks for the two districts. Instead, we recommend focusing on finding successful entrepreneurs interested in creating retail businesses that match the County's profiles. Some retail industries provide training programs that prepare graduates for operating successful businesses (within the restaurant industry, for example, schools like the Culinary Institute of America and the New England Culinary Institute offer restaurant management training, and the Council of Independent Restaurants of America facilitates internships and on-the-job training to prepare chefs for restaurant ownership).
- o Encouraging businesses to develop lasting relationships with one-time or occasional visitors. Nelson County is fortunate in having hundreds of thousands of visitors each year – guests at Wintergreen, Camp Jeep

participants, winery visitors, and many more. Each person who visits a business in downtown Lovingston or downtown Nellysford represents a potential long-term customer for that business, even if he or she never visits the business in person again. Businesses – particularly those that are independently owned – can maintain ongoing profitable relationships with one-time visitors through mail, phone calls, websites, and other venues. A few examples:

- A shoe store owner in Iowa calls a core list of several hundred distant customers every six months or so to ask about their shoe needs, tell them about new products in which he thinks they might be interested, and occasionally sends loyal customers shoes to try out, with no obligation to keep them.
 - A shoe repair store owner in Ohio sends distant customers FedEx labels by email for them to use to send him their shoes for repair.
 - A bookstore owner in Arkansas who specializes in signed, first-edition books maintains an extensive database of every customer who has ever bought a collectible book from her, contacting customers by hand-written card when she obtains a book in which she thinks they might be interested.
 - A second-hand clothing store in California offers an online “personal shopper” service. Distant customers complete an online questionnaire with information about their size, color, brand, style and price preferences, and when new items arrive that meet a customer’s profile, the “personal shopper” sends an email message to the customer letting them know about the new merchandise.
- Strongly encouraging the core businesses in each retail cluster to maintain evening and weekend hours. While restaurants will likely be the primary magnets that attract people to both districts in the evenings and on weekends, each district’s core of specialty retail businesses will help shape and solidify the district’s marketing identity. It will therefore be important to each district’s overall economic health for these core businesses to be open

most of the time the district's restaurants are open. In some downtown districts, property owners include required store hours in the commercial leases they sign with retail tenants.

- Making a wide range of resources available to cultivate and support the development of independent businesses. Many resources are already available in Nelson County to help small businesses survive and thrive. For start-up retail businesses, job training programs, retail internships, business plan development assistance, and access to venture capital and ongoing financing are particularly important.

- **Intensify ground-floor retail density, particularly in Lovingston.** Retail districts function best when they have a concentration of contiguous retail businesses; ground-floor businesses create synergy for one another, drawing people along the sidewalk as they move from storefront to storefront. Both districts have some clusters of contiguous retail storefronts, but neither has quite enough to create the synergy needed for an identifiable retail core. It will be essential to identify a core group of contiguous storefront spaces in each district that will serve as the district's retail focus, with new retail development gradually radiating out from this core. This is particularly critical in downtown Lovingston, whose retail businesses are currently dispersed throughout the district rather than grouped tightly together. Our suggestion is to encourage the owner of the district's "100 percent" building – the White Horse Trading Co. – to use the building for an active retail purpose. This building has great potential to establish the retail entryway into the district, but it is currently rarely open. The district's retail core would then develop outward from this building, initially with the buildings immediately across the street and then farther north across the Court Street intersection.

- **Intensify retail activity in downtown Lovingston before developing new commercial space outside the downtown area.** Once all the ingredients in place – business profiles, entrepreneurs, business plans, financing, space availability – it will

take two to three years, at a minimum, for a strong retail core to take root in downtown Lovington. In order to give this retail core a solid opportunity to establish itself, we recommend limiting new commercial development in Lovington until this new retail core is in place and performing well. We believe that, in addition to maximizing the new retail core's chances for success, a development strategy that makes maximum use of existing buildings in existing commercial centers is also consistent with the County's emphasis on rural life and natural beauty, which residents and visitors highly value. Preventing commercial sprawl by intensifying retail activity in downtown Lovington will be critical to maintaining these characteristics.

Summary

Nelson County – and both downtown Lovingston and downtown Nellysford – is losing sales in all major retail categories as County residents shop elsewhere for basic goods and services. And, although the County appears to be capturing some sales from non-County residents (particularly in Nellysford), these sales do not come close to offsetting the sales leakage attributable to County residents shopping outside the County. While it is impossible to trace these sales without conducting consumer surveys, it is almost certain that most sales are being captured by Albemarle and Amherst Counties (and by Charlottesville and Lynchburg, in particular).

In spite of the fact that there is much sales leakage, we believe that recapturing sales in retail categories like apparel and home furnishings – categories which require a concentration of several related businesses and for which there is great competition within the region – will be a longer-term goal for Nelson County and for downtown Lovingston and downtown Nellysford. In the short term, we recommend that the County focus on developing more restaurants and a solid core of specialty retail businesses in each of the districts.

We believe that downtown Lovingston's best potential for the next decade and beyond is as a mid/upscale destination for Rt. 29-oriented travelers and for Charlottesville and Lynchburg residents. Downtown Lovingston also has potential to develop more community-serving businesses (such as a general store). We strongly recommend resisting the temptation to recruit a discount superstore; Nelson County's lack of a discount superstore is one of its distinguishing characteristics, making it almost unique among Virginia counties.

