

Market Opportunity Profile

Wamego, Kansas



Developed for Wamego, Kansas

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e2 Entrepreneurial Ecosystems believes in **empowering research** – making data-driven decisions about economic development to be more strategic and, ultimately, creating the kinds of economic development outcomes and long-term community or regional prosperity you desire. We work hard to build tools and resources that communities can use to access and understand data and turn that raw information into knowledge you can apply in your community. This **Market Opportunity Profile** was prepared for Wamego in Kansas by the e2 Entrepreneurial Ecosystems team.

Taking Stock – The Power of Assessment

Whether a community or a region is successful over time – or not – depends upon the commitment and choices of its leaders and people, and the investments they make in their development. As Deepak Chopra says, “When you make a choice, you change the future.” Making the *right* development choices is a prerequisite for achieving community and regional prosperity. The best way to make the *right* development decisions is to commit to a thoughtful and robust assessment of your region’s opportunities. By taking the time to discover and better understand your region’s genuine development opportunities, you will make smarter investments and enhance your region’s potential for greater prosperity.

This **Market Opportunity Profile** is one entrepreneurial development strategy on a pathway to community prosperity. Increasing your community’s ventures ability to capture area spending is a primary entrepreneurial development strategy. In becoming more competitive in capturing area spending your community’s ventures will in turn become more competitive enabling some to explore new products and services, new markets, and consumer groups, thereby contributing to the base part of your economy.



After growth-oriented entrepreneurs, possibly the greatest development opportunity is energizing your community’s entrepreneurs to compete more effectively for available area spending.

Asking the Right Questions

Depending upon the data one employs, 60 to 70 percent of the American economy is driven by consumer spending. This ratio varies from one local or regional economy to the next based on the composition of your economic activities and sectors. Regardless of the actual number, every economy is driven by consumer spending. For rural communities over the decades, the ability to capture area spending has been challenged first by mail order catalogues, then box stores and franchises, and now electronic commerce. Nevertheless, and despite intense competition for every consumer spending dollar, there are opportunities for rural communities to capture more of these spending streams through smart consumer-centered strategies. Our **Market Opportunity Profile** can help your community better understand its spending capture related to business and economic development opportunities.

Your community's **Market Potential Profile** is organized into the following sections:

1. Executive Summary
2. Defining Your Community
3. Defining Your Community's Markets
4. Estimating Your Community's Market Potential
5. Importance of Spending Capture
6. Strategic Development Considerations
7. Information About the Research Employed to Enable this Profile
8. About e2 Entrepreneurial Ecosystems

Being a Smart Data Consumer. We provide a summary of research sources at the end of this profile. Detailed source information can be found by reviewing specific research items in the Online Library. Data used in this profile is based on sampling and estimates. Through the sampling process, data can be skewed, particularly in smaller, more rural regions. We encourage you to carefully review the data and question the results if they are at odds with your experience. At the same time, remember that others – prospective residents, employees, and entrepreneurs – are using this same secondary data to learn about your county.

Online Library

Research collected and analysis completed in support of this Profile is available through an Online Library at the following site:

[Wamego, KS](#)

Market Opportunity Research

Business Insights into Opportunities

More Competitive Businesses

Stronger Local Business Community

More Prosperous Local Economies

Executive Summary

The following provides an overview of our findings associated with your community's **Market Capture Opportunities**:

Spending Capture Opportunity - \$163 million or 61% of Gross Spending Potential

Likely Spending Capture Potential. We estimate your community's likely spending capture opportunity at \$163 million. This represents a remarkable economic development opportunity that can strengthen your venture community and community prosperity. This is a conservative estimate, discounting for spending that is more likely to be spent outside of your community.

Related Job Creation Potential. If your community over time could capture this full likely spending capture opportunity, the following estimated job creation impacts is possible:

Direct Jobs	2,329
Indirect Jobs	699
Total Jobs	3,028

Esri Data
Our analysis is using purchased data from Esri (www.esri.com) employing estimated 2020 calendar year data estimates. Esri is a leading national market research firm.

