

# Leflore County Retail Analysis

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June 2012



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**SOUTHERN**  
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## Retail Analysis

### Introduction

A comprehensive retail analysis can provide valuable insight into the strengths and weaknesses in the local economy. Retail is an important segment in any community. This is especially true for cities in Mississippi as retail sales tax revenue constitutes a significant portion of the city budget. This study analyzes the current retail sector and future prospects for the City of Greenwood and Leflore County.

Greenwood is centrally located in the heart of the Mississippi Delta. Memphis is 131 miles north on Interstate 55. Jackson is approximately 98 miles south on I-55. Columbus, Mississippi on the Eastern border of Mississippi is approximately 109 miles east of Greenwood. Greenville, Mississippi on the Mississippi River on the western border of the state is approximately 56 miles west.

Population in both the city and county decreased between 2000 and 2010 (Table 1). Greenwood's population decreased by 17.5 percent and Leflore County decreased by 14.8 percent. This has been a common pattern in rural areas across the country.

Table 1. Greenwood and Leflore County Population

	2000	2010	% Change 2000 to 2010
Leflore County	37,947	32,317	-14.8%
Greenwood	18,425	15,205	-17.5%

Table 2 shows Leflore County employment by sector. Manufacturing is largest private employment sector in Leflore County. This sector, along with transportation & warehousing have each declined about 33 percent since 2001. The retail trade sector comes in second with 1,859 employees in 2009. Finance & insurance, although small in terms of total employment, has shown strong growth since 2001.

Table 2. Leflore County Employment by Sector

	2001	2002	2003	2004	2005	2006	2007	2008	2009	Change
Nonfarm employment	18638	18787	18435	18264	18565	19251	19671	19207	18395	-1.3%
Construction	973	1027	1064	1107	1077	1092	1106	1115	992	2.0%
Manufacturing	3471	3382	2863	2781	2911	2994	3158	2880	2356	-32.1%
Wholesale trade	823	891	1023	999	1036	1087	1053	878	835	1.5%
Retail trade	2085	2022	2000	1960	1887	1977	1869	1877	1859	-10.8%
Transportation and warehousing	527	559	589	546	559	534	488	415	350	-33.6%
Finance and insurance	454	459	463	466	505	501	565	624	639	40.7%
Professional, scientific, and technical services	508	501	515	565	523	566	583	607	587	15.6%
Health care and social assistance	(D)	1623								
Accommodation and food services	914	966	989	1032	1078	1102	1210	1193	1095	19.8%
Other services, except public administration	998	1062	1065	1062	1035	1050	1032	1056	1049	5.1%
Government and government enterprises	4571	4678	4602	4448	4366	4573	4607	4618	4709	3.0%
State and local	4155	4259	4183	4058	4006	4226	4272	4288	4385	5.5%
State government	1158	1201	1200	1232	1235	1389	1344	1323	1382	19.3%
Local government	2997	3058	2983	2826	2771	2837	2928	2965	3003	0.2%

\*(D) Not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

## Trends

People and businesses are concerned about economic conditions in their communities and what might be done to improve them. In order to assess the economic conditions in the community, the community has to know which retail components of the community have been growing or which sectors are declining and need attention. This assists in the identification of opportunities in the region.

The retail sector is important, as retail activity reflects the general health of a local economy. Retail sales also generate sales tax dollars which support municipal service provision. Local citizens' quality of life is also affected by the local availability of a wide range of products at attractive prices.

Retail sales in Greenwood have increased gradually in recent years from \$306 million in 2001 to almost \$396 million in the year 2011. Table 3 shows how the sectors have increased or decreased over the 10 year period. Sectors showing the most growth during this time period are the machinery, equipment and supplies and miscellaneous services (see appendix for details on each sector). Contracting sales decreased by 51% between 2001 and 2011. Almost 60% of total sales in 2011 came from food & beverage (20% of total sales), apparel and general merchandise (20%) and automotive (18%).