Downtown Nellysford's future is tied to Wintergreen's in many ways – and its short-term potential lies in providing an expanded range of specialty goods and services to Wintergreen visitors and residents of the western side of the County, particularly in the Rockfish District.

Both districts' biggest needs are:

(a) to capture more of each district's captive markets;

(b) to develop tight clusters of specialty retail businesses that are somewhat unique; that are connected to Nelson County interests, traditions, and industries; and that have very little competition within the region;

(c) to effectively establish a marketing identity that distinguishes each district from other business districts in the mid-Virginia region (and beyond);

(d) to expand multi-channel retailing opportunities; and

(d) to provide a full range of financial, training and technology resources to cultivate and support independent businesses.

Sources of information

Our primary sources of information for our research were the Census of Population, Census of Retail Trade, Census of Accommodation and Food Service, Virginia taxable sales tax reports, Consumer Expenditure Survey, ESRI, the Nelson County Comprehensive Plan, business data compiled by the Nelson County Office of Economic Development, data compiled by the Thomas Jefferson Partnership for Economic Development, and “Report of Targeted Industry Findings Presented to Nelson County” by 310 Ltd.

Disclaimer

Retail market analyses and derivative business development plans provide important guidance on how the area's commercial centers should, theoretically, be able to perform and on the sales and rent levels businesses should be able to achieve. However, a number of factors affect the actual performance of retail businesses and commercial centers, including the skills of the business operator, level of business capitalization, quality of the physical environment, changes in overall economic conditions, district marketing programs, and numerous other factors. The information and recommendations in this report are intended to provide a foundation of information for making retail development decisions in Nelson County, but they do not and cannot ensure retail success.

Appendices

Nelson County residents' retail buying power, according to household income, age of householder, and household size