The Manhattan Factor. Wamego has a very strong relationship with adjacent Manhattan. Many Wamego residents work in the Manhattan area (and to a lesser extent Topeka) and likely spend money there. Given that Manhattan offers more consumer amenities, there are significant leakages to Manhattan. However, as your community is growing rapidly, the potential to host more consumer amenities increases enhancing spending capture potential.

Commuters. You have a significant number of residents who leave each workday to work outside of your county. Outbound commuters are likely to spend money where they work, undermining your overall spending capture potential. There is a smaller countertrend of workers who live outside of your county coming into the county for work. There are opportunities, through smart consumer offerings to reduce outbound community spending leakages and increasing inbound community spending capture.

Future Spending Potential. Estimated household current net worth for your community in 2020 is a remarkable \$1.546 billion. Household current net worth represents future potential consumer spending. We encourage your community to study your **Household Current Net Worth Profile** to better understand future spending potential associated with accumulated wealth in your community.

Your Community is Growing. Wamego is experiencing very rapid demographic growth. Esri is projecting that Wamego's population will grow by a very robust 1.34% per year over the next five years or 2020 through 2025. This projected rapid population growth will significantly expand domestic market potential over time.



Now we explore Wamego the Community that we have employed in this profile to estimate your community's unique spending capture opportunity.

Defining Your Community

For this analysis, we have defined Wamego as the geography defined by your zip code 66547. In employing your community's zip code, we capture both the resident markets within the city limits of Wamego and the closely associated residents in the adjoining countryside. Typically, residents with the same post office and zip code have strong affinity for the lead community.

Figure 1 – Map of Wamego's Service Area (Zip Code 66547)



Permanent Resident Profile. The following provides the permanent resident profile for Wamego, Kansas:

Population	9,096
Households	3,489
Families	2,457
Individuals	1,032

For more detailed information about Wamego's permanent residents, check out the following profiles:

[Community Profile](#)

[Demographic and Income Profile](#)

[2010 Census Profile](#)

Population Trends

Community and economic development should be focused on strategies that not only grow a more robust economy but also create opportunities to attract and retain people. A growing population contributes to a strong workforce and supports community infrastructure including schools, health care, arts and culture, and retail activity. Failure to address population loss contributes to further economic and social contraction as a community or region’s vibrancy and capacity decline.

Wamego, KS
Quick Demographic Profile

2010 Population – 4,375
 Median Age – 33.5 Years
 Households – 1,759
 Average Household Size – 2.45

2020 Projected Pop – 4,995
 2025 Projection Pop – 5,264

Projected 2020-2025
 Growth Rate = 1.05% per year

Figure 2. County Population Trends, 1969-2018

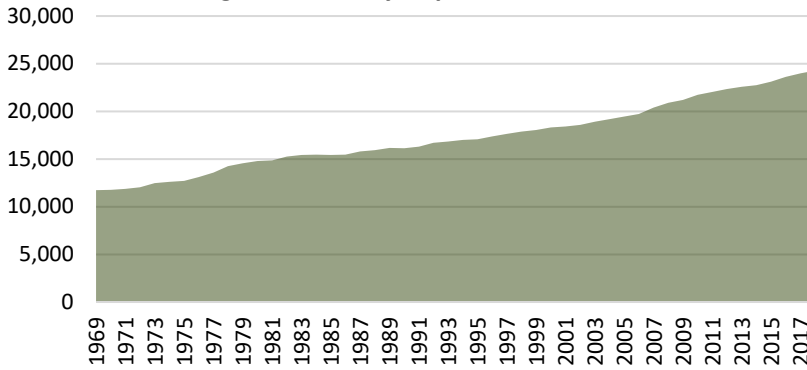


Figure 3 shows average annual change in population, including natural change (births and deaths) and migration (in-migration and out-migration), for 2000 through 2019. When natural population change moves towards zero or negative, a community will likely experience severe and chronic depopulation undermining community vitality. Migration, both domestic (within the U.S.) and international (outside of the U.S.) can strengthen or erode a community’s demographic or population health. Heavy net outmigration (more people leaving than coming in) can further stress demographic health and contribute to declining economic fortunes and quality of life. As America ages, overall birth rates are coming down. For many counties, in-migration of new residents is essential to not only sustain current population levels but to enable growth. For areas to be prosperous, rapid population growth is not necessary.