Table 3. Greenwood Retail Sales by Sector

	2001	2011	% Change 2001 to 2011
Automotive	\$54,718,031	\$71,627,504	31%
Machinery, Equip, Supplies	\$33,338,445	\$57,852,785	74%
Food & Beverage	\$69,440,258	\$77,703,933	12%
Furniture and Fixtures	\$10,230,091	\$5,793,642	-43%
Apparel & Genl Merch.	\$57,357,673	\$80,556,159	40%
Lumber & Bldg Mtls	\$10,725,954	\$5,860,657	-45%
Misc. Retail	\$34,426,757	\$38,513,379	12%
Misc. Services	\$13,455,091	\$22,910,253	70%
Contracting	\$3,230,803	\$1,595,855	-51%
Total	\$306,334,862	\$395,542,254	29%

## Pull Factors

A method for analyzing the health of a local retail sector is the 'pull factor'. Pull factors measure the size of a local retail sector in relation to the local population it serves. They are calculated by dividing a local area's per capita sales by the statewide per capita sales, adjusting for local income differences. A pull factor of greater than one indicates that the local retail sector is selling to persons outside the local area. Conversely, a pull factor less than one implies that local citizens are traveling outside the area to do some of their retail shopping, commonly known as retail 'leakage'.

The advantage of using pull factor analysis is that this simple measure makes adjustments for population differences among towns & counties and it takes into consideration the condition of the economy. In effect, the pull factor is a way to measure for the size of a town's retail trade area. Pull factors can be computed for various merchandise categories as well as for total sales.

### Leflore County Analysis

Pull factor calculations adjust retail sales per capita by the relative income level of a local area. In 2010 Leflore County had a per capita personal income (PCI) of \$29,462. This ranked 26<sup>th</sup> out of 82 counties in the state. Leflore County's PCI was about 95% of the state average, \$31,071, and almost 74% of the national average, \$39,937.<sup>1</sup>

As shown in the Table 4, Leflore County has a pull factor of 1.2. This indicates that about 20% of Leflore County retail sales are coming from outside of the county. In other words, residents that live outside the area are attracted to Leflore County for their retail purchases.

Table 4. Leflore County Pull Factors.

	2010 Population <sup>1</sup>	FY 2011 Total Retail Sales (\$) <sup>2</sup>	2010 Per Capita Income (\$) <sup>3</sup>	Pull Factor
Mississippi	2,967,297	39,421,689,979	31,071	1.0
Leflore County	32,317	461,824,530	29,462	1.1

	FY 2011 Retail Sales (\$) <sup>2</sup>		PF
	Leflore Co	Mississippi	
Automotive	76,843,665	5,407,045,008	1.4
Machinery, Equip, Supplies	64,998,485	2,079,532,916	3.0
Food & Beverage	88,614,829	7,835,645,078	1.1
Furniture and Fixtures	5,890,911	797,801,242	0.7
Apparel & Genl Merch.	86,304,853	7,546,220,574	1.1
Lumber & Bldg Mtls	7,566,827	2,450,901,488	0.3
Misc. Retail	42,131,814	2,970,615,646	1.4
Misc. Services	26,236,589	2,238,247,954	1.1
Wholesale	21,431,678	782,834,272	2.7
Contracting	26,562,534	5,430,634,734	0.5
Recreation	199,890	145,134,521	0.1
Total	461,824,530	39,421,689,979	1.1

Sources:

<sup>1</sup>U.S. Bureau of Census, State and County QuickFacts

<sup>2</sup>Mississippi State Tax Commission, *Annual Report*, FY 2011

<sup>3</sup>Regional Economic Information System, Bureau of Economic Analysis, U. S. Dept. of Commerce (County level data).