Consumer buying power: Nelson County

Item	Household income													Total
	<\$5K	\$5-10K	\$10-15K	\$15-20K	\$20-30K	\$30-40K	\$40-50K	\$50-70K	\$70-80K	\$80-100K	\$100-120K	\$120-150K	\$150K+	
TOTAL ANNUAL HOUSEHOLD EXPENDITURES	5,974,320	4,964,030	7,201,899	10,031,445	27,059,688	28,887,937	22,820,518	45,805,880	15,024,664	27,438,112	13,910,584	8,904,453	31,567,284	249,590,814
Food	1,064,230	855,600	1,228,498	1,573,983	4,043,016	4,129,211	3,148,964	5,990,120	1,985,124	3,261,440	1,603,376	997,967	3,041,710	32,923,239
Food at home	645,110	565,750	870,575	1,048,617	2,661,792	2,520,696	1,856,316	3,404,000	1,145,102	1,720,576	791,936	508,202	1,336,118	19,074,790
Cereals and bakery products	97,340	84,320	131,035	153,972	375,596	343,205	268,632	470,120	162,271	245,856	111,504	63,757	178,220	2,685,828
Cereals	36,890	33,480	43,798	51,183	131,412	123,223	88,970	154,560	55,230	81,536	33,488	21,012	57,988	912,770
Bakery products	60,760	50,530	87,237	102,789	244,184	219,982	179,662	315,560	106,778	164,736	78,016	42,848	120,232	1,773,314
Meats, poultry, fish and eggs	153,760	149,110	227,247	267,336	745,600	648,368	471,254	930,120	287,722	402,272	191,728	130,192	338,884	4,943,593
Beef	43,090	37,510	60,671	74,025	222,748	178,632	146,370	326,600	91,787	130,208	54,832	36,256	97,888	1,500,617
Pork	35,960	30,690	56,363	60,489	174,284	139,763	95,284	172,040	52,074	79,040	32,936	26,162	60,382	1,015,467
Other meats	16,120	20,770	31,592	33,417	88,540	79,392	59,122	118,680	35,768	51,168	25,576	13,699	36,442	610,286
Poultry	26,970	29,450	38,413	48,645	128,616	109,164	82,082	150,880	54,967	71,136	32,752	25,132	55,328	853,535
Fish and seafood	23,250	21,390	28,361	34,686	94,132	108,337	66,010	129,720	42,343	54,080	38,088	23,278	76,076	739,751
Eggs	8,370	9,300	11,847	16,074	38,212	33,080	22,960	33,120	11,046	16,640	7,544	5,665	12,768	226,626
Dairy products	67,580	56,110	90,468	115,056	281,464	265,467	210,658	353,280	119,665	190,112	80,408	54,590	140,448	2,025,306
Fresh milk and cream	26,040	26,040	37,695	49,068	115,568	104,202	81,508	128,800	46,814	66,976	29,256	17,613	45,752	775,332
Other dairy products	41,850	29,760	52,773	65,565	165,896	161,265	129,150	224,480	72,851	123,136	51,152	36,977	94,696	1,249,551
Fruits and vegetables	109,430	100,130	153,652	189,504	464,136	454,850	300,776	538,200	205,140	292,864	136,344	94,348	229,026	3,268,400
Fresh fruits	31,000	31,000	43,439	59,643	145,392	144,725	92,988	166,520	69,695	98,176	44,160	33,269	79,800	1,039,807
Fresh vegetables	35,650	31,620	49,183	57,528	153,780	154,649	91,266	164,680	69,958	98,176	42,504	31,518	76,076	1,056,588
Processed fruits	25,110	20,150	34,105	39,339	95,996	84,354	62,566	112,240	39,713	55,328	28,152	17,407	43,624	658,084
Processed vegetables	17,980	17,360	26,925	32,994	69,900	70,295	53,382	93,840	26,037	41,184	21,528	12,154	29,526	513,105
Other food at home	216,690	175,770	267,814	322,326	794,064	808,806	604,422	1,112,280	370,041	589,472	271,952	165,315	449,540	6,148,492
Sugar and other sweets	22,940	21,390	32,669	42,300	102,520	91,797	72,324	125,120	41,817	66,560	35,328	17,819	53,732	726,316
Fats and oils	15,500	17,980	25,489	31,302	74,560	70,295	51,660	85,560	30,508	43,264	20,792	12,772	31,388	511,074
Miscellaneous foods	106,330	82,460	131,753	159,048	368,140	399,441	300,776	543,720	185,941	304,096	133,952	83,533	225,834	3,025,020
Nonalcoholic beverages (other than milk)	66,960	49,910	72,877	84,177	231,136	222,463	163,590	316,480	97,047	145,184	69,000	41,715	106,666	1,667,205
Food prepared by household, out-of-town trips	4,960	4,030	5,026	5,499	18,640	24,810	16,072	41,400	14,991	30,368	13,064	9,476	31,920	220,256
Food away from home	419,120	290,160	357,923	525,366	1,382,156	1,608,515	1,292,648	2,586,120	840,285	1,540,448	811,440	489,765	1,705,326	13,849,272
Alcoholic beverages	81,530	47,430	71,800	88,830	230,204	255,543	233,618	511,520	162,534	245,024	144,440	89,095	452,998	2,614,566
Housing	2,147,990	1,904,950	2,677,063	3,625,533	9,159,696	9,311,193	7,305,872	13,897,520	4,492,303	8,253,856	4,269,536	2,752,057	9,834,286	79,631,855
Shelter	1,338,270	1,143,900	1,532,212	2,095,965	5,251,820	5,383,770	4,172,406	7,984,680	2,606,856	4,533,984	2,506,632	1,661,184	5,883,122	46,094,801
Owned dwellings	545,910	385,640	557,527	917,910	2,518,264	2,903,597	2,627,772	5,752,760	2,010,109	3,684,928	2,073,496	1,360,733	4,870,460	30,209,106
Mortgage interest and charges	273,110	119,660	153,293	319,788	1,198,552	1,550,625	1,512,490	3,515,320	1,252,932	2,229,344	1,253,960	799,898	2,783,158	16,962,130
Property taxes	156,860	167,710	228,683	315,558	691,544	764,148	606,144	1,296,280	446,311	848,224	462,760	291,593	1,290,100	7,565,915
Maintenance, insurance, repairs, etc.	115,940	98,270	175,910	282,564	627,236	588,824	509,138	942,080	310,866	607,776	356,776	269,242	797,202	5,681,824
Rented dwellings	728,500	721,370	930,169	1,117,566	2,590,960	2,310,638	1,371,286	1,827,120	450,519	564,512	234,048	160,886	289,940	13,297,514
Other lodging	63,860	36,890	44,157	60,489	143,528	168,708	173,922	403,880	146,491	284,544	198,904	139,565	722,722	2,587,660
Utilities, fuels, and public services	464,690	497,550	698,255	926,793	2,231,208	2,204,782	1,668,044	2,959,640	902,879	1,572,064	716,680	427,038	1,321,754	16,591,377
Natural gas	58,590	64,170	105,905	135,360	302,900	289,450	219,268	389,160	123,084	196,352	104,880	62,624	213,332	2,265,075
Electricity	172,670	203,500	268,891	352,359	839,732	827,827	613,032	1,060,760	311,918	555,360	239,200	138,947	443,422	6,027,168
Fuel oil and other fuels	14,880	18,290	30,515	38,070	84,812	89,316	60,844	109,480	40,239	65,728	29,256	19,467	51,338	652,235
Telephone	168,640	165,230	218,272	297,369	756,784	744,300	575,148	1,054,320	312,970	561,600	255,392	153,882	442,092	5,705,999
Water and other public services	49,910	46,810	74,672	103,635	246,980	253,889	200,326	345,920	114,668	192,608	87,768	52,221	171,836	1,941,243
Household operations	65,410	50,220	120,983	167,931	385,848	371,323	321,440	689,080	239,856	485,888	264,592	190,344	848,806	4,201,721
Personal services	17,360	14,880	51,696	90,099	140,732	133,147	131,446	290,720	112,827	236,704	124,568	84,975	288,610	1,717,764
Other household expenses	48,050	35,340	69,646	77,832	246,048	238,176	189,994	398,360	126,766	249,184	140,024	105,369	560,196	2,484,985
Housekeeping supplies	80,600	79,670	124,932	173,430	397,032	408,538	311,108	577,760	202,247	373,152	197,248	111,549	369,740	3,407,006
Laundry and cleaning supplies	23,560	26,040	36,977	63,450	113,704	119,915	71,750	146,280	59,438	88,608	31,280	16,995	63,574	861,571
Other household products	43,400	32,240	56,722	69,372	178,944	186,902	165,312	260,360	92,050	195,104	119,048	61,182	213,598	1,674,234
Postage and stationery	13,330	21,080	31,592	40,185	105,316	100,894	74,046	171,120	50,759	89,856	46,920	33,475	92,568	871,141