Figure 3. County Average Annual Components of Population Change, 2000-2019

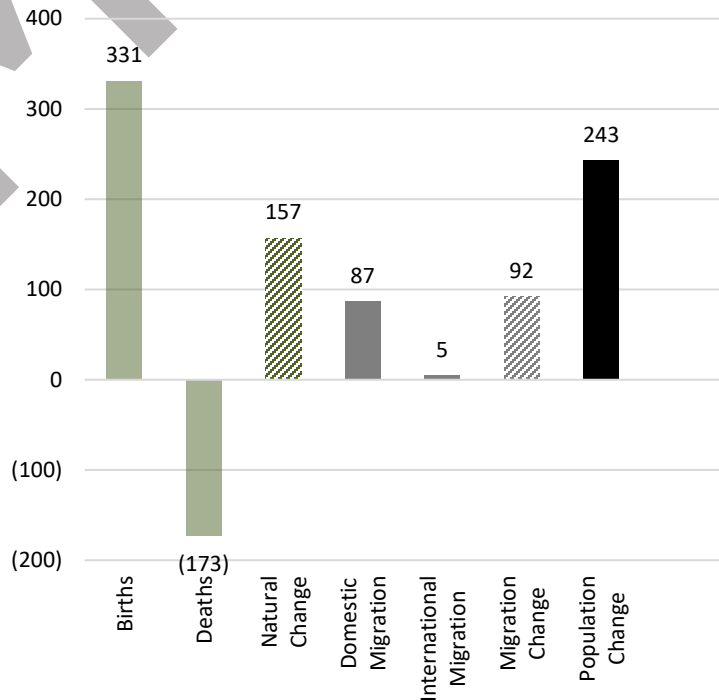


Figure 4. County Cohort Change 1990-2000

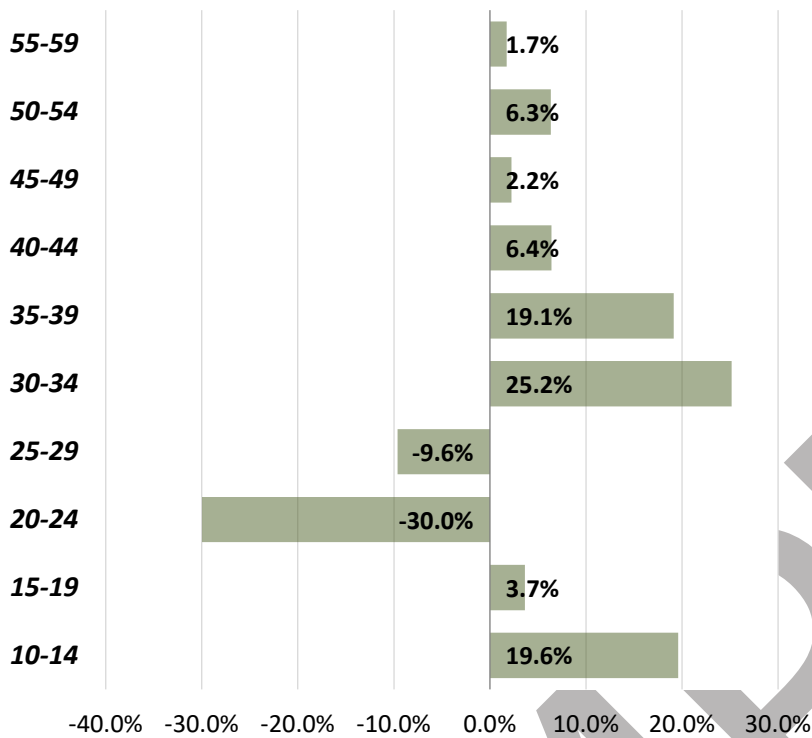
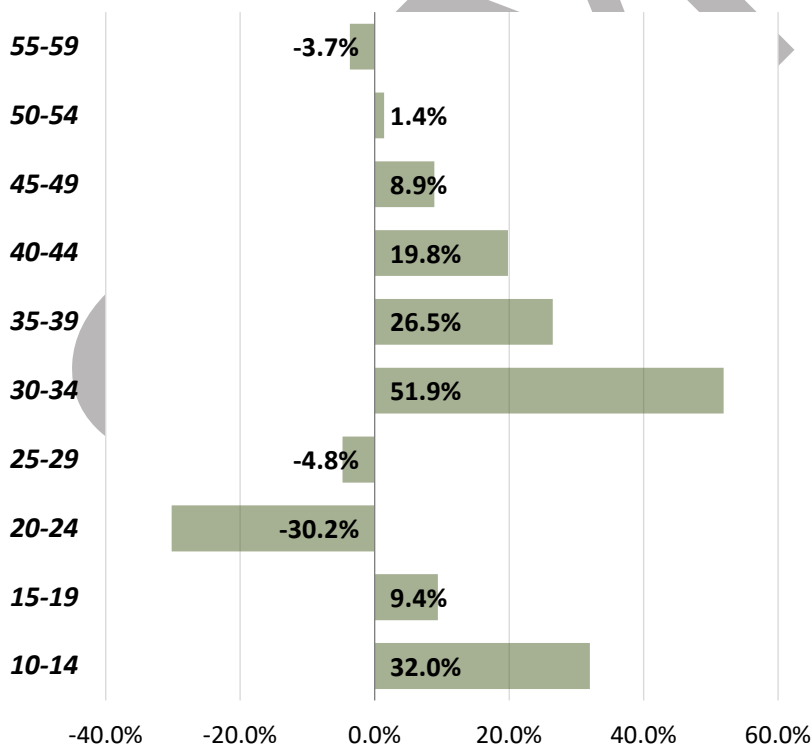