<sup>1</sup> <http://bea.gov/regional/index.htm>

Machinery, equipment and supplies sector has the highest pull factor of 3.0. The wholesale sector is also very strong. Automotive, food & beverage, apparel & general merchandise, miscellaneous retail, and miscellaneous services all have pull factors slightly above one (see Appendix for details about each sector). This indicates that on average, a small number of shoppers are travelling in from outside the county to shop in these sectors.

Weak sectors include furniture & fixtures, lumber & building materials, contracting, and recreation. Not surprisingly, these are the sectors that had the largest declines in the past 10 years. Leflore County residents are finding other places to purchase goods in these sectors.

### City of Greenwood Analysis

City level pull factors are a little more difficult to interpret than county level data. Since retail activity is normally concentrated within a city to serve the surrounding unincorporated area, pull factors for cities are typically greater than one. In fact, it is not uncommon to see city level pull factors for certain sectors to be in the 5 or 6 range, meaning that the city's retail sector serves a population 5 or 6 times that of the city where it is located.

With this in mind we will examine Greenwood's pull factors. The overall pull factor for the city is 2.1, meaning the city's retail establishments have been successful in attracting business from outside the city. The cities most successful retail sectors are machinery, equipment & supplies (pull factor of 5.7), automotive (2.7), and miscellaneous retail (2.7). As was seen in the county level analysis, Greenwood is underperforming in the lumber & building supplies and the contracting sectors. Leflore County's success in the machinery, equipment & supplies sector clearly comes from firms inside Greenwood city limits.

Table 5. City of Greenwood Pull Factors

	2010 Population <sup>1</sup>	FY 2011 Total Retail Sales (\$) <sup>2</sup>	2010 Per Capita Income (\$) <sup>3</sup>	PF
Mississippi	2,967,297	39,421,689,979	31,071	1.0
Greenwood	15,205	395,542,254	29,462	2.1
	FY 2011 Retail Sales (\$) <sup>2</sup>			
	Greenwood	MS		PF
Automotive	71,627,504	5,407,045,008		2.7
Machinery, Equip, Supplies	57,852,785	2,079,532,916		5.7
Food & Beverage	77,703,933	7,835,645,078		2.0
Furniture and Fixtures	5,793,642	797,801,242		1.5
Apparel & Genl Merch.	80,556,159	7,546,220,574		2.2
Lumber & Bldg Mtls	5,860,657	2,450,901,488		0.5
Misc. Retail	38,513,379	2,970,615,646		2.7
Misc. Services	22,910,253	2,238,247,954		2.1
Contracting	1,595,855	5,430,634,734		0.1
Total	395,542,254	39,421,689,979		2.1

## Comparison Communities

Grenada and Washington are counties that are also located in the same region in northwest Mississippi as Leflore County. Grenada is slightly smaller in both population and total retail sales while Washington is slightly larger in population and retail sales. Table 6 shows population, retail sales, per capita income and the pull factor for Mississippi and each of the three counties.

Table 6. Selected Economic Data for Nearby Counties.

	2010 Population	FY 2011 Total Retail Sales (\$)	2009 Per Capita Income (\$)	Pull Factor
Mississippi	2,967,297	39,421,689,979	31,071	1.00
Grenada	21,906	372,750,124	28,995	1.37
Leflore	32,317	461,824,530	29,462	1.13
Washington	51,137	674,941,321	29,221	1.06

While all three counties have pull factors over 1, Washington is just meeting the needs of the local population while Grenada is having the most success in attracting shoppers from outside the area. Table 7 shows Grenada County's top three retail sector. All three retail sectors have a pull factor well over one.

Table 7. Grenada County Selected Pull Factors.

	FY 2011 Total Retail Sales (\$)²		Pull Factor
	Grenada	Mississippi	
Automotive	89,088,116	5,407,045,008	2.55
Apparel & Genl Merch.	86,132,445	7,546,220,574	1.77
Food & Beverage	78,564,625	7,835,645,078	1.55

²Mississippi State Tax Commission, *Annual Report*, FY 2011

Washington County's top sector is in machinery, equipment & supplies with a pull factor of 1.91. Table 8 gives Washington's top three retail sectors. Of the 11 retail sectors, 8 have pull factors that are right at or over 1 in Washington County.