Household furnishings and equipment	199,330	133,920	200,322	261,414	892,856	944,434	832,300	1,687,280	540,465	1,288,768	584,568	361,942	1,410,864	9,338,463
Household textiles	8,680	16,740	15,796	29,187	82,016	69,468	80,360	126,960	48,129	87,776	49,496	28,840	85,386	728,834
Furniture	31,930	41,230	45,234	50,337	213,428	224,117	191,716	453,560	152,277	361,088	146,648	100,322	412,566	2,424,453
Floor coverings	8,990	1,860	13,283	3,384	15,844	23,156	18,368	37,720	15,254	40,768	25,760	19,879	77,672	301,938
Major appliances	18,600	20,150	36,259	32,994	170,556	144,725	126,280	203,320	61,016	143,936	52,256	36,359	168,112	1,214,563
Small appliances, misc. housewares	19,530	7,750	16,873	24,534	63,376	65,333	39,032	98,440	35,242	70,720	27,968	15,347	80,332	564,477
Miscellaneous household equipment	111,910	45,880	72,518	121,401	346,704	415,981	376,544	765,440	228,284	584,064	282,624	161,195	586,530	4,099,075
Apparel and services	327,360	238,390	327,408	452,187	1,036,384	1,242,981	869,610	1,809,640	670,387	1,059,136	495,880	364,723	1,352,078	10,246,164
Men and boys	83,700	50,220	49,183	85,023	190,128	300,201	196,308	418,600	153,329	276,224	104,144	77,250	301,910	2,286,220
Men, 16 and over	68,200	37,820	28,361	61,758	135,140	226,598	151,536	321,080	118,350	223,392	79,672	62,727	232,484	1,747,118
Boys, 2 to 15	15,500	12,090	20,822	22,842	54,988	74,430	44,772	97,520	34,979	52,832	24,472	14,523	69,426	539,196
Women and girls	107,570	91,140	147,190	175,968	414,740	494,546	345,548	709,320	306,132	402,272	208,104	138,741	559,664	4,100,935
Women, 16 and over	89,900	82,770	129,240	147,204	341,112	425,905	290,444	598,920	246,957	328,640	174,064	120,098	474,278	3,449,532
Girls, 2 to 15	17,670	8,370	17,950	28,764	73,628	68,641	55,104	110,400	58,912	73,632	34,040	18,643	85,386	651,140
Children under 2	11,780	10,230	16,514	28,764	61,512	70,295	48,790	77,280	36,294	53,664	23,000	20,497	41,230	499,850
Footwear	92,070	57,040	77,544	111,672	228,340	221,636	150,962	364,320	108,093	165,568	78,016	55,723	121,030	1,832,014
Other apparel products and services	31,930	29,760	36,618	51,183	141,664	155,476	128,002	239,200	66,802	161,408	82,616	72,512	328,244	1,525,415
Transportation	942,710	721,990	1,123,670	1,705,959	5,233,180	5,766,671	4,562,726	9,803,520	3,035,020	5,530,720	2,608,752	1,625,855	4,468,534	47,129,307
Vehicle purchases (net outlay)	398,040	293,260	501,523	672,147	2,429,724	2,699,328	2,115,764	4,974,440	1,498,574	2,842,944	1,342,280	816,996	2,043,678	22,628,698
Cars and trucks, new	158,100	89,280	269,250	219,114	1,151,952	1,215,690	817,950	2,441,680	930,494	1,861,184	1,042,176	522,828	1,596,798	12,316,496
Cars and trucks, used	221,030	203,980	229,401	453,033	1,278,704	1,451,385	1,250,746	2,399,360	553,615	891,904	277,472	273,259	435,176	9,919,065
Other vehicles	18,910	(155)	2,513	0	0	31,426	47,068	133,400	14,465	89,856	22,632	20,909	11,704	392,728
Gasoline and motor oil	200,880	164,920	234,068	383,238	981,396	1,082,543	857,556	1,575,040	489,443	847,808	379,592	226,085	567,378	7,989,947
Other vehicle expenses	285,510	216,690	341,768	570,627	1,571,352	1,773,915	1,426,964	2,855,680	928,653	1,598,272	771,144	475,036	1,364,580	14,180,191
Vehicle finance charges	43,400	22,630	33,746	54,567	214,360	297,720	233,044	515,200	164,638	314,496	132,664	69,628	160,930	2,257,023
Maintenance and repairs	83,080	69,440	105,546	191,196	446,428	477,179	393,190	736,000	241,697	440,544	193,568	125,763	351,120	3,854,751
Vehicle insurance	96,410	88,040	159,396	250,416	679,428	745,127	564,242	1,065,360	337,692	591,136	291,272	164,800	439,166	5,472,485
Vehicle rent, leasing, licenses, etc.	62,620	36,580	43,080	74,448	230,204	253,062	236,488	538,200	184,626	252,096	153,456	114,845	413,630	2,593,335
Public transportation	57,970	47,120	46,311	80,370	250,708	211,712	163,016	398,360	118,087	242,112	115,736	107,738	492,898	2,332,138
Health care	313,100	387,190	658,406	852,345	2,130,552	2,034,420	1,509,046	2,586,120	710,100	1,387,360	637,560	358,234	1,182,902	14,747,335
Health insurance	153,450	199,640	350,025	442,458	1,109,080	1,050,290	777,770	1,344,120	368,200	656,032	307,096	176,954	562,590	7,497,705
Medical services	71,920	57,970	122,060	145,935	420,332	488,757	378,840	659,640	188,308	429,312	178,848	91,670	391,020	3,624,612
Drugs	73,160	113,150	163,704	229,689	498,620	405,230	296,184	467,360	117,298	230,880	114,448	69,834	169,176	2,948,733
Medical supplies	14,880	16,430	22,976	34,263	103,452	90,970	56,826	115,000	36,294	71,136	37,352	19,776	60,116	679,471
Entertainment	243,970	190,960	257,044	400,158	1,413,844	1,440,634	1,104,950	2,173,960	852,909	1,500,512	701,040	451,346	1,901,102	12,632,429
Fees and admissions	58,280	35,650	37,695	58,374	212,496	241,484	219,842	508,760	189,097	353,184	207,184	134,827	691,334	2,948,207
Television, radios, sound equipment	115,010	104,160	142,523	197,964	535,900	533,415	447,720	794,880	256,951	450,944	214,360	132,355	449,274	4,375,456
Pets, toys, and playground equipment	36,580	35,650	56,004	91,368	411,012	247,273	251,412	431,480	139,653	271,232	130,824	75,808	244,720	2,423,016
Other supplies, equip., and services	34,100	15,190	20,822	52,452	254,436	418,462	185,976	438,840	267,208	424,736	148,856	108,356	515,774	2,885,208
Personal care products and services	83,700	79,360	120,265	153,126	357,888	373,804	305,942	586,040	189,886	362,336	160,816	117,317	373,730	3,264,210
Reading	16,740	14,570	25,848	32,571	88,540	86,835	74,046	132,480	47,340	84,032	41,952	30,179	98,952	774,085
Education	317,130	167,400	129,599	140,436	233,932	264,640	229,600	552,000	224,865	450,112	385,112	222,995	644,518	3,962,339
Tobacco products and smoking supplies	55,490	73,780	92,263	129,015	301,968	267,121	238,210	317,400	85,475	148,928	44,712	26,677	54,264	1,835,303