Figure 5. County Age Cohort Change, 2000-2010



Dr. Ben Winchester with the University of Minnesota studies population trends across America. We have been using his research increasingly over the past few years.

One way to think about a community's or regions **demographic health** is to compare changes in age cohort groups over ten year or Census periods. In much of rural America, there is a national trend where rural communities typically lose many of their 20-year-olds as they leave high school and often leave their home county to pursue higher education or work elsewhere.

What Dr. Winchester has observed is a trend of 30-year-olds returning after this away-from-home experience. This trend is potentially important to rural communities that have been losing population over time. With returning 30-year-olds, we have younger families, school-age children, a larger workforce and potential entrepreneurs.

Increasing the population of 30-year-olds should be a development objective in the county. In creating a more entrepreneurial economy and society, your county can be more successful in retaining and attracting the 25 to 40 year old age groups. For this to happen more frequently, communities must create more and better economic opportunities with a range of jobs and careers through local business formation and growth.



Defining Your Community's Markets

In this section of our Market Opportunity Profile, we estimate your community's markets and spending power. Figure 6 provides an accounting of potential consumers within your market.

Figure 6 – Estimated Market Components

Permanent Residents	Ventures	Visitors
Permanent residents include individuals and families, or households, who call your community their legal home.	Ventures include businesses, nonprofits, and government (including public education) operating in your community.	Visitors included travelers, tourists, and commuters who spend time in your community and generate spending.

Next, we explore each of these three market components beginning with the all-important permanent residents.

Permanent Residents. Core to your consumer market potential are permanent residents of your community. Much of the Esri market potential data is directly tied to the households that have established your community as their legal residence. We have the most expansive and reliable market data for permanent residents. This is the starting point from which we will estimate the dimensions and size of the other market components.

Ventures. Figure 7 provides an overview of ventures that are part of your community's spending capture opportunity.

Figure 7 – Three Kinds of Ventures in Your Community

For-Profit Businesses	Nonprofit Organizations	Governmental Agencies
For-profit businesses range from a locally owned hardware store on main street to a branch manufacturing plant on the edge of town. In addition to providing jobs and taxes, these businesses generate spending capture potential.	Nonprofits range from entirely volunteer groups to local churches to larger institutions like nonprofit hospitals and clinics. Like for-profit businesses, nonprofits generate spending potential within a community.	Government agencies and enterprises range from city and county government to public education and for some communities a regional state college or national or state park. Government is a purchaser of goods and services in communities.