Table 8. Washington County Selected Pull Factors.

	FY 2011 Total Retail Sales (\$)²		Pull Factor
	Washington	Mississippi	
Machinery, Equip, Supplies	62,446,258	2,079,532,916	1.91
Wholesale	16,144,253	782,834,272	1.32
Misc. Retail	58,150,149	2,970,615,646	1.25

²Mississippi State Tax Commission, *Annual Report*, FY 2011

It appears that some sectors in the surrounding counties might be pulling business away from Leflore County's retail businesses. Both Grenada and Washington have a stronger lumber and building materials retail sector with a pull factor of at least 1. It's likely that some residents of Leflore are traveling to Grenada or Washington for this type of shopping. All three counties have low pull factors in the furniture and fixtures sector. Delta residents probably travel to the Memphis or Jackson metro areas for these types of purchases.

## Appendix

### Mississippi Retail Sales Sectors

#### AUTOMOTIVE

Motor Vehicle - New Cars  
 Motor Vehicle - Used Cars  
 Auto Repair - New Car Dealers  
 Auto Parts, Tires, and Accessories  
 Gasoline Service Stations  
 Motorcycle Dealers and Repair  
 Automotive Related, NEC  
 Trailer Dealers  
 Aircraft Dealers  
 Automotive Parking Lots and Garages  
 Automotive Repair Shops  
 Car Washes

#### Total Automotive

#### MACHINERY, EQUIPMENT & SUPPLIES

Industrial Fuel by Other Than Utilities  
 Industrial Equipment and Supplies  
 Manufacturing Machinery  
 Marine Equipment and Supplies  
 Oil Field Equipment and Supplies  
 Road and Construction Equipment and Supplies  
 Communication Equipment  
 Professional Hospital  
 Computer Equipment, Supplies and Repair  
 Farm Equipment  
 Farm Tractors  
 Welding and General Repair

#### Total Machinery, Equipment & Supplies

#### FOOD AND BEVERAGE

Grocery Stores - General  
 Quick Stop Grocery Stores  
 Meat, Poultry, and Fish Products  
 Specialty Food Related  
 Restaurants and Cafes - Nonalcoholic  
 Restaurants and Cafes - Alcoholic  
 Concessions, Quick Food, Ice Cream Parlors  
 Liquor Stores - Bars Only  
 Liquor Stores - Package Stores  
 Beer Parlors

#### Total Food and Beverage

#### FURNITURE

Furniture Stores  
 Appliance Stores  
 Music Stores  
 Business Furniture, Equipment, and Supplies  
 Furniture Repair Shops

#### Total Furniture

#### GENERAL MERCHANDISE

Department Stores  
 Automatic Merchandising  
 Direct Selling  
 General Merchandise, NEC  
 Men and Boys Clothing and Furniture  
 Ladies Ready - to - Wear Stores  
 Children's and Infant's Apparel  
 Shoe Stores  
 Apparel and Accessories

#### Total General Merchandise

#### LUMBER AND BUILDING MATERIALS

Lumber and Other Building Materials  
 Saw Mills and Wood Preserving  
 Plumbing, Heating, and Air Conditioning  
 Electrical Work  
 Hardware Stores  
 Tin, Sheet Metal, and Steel (Inc. Fabricated Metal Prod.)  
 Fence Dealers  
 Tile Setting  
 Neon and Other Signs  
 Building Materials - Hardware  
 Monuments and Tombstones