Consumer buying power: Nelson County

Item	Age of householder							Total
	Under 25	25-34	35-44	45-54	55-64	65-74	75+	
TOTAL ANNUAL HOUSEHOLD EXPENDITURES	3,225,024	25,571,275	55,808,025	68,838,774	44,942,247	30,938,680	15,459,888	\$244,783,913
Food	489,744	3,355,658	7,419,776	8,767,494	5,624,010	4,180,480	1,982,544	31,819,706
Food at home	254,304	1,877,856	4,258,800	5,074,182	3,371,355	2,656,960	1,384,938	18,878,395
Cereals and bakery products	36,864	265,651	618,709	699,366	434,259	380,880	221,244	2,656,973
Cereals	13,824	98,436	216,489	230,832	142,380	118,680	67,980	888,621
Bakery products	23,040	167,215	402,220	468,534	291,879	262,200	153,264	1,768,352
Meats, poultry, fish and eggs	63,072	485,239	1,103,739	1,376,748	929,538	697,360	344,844	5,000,540
Beef	18,864	143,237	313,495	439,680	291,879	207,920	79,104	1,494,179
Pork	12,672	89,602	222,404	285,792	195,264	151,800	90,846	1,048,380
Other meats	7,632	56,790	145,509	169,002	109,836	84,640	45,732	619,141
Poultry	12,240	95,281	205,842	234,954	144,414	104,880	58,092	855,703
Fish and seafood	8,208	78,244	164,437	192,360	150,516	112,240	50,676	756,681
Eggs	3,312	22,085	52,052	54,960	36,612	35,880	19,776	224,677
Dairy products	27,792	200,027	459,004	519,372	331,542	283,360	150,174	1,971,271
Fresh milk and cream	10,944	80,137	185,731	189,612	120,006	108,560	59,946	754,936
Other dairy products	16,704	120,521	272,090	329,760	212,553	174,800	90,228	1,216,656
Fruits and vegetables	39,168	312,345	701,519	853,254	603,081	494,040	264,504	3,267,911
Fresh fruits	10,800	99,067	224,770	280,296	192,213	158,240	82,194	1,047,580
Fresh vegetables	12,528	99,067	221,221	273,426	195,264	167,440	84,048	1,052,994
Processed fruits	9,504	65,624	145,509	167,628	116,955	91,080	56,856	653,156
Processed vegetables	6,336	48,587	110,019	131,904	98,649	77,280	42,024	514,799
Other food at home	87,408	614,594	1,377,012	1,626,816	1,071,918	802,240	404,172	5,984,160
Sugar and other sweets	8,784	64,362	173,901	193,734	127,125	102,120	55,002	725,028
Fats and oils	6,336	47,956	112,385	138,774	94,581	81,880	43,260	525,172
Miscellaneous foods	47,664	321,179	664,846	783,180	506,466	382,720	193,434	2,899,489
Nonalcoholic beverages (other than milk)	22,896	161,536	375,011	452,046	295,947	199,640	101,352	1,608,428
Food prepared by household, out-of-town trips	1,728	19,561	50,869	59,082	47,799	35,880	11,742	226,661
Food away from home	235,584	1,477,802	3,160,976	3,693,312	2,252,655	1,523,520	598,224	12,942,073
Alcoholic beverages	73,296	281,426	501,592	655,398	378,324	218,040	79,104	2,187,180
Housing	1,021,680	9,081,352	19,043,934	21,467,376	13,947,138	9,900,120	5,363,004	79,824,604
Shelter	658,656	5,625,365	11,449,074	12,691,638	7,699,707	5,302,880	2,864,430	46,291,750
Owned dwellings	110,160	3,052,147	8,210,020	9,470,982	5,867,073	3,956,000	1,684,050	32,350,432
Mortgage interest and charges	64,656	2,128,363	5,372,003	5,616,912	2,785,563	1,241,080	216,300	17,424,877
Property taxes	33,120	574,210	1,749,657	2,232,750	1,800,090	1,354,240	818,850	8,562,917
Maintenance, insurance, repairs, etc.	12,528	349,574	1,089,543	1,621,320	1,281,420	1,361,600	648,900	6,364,885
Rented dwellings	517,392	2,419,885	2,738,645	2,275,344	1,199,043	961,400	1,000,542	11,112,251
Other lodging	31,104	153,333	500,409	945,312	633,591	385,480	179,838	2,829,067
Utilities, fuels, and public services	191,376	1,627,980	3,716,986	4,582,290	3,141,513	2,505,160	1,386,792	17,152,097
Natural gas	16,992	215,171	505,141	643,032	439,344	378,120	234,840	2,432,640
Electricity	67,680	577,365	1,354,535	1,647,426	1,172,601	962,320	522,210	6,304,137
Fuel oil and other fuels	3,312	39,122	128,947	177,246	148,482	128,800	83,430	709,339
Telephone	88,704	631,631	1,297,751	1,588,344	997,677	711,160	353,496	5,668,763
Water and other public services	14,688	164,691	431,795	526,242	382,392	323,840	192,816	2,036,464
Household operations	33,120	550,232	1,122,667	869,742	614,268	463,680	474,624	4,128,333
Personal services	19,440	360,301	616,343	166,254	72,207	34,040	232,986	1,501,571
Other household expenses	13,680	189,931	506,324	703,488	542,061	429,640	241,638	2,626,762
Housekeeping supplies	32,400	287,105	706,251	849,132	628,506	542,800	230,514	3,276,708
Laundry and cleaning supplies	10,512	88,340	176,267	211,596	141,363	113,160	50,058	791,296
Other household products	14,544	128,724	367,913	428,688	313,236	287,960	108,768	1,649,833
Postage and stationery	7,344	70,041	162,071	207,474	173,907	141,680	71,688	834,205