For-Profit Businesses. While our goal is to empower community businesses to capture more spending, for-profit businesses are also consumers buying goods and services ranging from local farmers to main street businesses to larger manufacturing concerns. Business spending is associated with the size and diversity of a community's for-profit business sector. With increasing business size, there is a tendency to bypass local suppliers and purchase externally. Nevertheless, there are spending capture opportunities for local ventures to do a better job in tapping into these spending streams contributing to a stronger business community.

Nonprofit Organizations. Every rural community has multiple nonprofit organizations. Most are small, volunteer run, and with relatively small spending footprints. However, some rural communities, particularly hub cities and/or micropolitan cities are home to much larger nonprofit organizations and institutions with much larger spending footprints. Larger nonprofits can include private nonprofit colleges and universities, museums, health care, and social service agencies.

Governmental Agencies. Government agencies and enterprises range from city and county governments to public education to special governmental agencies are also potential area consumers. Like nonprofit organizations and for-profit businesses, government entities spend money on a wide range of goods and services contributing to a community’s overall market potential. For some rural communities, there are larger government agencies that create both direct (e.g., their spending) and indirect (e.g., spending by their visitors) spending potential. Larger governmental enterprises include community colleges and regional universities, national and state parks, retirement facilities and institutions like veterans’ homes and state fairs.

Visitors. Figure 8 summarizes the three kinds of visitors that frequent communities and generate spending capture opportunity.

Figure 8 – Three Kinds of Community Visitors

Travelers	Tourists	Commuters
Travelers are those passing through our communities on federal or state highways or using our regional airport to fly commercially. They are consumers of lodging, fuel, food, and other goods and services.	Tourists intentionally come to our community to spend some days at an area lake, participate in community festivals and celebrations, or attend trainings and workshops. While in town, they spend money.	Commuters are those workers who live in one community but work in another. They tend to spend in both their home community and where they work, creating spending capture potential.

Travelers. Rural America is home to an extensive network of federal, state, and local transportation corridors. These highways, ranging from interstate highways to scenic byways to a growing national trail network, bring travelers through and potentially into rural communities providing necessary (e.g., fuel, food, repair, lodging, etc.) and desired amenities (e.g., museums, entertainment ventures, etc.). Depending upon traffic volume, this passing-through traffic can represent a significant source of spending on amenity providing communities.

Tourists. Rural America is home to landscapes that attract tourists who may spend a few days or weeks in an area. Often rural communities with natural amenities like forests, lakes, seashores, rivers, and the like often have public lands, parks, or other assets that draw residents. In other communities, there are heritage tourism assets that draw a unique kind of tourist. For some rural communities, there are tourists attracted to rural entertainment and/or gaming assets. Finally, nearly every rural community hosts events or festivals that draw visits for a few hours to a few days.

Two Other Visitor Groups

There are two other potential visitor groups including nonresidents with vacation or second homes in high natural amenity areas and higher education students and visiting faculty. Both of these groups can have major spending effects and capture potential for communities hosting these kinds of assets.

Commuters. There are two kinds of work-related commuters – outbound and inbound. Outbound commuters live in your community but work outside of your community. Inbound commuters live outside of your community but travel into your community for work. From a spending standpoint, outbound commuters may tend to spend money in the community where they work, or communities associated with their travel commute. This is particularly true when these communities are larger and offer more retail and service options. Conversely, inbound commuters potentially will spend dollars in your community. This group of consumers represents a potential market for your community. Inbound commuters become familiar with your community and discover favorite cafes or shops and may come into your community with their families patronizing not only these favorite places but others while in town.

Our Market Potential Estimating Approach

As noted earlier in this section of our Market Opportunity Profiles, our best data is associated with permanent residents or households. We start with the size and characteristics of this market segment and then employ certain additional data sources and estimating techniques to provide insight into the other market segments for which we do not have as rich of information. For example, based on our field work with rural communities, we have very detailed retail trade information. Typically for every dollar spent on retail trade, an additional dollar is spent for services. Communities with health care systems will have higher spending in the services category than those that do not.