#### Total Lumber and Building Materials

#### MISCELLANEOUS RETAIL

Agricultural Services  
 Mining - Metal  
 Mining - Sand and Gravel  
 Drug Stores  
 Medical and Dental  
 Antique and Secondhand Stores  
 Book and Stationery Stores  
 Sporting Goods and Bicycle  
 Farm and Garden Supply  
 Jewelry Stores  
 Fuel and Ice Dealers  
 Miscellaneous Retail, NEC  
 Florists  
 Cigar Stores and Stands  
 Camera and Photographic Supplies  
 Gift, Novelty, and Souvenir Shops  
 Printing and Publishing  
 Sales to Electric Power Associations  
 Advertising Specialties and Supplies

#### Total Miscellaneous Retail

#### MISCELLANEOUS SERVICES

Cotton Ginning  
 Oil and Gas Field Services  
 Burglar and Fire Alarms  
 Public Warehousing  
 Marina Services  
 Fixed Facilities, Air Transport  
 TV Cable Service  
 Phone Answering Service  
 Insurance Carriers  
 Hotels, Courts, and Motels  
 Trailer Parks  
 Laundries, Dry Cleaning  
 Shoe Repair Shops  
 Exterminating Services  
 Renting and Leasing - Non-transportation Equipment  
 Renting and Leasing - Transportation Equipment  
 Public Golf Courses  
 Medical and Other Health  
 Miscellaneous Services

#### Total Miscellaneous Services

#### WHOLESALE

Soft Drinks  
 Dairy Products  
 Beer\*  
 Distilled Alcoholic Beverage\*

#### Total Wholesale

#### PUBLIC UTILITY

Railroad Transportation  
 Intracity Bus Line  
 Trucking - Local and Long Distance  
 Water Transportation  
 Air Transportation  
 Telephone and Telegraph  
 Electric Company and Systems  
 Electric Power Associations - Sales  
 City Electric Systems  
 Gas Transportation and Distribution  
 City Gas Systems  
 Combination Utility Company  
 City Combined Companies  
 Water Supply  
 Industrial Fuel by Utilities  
 Electric Power Associations - Purchases

#### Total Public Utilities

#### CONTRACTING

Drilling Oil and Gas Wells  
 General Building Contractors  
 Heavy Construction Contractors  
 Mechanical Contractors  
 Electrical Contractors  
 Insulation Contractors  
 Elevator or Escalator Service  
 Water Well Drilling  
 Excavating, Grading, and Landscaping

#### Total Contracting

#### RECREATION

Motion Picture Shows  
 Nightclubs, Dance, Etc.  
 Bowling, Billiards, and Pool  
 Skating Rinks  
 Parks, Etc.  
 Race Tracks  
 College Athletics  
 Botanical Gardens, Zoos, Aquariums  
 Museums

#### Total Recreation

## PRINCIPAL INVESTIGATOR

The principal investigator on this project was Dr. Brian Richard. He has extensive experience in economic, fiscal and policy research. Brian is currently Assistant Professor in the Department of Economic and Workforce Development at the University of Southern Mississippi. At Southern Miss, his work concentrates on the casino tourism industry, the impacts of economic development projects, local retail and industrial analysis, and research into the state of the southern Mississippi economy. Brian recently headed up a team of researchers from Mississippi's four research universities that quantified the economic impacts of the Gulf Oil Spill.

Previously, Brian was the Director of Research for the Mississippi Gaming Association where he conducted various policy and impact studies of tourism activities in Mississippi and around the U.S. Prior to that he was employed in the Mississippi State Economist's office where he was responsible for Mississippi's IMPLAN economic and fiscal impact model and performed impact studies for a wide variety of industries. He was also responsible for modeling the state's economic performance through Mississippi's leading and coincident economic indicators. Brian also worked at Central Mississippi Planning and Development District, a regional economic planning and development agency where he was responsible for market analysis and feasibility studies for a variety of economic development projects.

Dr. Richard has taught introductory Economics at Millsaps College. He has a finance degree from the University of Washington and a Masters degree in economics from Clemson University. He received his PhD in International Development at Southern Miss.