Household furnishings and equipment	106,128	991,301	2,047,773	2,474,574	1,862,127	1,085,600	406,026	8,973,529
Household textiles	6,048	68,779	127,764	212,970	142,380	114,080	33,372	705,393
Furniture	29,232	314,869	612,794	618,300	454,599	207,000	87,756	2,324,550
Floor coverings	1,152	20,192	72,163	85,188	77,292	50,600	24,720	331,307
Major appliances	9,648	136,296	247,247	298,158	234,927	201,480	67,980	1,195,736
Small appliances, misc. housewares	6,912	43,539	108,836	152,514	129,159	72,680	29,046	542,686
Miscellaneous household equipment	53,136	408,257	878,969	1,108,818	823,770	438,840	163,770	3,875,560
Apparel and services	160,848	1,166,719	2,473,653	2,683,422	1,588,554	1,094,800	377,598	9,545,594
Men and boys	37,296	246,721	626,990	641,658	319,338	198,720	75,396	2,146,119
Men, 16 and over	33,552	172,894	412,867	511,128	277,641	171,120	69,216	1,648,418
Boys, 2 to 15	3,888	73,827	214,123	130,530	41,697	28,520	6,180	498,765
Women and girls	50,688	394,375	903,812	1,111,566	665,118	507,840	171,186	3,804,585
Women, 16 and over	46,944	306,035	647,101	972,792	612,234	456,320	165,624	3,207,050
Girls, 2 to 15	3,600	88,340	256,711	138,774	52,884	50,600	5,562	596,471
Children under 2	16,560	110,425	112,385	71,448	61,020	18,400	9,270	399,508
Footwear	29,664	208,861	488,579	458,916	241,029	196,880	71,688	1,695,617
Other apparel products and services	26,496	206,337	341,887	399,834	302,049	172,960	50,058	1,499,621
Transportation	673,056	5,114,886	10,519,236	13,418,484	8,827,560	5,533,800	2,238,396	46,325,418
Vehicle purchases (net outlay)	322,704	2,481,092	5,033,665	6,364,368	4,361,913	2,548,400	1,063,578	22,175,720
Cars and trucks, new	142,704	1,108,667	2,627,443	3,529,806	2,668,608	1,748,000	791,040	12,616,268
Cars and trucks, used	177,264	1,312,480	2,291,471	2,680,674	1,672,965	765,440	272,538	9,172,832
Other vehicles	2,736	60,576	115,934	155,262	20,340	34,960	618	390,426
Gasoline and motor oil	136,368	875,828	1,871,506	2,258,856	1,434,987	937,480	347,934	7,862,959
Other vehicle expenses	187,056	1,543,426	3,126,669	4,139,862	2,526,228	1,708,440	687,216	13,918,897
Vehicle finance charges	32,256	304,773	563,108	666,390	341,712	175,720	35,226	2,119,185
Maintenance and repairs	50,688	352,098	800,891	1,074,468	740,376	552,920	203,940	3,775,381
Vehicle insurance	72,576	574,210	1,179,451	1,644,678	947,844	666,080	342,990	5,427,829
Vehicle rent, leasing, licenses, etc.	31,392	312,345	583,219	754,326	496,296	312,800	105,060	2,595,438
Public transportation	26,928	214,540	486,213	654,024	503,415	340,400	139,668	2,365,188
Health care	78,624	926,308	2,490,215	3,406,146	3,111,003	3,335,920	2,383,008	15,731,224
Health insurance	40,464	511,110	1,311,947	1,602,084	1,598,724	1,816,080	1,255,158	8,135,567
Medical services	18,576	248,614	707,434	986,532	754,614	626,520	429,510	3,771,800
Drugs	14,400	127,462	356,083	630,666	637,659	770,960	600,078	3,137,308
Medical supplies	5,328	39,122	114,751	188,238	120,006	122,360	98,262	688,067
Entertainment	136,800	1,235,498	2,979,977	3,307,218	2,455,038	1,854,720	561,762	12,531,013
Fees and admissions	33,552	253,662	754,754	857,376	607,149	352,360	150,792	3,009,645
Television, radios, sound equipment	66,672	492,180	1,033,942	1,188,510	756,648	515,200	256,470	4,309,622
Pets, toys, and playground equipment	20,016	254,293	518,154	618,300	387,477	414,920	98,262	2,311,422
Other supplies, equip., and services	16,560	235,363	673,127	643,032	703,764	571,320	55,620	2,898,786
Personal care products and services	46,944	314,238	712,166	846,384	558,333	451,720	239,166	3,168,951
Reading	7,632	62,469	134,862	206,100	170,856	137,080	82,812	801,811
Education	214,560	431,604	821,002	1,891,998	755,631	161,920	50,058	4,326,773
Tobacco products and smoking supplies	33,120	179,835	369,096	528,990	342,729	201,480	64,890	1,720,140