With this framework in mind, our next step is to estimate your community's market potential.

Estimating Your Community's Market Potential

In this section of our Market Opportunity Profile, we estimate your community's spending capture potential or market potential. The following provides our process for estimating your community's unique market potential.

Power of Consumer Spending

Historically, up to 70% of the U.S. gross domestic product is anchored in consumer spending. Changes in consumer spending are watched closely and can drive economic expansions or contractions. In rural America, the importance of consumer spending varies with less emphasis on households and greater emphasis on business spending related to natural resource industries like agriculture, manufacturing, and other business activities. For other locations with public lands, government spending may represent a greater share of consumer spending. Whether households, farmers, or a national park, we estimate the (1) the spending potential of your community and (2) how your community can capture more of this spending.

Role of Consumer Spending in the U.S. Economy

According to the St. Louis Federal Reserve Bank approximately 67% of the U.S. economy in the second quarter of 2020 was related to consumer spending.

This section of our profile is organized into the following subsections with the intent on providing transparency in how we have estimated your community’s market potential:

- Total Estimated Market Potential
- Permanent Residents Spending Potential:
 - Household Disposable Income
 - Household Budget Expenditures
 - Household Current Net Worth
 - Personal Income Trends
 - Household Types
- Retail MarketPlace Profile
- Ventures including For-Profit Business, Nonprofits, and Government Entities
- Visitors including Travelers, Tourists, and Commuters
- Commuters

Total Estimated Market Potential

Your Community’s Likely Spending Capture Potential - \$163 million

Based on your community’s unique market potential analysis we estimate your total consumer spending as follows:

Figure 9 - Estimated Market Potential, 2020

Market Segment	Estimated Potential	Comments
Permanent Residents	\$230 million	Based on Household Budget Profile Estimate
Ventures	\$28.8 million	Businesses, Nonprofits, & Government
Visitors	\$8.2 million	Travelers, Tourists, & Commuters
Total Market Potential	\$267 million	Total of the Three Above Areas
Total Market Capture	\$104 million	Based on the Retail MarketPlace Spending Leakage Ratio
Total Capture Potential	\$163 million	Total Market Potential less Total Market Capture

Permanent Residents. Wamego is a growing community and its permanent resident spending potential is also growing rapidly. As your community’s population continues to grow, domestic spending potential will increase, creating development opportunities for more ventures.

Ventures and Visitors. While nonprofits and government agencies are typical for a community of your size and situation, your for-profit business sector is underdeveloped given your close association with Manhattan, where many of your community’s residents not only work but shop and play. Outbound commuters are a significant constraint on your current spending capture potential.



Estimating Analysis

Permanent Residents. Permanent residents claim your community as their legal residence. We employ the Esri **Household Budget Expenditures** to estimate gross resident spending potential.

Ventures. There are three kinds of ventures in your community, including for-profit businesses, nonprofit organizations, and government agencies, including public educational institutions. We estimate venture spending potential based on your community's unique relationship to other communities and the size of your venture community based on the Esri **Business Profile**.

Visitors. There are three types of visitors we consider in estimating your community's spending capture potential, including travelers, tourists, and commuters. We benchmark visitor spending potential based on these three indicators specific to your community relative to the resident spending potential.

Setting Goals Based on Opportunities. By employing both community knowledge and Esri market profiles, you can explore very specific areas or opportunities for increasing spending capture. For example, there may now be sufficient market demand for a brew pub, a second coffee shop, or café. As a community you can engaged your entrepreneurs in exploring this data to identify spending capture opportunities and craft strategies to test these markets. Remember we live in a dynamic consumer marketplace where every day millions of vendors are seeking to capture consumer spending including spending from your community. As a community, we recommend that you make this a development priority and based on your unique spending capture opportunities set three and ten year goals. Even a one to five percent spending capture goal realized can strengthen your community's rooted venture community, increasing economic competitiveness and grow a more prosperous community.

Likely versus Gross Spending Capture Potential. There is a significant difference between **likely** versus **gross** spending potential. No community can capture 100% of its spending potential. This is particularly true for more rural communities. For example, chances are very good that spending related to housing mortgages, specialized health care, and out-of-community travel contribute to the difference between what is possible with respect to spending capture. We cannot estimate the precise difference between gross and likely spending capture potential. Employing a conservative value based on your community's unique size and situation, we employ a 50% differential between gross and likely spending capture potential.

Next we explore the market potential of your community's resident consumers beginning with household disposable income.

Estimated Values

We cannot precisely calculate spending potential. We have very reliable values on resident spending potential, which we employ to estimate — using key indicators unique to your community — both venture and visitor spending potential. What is critical is to use these estimates to explore spending capture opportunities and set spending capture goals.

Permanent Resident Spending Potential

Household Disposable Income. Permanent resident household (i.e., families and individuals) disposable income is the starting point for estimating your community’s spending and spending capture potential. The following summary data is the most current household disposable income for your community. Figure 10 provides a more detailed household disposable income profile for your community.

Total Resident Household Disposable Income	\$212 million
Median Household Disposable Income	\$51,077
Mean Household Disposable Income	\$60,061
Median/Mean Ratio	1.19x

Note – Median values represent the value where half of the households have more or less disposable income. The mean value is the average or total disposable income divided by the total number of households. The ratio illustrates income equality. The lower the value, the greater the income equality.

Figure 10 – Wamego Resident Household Disposable Household Income Profile

Disposable Income Profile							
2020 Population			9,096				
2020 Households			3,489				
2020 Households by Disposable Income		Number	Percent				
Total		3,489	100.0%				
<\$15,000		364	10.4%				
\$15,000-\$24,999		374	10.7%				
\$25,000-\$34,999		346	9.9%				
\$35,000-\$49,999		599	17.2%				
\$50,000-\$74,999		872	25.0%				
\$75,000-\$99,999		386	11.1%				
\$100,000-\$149,999		456	13.1%				
\$150,000-\$199,999		54	1.5%				
\$200,000+		38	1.1%				
2020 Median Disposable Income			\$51,077				
2020 Average Disposable Income			\$60,661				
2020 Disposable Income by Age of Householder		Number of Households					
	<25	25-34	35-44	45-54	55-64	65-74	75+
Total	133	551	676	564	709	505	351
<\$15,000	30	49	44	32	63	54	92
\$15,000-\$24,999	19	51	64	50	57	55	78
\$25,000-\$34,999	18	66	29	34	41	90	68
\$35,000-\$49,999	22	108	105	59	160	94	51
\$50,000-\$74,999	23	140	215	184	172	106	32
\$75,000-\$99,999	10	53	115	77	87	36	8
\$100,000-\$149,999	9	74	91	106	107	55	14
\$150,000-\$199,999	0	6	8	15	13	7	5
\$200,000+	2	4	5	7	9	8	3
Median Disposable Income	\$34,633	\$50,157	\$57,987	61,291	53,225	42,187	25,557
Average Disposable Income	\$45,026	\$59,431	\$66,072	72,599	65,124	56,030	36,555