Consumer buying power: Nelson County

Item	Household size					Total
	1 person	2 people	3 people	4 people	5+ people	
TOTAL ANNUAL HOUSEHOLD EXPENDITURES	34,704,819	99,052,031	45,604,572	41,290,348	23,286,295	243,938,065
Food	4,153,077	12,314,344	5,938,426	5,589,056	3,622,854	31,617,757
Food at home	2,237,175	7,091,176	3,524,768	3,345,056	2,284,551	18,482,726
Cereals and bakery products	318,339	963,475	488,696	481,712	341,996	2,594,218
Cereals	104,157	315,113	167,388	169,796	121,382	877,836
Bakery products	214,182	648,362	321,308	312,664	220,614	1,717,130
Meats, poultry, fish and eggs	526,653	1,868,008	938,912	907,324	629,946	4,870,843
Beef	137,898	573,551	280,904	275,264	188,275	1,455,892
Pork	107,091	392,191	195,286	188,496	126,698	1,009,762
Other meats	68,949	226,700	111,592	114,444	79,297	600,982
Poultry	96,822	306,045	160,654	166,056	117,838	847,415
Fish and seafood	86,553	285,642	150,072	125,664	90,815	738,746
Eggs	29,340	86,146	41,366	37,400	27,466	221,718
Dairy products	236,187	734,508	368,446	349,316	245,865	1,934,322
Fresh milk and cream	90,954	262,972	139,490	138,380	106,763	738,559
Other dairy products	145,233	471,536	228,956	210,936	139,102	1,195,763
Fruits and vegetables	410,760	1,251,384	585,858	553,520	368,576	3,170,098
Fresh fruits	129,096	401,259	183,742	175,780	122,268	1,012,145
Fresh vegetables	130,563	417,128	184,704	177,276	113,851	1,023,522
Processed fruits	88,020	238,035	119,288	114,444	78,411	638,198
Processed vegetables	64,548	194,962	99,086	86,020	54,046	498,662
Other food at home	743,769	2,273,801	1,142,856	1,052,436	698,611	5,911,473
Sugar and other sweets	88,020	278,841	132,756	124,168	82,398	706,183
Fats and oils	63,081	204,030	93,314	86,020	62,020	508,465
Miscellaneous foods	375,552	1,081,359	568,542	522,104	342,882	2,890,439
Nonalcoholic beverages (other than milk)	192,177	600,755	314,574	285,736	193,148	1,586,390
Food prepared by household, out-of-town trips	24,939	108,816	34,632	34,408	18,163	220,958
Food away from home	1,915,902	5,223,168	2,413,658	2,244,000	1,337,860	13,134,588
Alcoholic beverages	410,760	1,060,956	403,078	326,128	158,594	2,359,516
Housing	12,862,656	30,686,112	15,003,352	13,704,856	7,499,990	79,756,966
Shelter	8,235,738	17,523,910	8,608,938	7,945,256	4,341,843	46,655,685
Owned dwellings	3,949,164	11,931,221	5,983,640	6,207,652	3,235,672	31,307,349
Mortgage interest and charges	1,804,410	5,953,142	3,590,184	3,963,652	2,105,136	17,416,524
Property taxes	1,176,534	3,371,029	1,449,734	1,338,920	724,305	8,060,522
Maintenance, insurance, repairs, etc.	966,753	2,607,050	944,684	905,828	406,231	5,830,546
Rented dwellings	3,930,093	4,237,023	2,144,298	1,359,864	934,287	12,605,565
Other lodging	355,014	1,353,399	481,962	377,740	171,884	2,739,999
Utilities, fuels, and public services	2,578,986	6,585,635	3,193,840	2,704,020	1,666,566	16,729,047
Natural gas	372,618	897,732	431,938	378,488	242,764	2,323,540
Electricity	911,007	2,452,894	1,169,792	976,888	617,099	6,127,680
Fuel oil and other fuels	102,690	272,040	121,212	107,712	52,717	656,371
Telephone	913,941	2,187,655	1,116,882	917,796	544,447	5,680,721
Water and other public services	278,730	775,314	354,978	323,136	209,096	1,941,254
Household operations	503,181	1,280,855	987,012	1,000,076	398,257	4,169,381
Personal services	136,431	235,768	492,544	599,148	210,868	1,674,759
Other household expenses	368,217	1,045,087	493,506	400,928	187,389	2,495,127
Housekeeping supplies	416,628	1,319,394	611,832	512,380	305,670	3,165,904
Laundry and cleaning supplies	99,756	303,778	155,844	133,892	91,258	784,528
Other household products	180,441	664,231	315,536	265,540	155,493	1,581,241
Postage and stationery	136,431	351,385	140,452	112,948	58,919	800,135

Household furnishings and equipment	1,128,123	3,976,318	1,602,692	1,543,872	787,654	9,038,659
Household textiles	76,284	340,050	102,934	109,956	61,577	690,801
Furniture	284,598	1,036,019	456,950	454,784	194,034	2,426,385
Floor coverings	38,142	147,355	51,948	52,360	25,694	315,499
Major appliances	133,497	496,473	240,500	181,764	124,926	1,177,160
Small appliances, misc. housewares	70,416	253,904	92,352	65,076	50,502	532,250
Miscellaneous household equipment	525,186	1,702,517	658,970	679,932	330,478	3,897,083
Apparel and services	1,227,879	3,507,049	1,843,192	1,872,244	1,195,214	9,645,578
Men and boys	259,659	736,775	424,242	465,256	286,621	2,172,553
Men, 16 and over	240,588	657,430	320,346	299,948	159,923	1,678,235
Boys, 2 to 15	19,071	77,078	103,896	165,308	126,698	492,051
Women and girls	485,577	1,403,273	717,652	731,544	412,876	3,750,922
Women, 16 and over	463,572	1,298,991	599,326	512,380	285,292	3,159,561
Girls, 2 to 15	22,005	102,015	118,326	219,164	127,584	589,094
Children under 2	24,939	95,214	147,186	118,184	82,398	467,921
Footwear	228,852	584,886	274,170	351,560	259,155	1,698,623
Other apparel products and services	228,852	686,901	278,018	205,700	154,164	1,553,635
Transportation	5,631,813	19,684,361	9,198,644	7,823,332	4,511,955	46,850,105
Vehicle purchases (net outlay)	2,482,164	9,890,921	4,467,528	3,686,892	2,090,960	22,618,465
Cars and trucks, new	1,506,609	6,127,701	2,105,818	1,991,924	869,609	12,601,661
Cars and trucks, used	909,540	3,611,331	2,278,978	1,640,364	1,175,279	9,615,492
Other vehicles	66,015	151,889	82,732	55,352	45,629	401,617
Gasoline and motor oil	988,758	3,146,596	1,557,478	1,390,532	866,508	7,949,872
Other vehicle expenses	1,785,339	5,572,286	2,799,420	2,408,560	1,383,046	13,948,651
Vehicle finance charges	211,248	845,591	500,240	400,180	258,269	2,215,528
Maintenance and repairs	531,054	1,552,895	700,336	600,644	331,364	3,716,293
Vehicle insurance	723,231	2,103,776	1,086,098	940,984	546,219	5,400,308
Vehicle rent, leasing, licenses, etc.	319,806	1,072,291	512,746	466,752	247,194	2,618,789
Public transportation	375,552	1,072,291	374,218	338,096	171,441	2,331,598
Health care	2,285,586	7,011,831	2,435,784	1,930,588	1,053,897	14,717,686
Health insurance	1,142,793	3,620,399	1,275,612	1,048,696	542,232	7,629,732
Medical services	528,120	1,586,900	617,604	519,112	312,315	3,564,051
Drugs	522,252	1,480,351	432,900	273,020	157,265	2,865,788
Medical supplies	92,421	321,914	109,668	89,760	42,085	655,848
Entertainment	1,527,147	5,488,407	2,177,006	2,110,108	1,131,422	12,434,090
Fees and admissions	371,151	1,149,369	572,390	578,204	283,077	2,954,191
Television, radios, sound equipment	696,825	1,677,580	825,396	715,836	419,521	4,335,158
Pets, toys, and playground equipment	259,659	1,040,553	407,888	391,952	192,262	2,292,314
Other supplies, equip., and services	200,979	1,618,638	371,332	424,116	236,119	2,851,184
Personal care products and services	463,572	1,276,321	580,086	518,364	305,227	3,143,570
Reading	136,431	360,453	125,060	100,980	48,730	771,654
Education	730,566	1,353,399	902,356	1,066,648	495,717	4,548,686
Tobacco products and smoking supplies	283,131	702,770	337,662	246,092	161,252	1,730,907