Figure 11 – Estimates Household Budget Expenditures

Household Budget Expenditures				
2020 Population				9,096
2020 Households				3,489
Average Household Size				2.59
Median Age				38.30
	Spending Potential Index	Average Amount Spent	Total	Percent
Total Expenditures	85	\$65,826	\$229,666,915	100.0%
Food	85	\$7,752	\$27,046,205	11.8%
Food at Home	86	\$4,611	\$16,086,369	7.0%
Food Away from Home	83	\$3,141	\$10,959,836	4.8%
Alcoholic Beverages	82	\$508	\$1,772,157	0.8%
Housing	82	\$19,909	\$69,461,702	30.2%
Shelter	81	\$15,608	\$54,455,173	23.7%
Utilities, Fuel and Public Services	88	\$4,301	\$15,006,529	6.5%
Household Operations	85	\$1,822	\$6,357,040	2.8%
Housekeeping Supplies	89	\$694	\$2,420,512	1.1%
Household Furnishings and Equipment	87	\$1,909	\$6,661,695	2.9%
Apparel and Services	84	\$1,795	\$6,261,262	2.7%
Transportation	89	\$7,974	\$27,822,204	12.1%
Travel	85	\$2,051	\$7,154,594	3.1%
Health Care	93	\$5,344	\$18,644,322	8.1%
Entertainment and Recreation	90	\$2,910	\$10,152,045	4.4%
Personal Care Products & Services	87	\$795	\$2,774,765	1.2%
Education	77	\$1,375	\$4,797,452	2.1%
Smoking Products	92	\$370	\$1,292,396	0.6%
Lotteries & Pari-mutuel Losses	83	\$44	\$155,169	0.1%
Legal Fees	76	\$137	\$476,482	0.2%
Funeral Expenses	87	\$80	\$280,736	0.1%
Safe Deposit Box Rentals	93	\$5	\$15,790	0.0%
Checking Account/Banking Service Charges	82	\$26	\$90,752	0.0%
Cemetery Lots/Vaults/Maintenance Fees	96	\$9	\$31,794	0.0%
Accounting Fees	80	\$89	\$310,669	0.1%
Miscellaneous Personal Services/Advertising/Fines	78	\$58	\$203,689	0.1%
Occupational Expenses	79	\$48	\$168,696	0.1%
Expenses for Other Properties	89	\$86	\$299,349	0.1%
Credit Card Membership Fees	75	\$6	\$20,759	0.0%
Shopping Club Membership Fees	85	\$28	\$97,791	0.0%
Support Payments/Cash Contributions/Gifts in Kind	91	\$2,138	\$7,459,980	3.2%
Life/Other Insurance	90	\$488	\$1,704,006	0.7%
Pensions and Social Security	85	\$7,003	\$24,434,742	10.6%

Household disposable income can vary year to year based on changes in the underlying economy. With sustained growth, household income in aggregate is likely to increase. During recessionary times or when there are major economic disruptions, overall income can decline. It should be noted that **disposable income** reflects total household income less taxes and other withholding — the true income that households have to commit to spending. Actual resident spending may be higher than disposable income due to borrowing or drawing down estate wealth repurposed into spending. This household current net worth, disposable income, and spending relationship occurs naturally with retirees who are no longer working but also other households during times of fiscal stress (e.g., unexpected expenses, loss of a job, or say a home improvement).

Figure 12 – Market Profile

Market Profile	
Top 3 Tapestry Segments	
1. Green Acres (6A)	
2. Salt of the Earth (6B)	
3. Bright Young Professionals (8C)	
2020 Consumer Spending	
Apparel & Services: Total \$	\$6,261,262
Average Spent	\$1,795
Spending Potential Index	84
Education: Total \$	\$4,797,452
Average Spent	\$1,375
Spending Potential Index	77
Entertainment/Recreation: Total \$	\$10,152,045
Average Spent	\$2,910
Spending Potential Index	90
Food at Home: Total \$	\$16,086,369
Average Spent	\$4,611
Spending Potential Index	86
Food Away from Home: Total \$	\$10,959,836
Average Spent	\$3,141
Spending Potential Index	83
Health Care: Total \$	\$18,644,322
Average Spent	\$5,344
Spending Potential Index	93
HH Furnishings & Equipment: Total \$	\$6,661,695
Average Spent	\$1,909
Spending Potential Index	87
Personal Care Products & Services: Total \$	\$2,774,765
Average Spent	\$795
Spending Potential Index	87
Shelter: Total \$	\$54,455,173
Average Spent	\$15,608
Spending Potential Index	81
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$7,459,980
Average Spent	\$2,138
Spending Potential Index	91
Travel: Total \$	\$7,154,594
Average Spent	\$2,051
Spending Potential Index	85
Vehicle Maintenance & Repairs: Total \$	\$3,637,520
Average Spent	\$1,043
Spending Potential Index	90

Household Budget Expenditures. Given the focus of this analysis, we suggest spending some time with Esri's [Household Budget Expenditures](#) profile. This profile provides detailed household spending potential information. See Figure 11 on page 14 for a summary profile. Remember, as noted before, estimated household spending may exceed household disposable income due to borrowing or draw down of estate assets. During certain periods,



such as when there is higher savings rates or contributions to estates, expenditures may be lower when compared to income.

Market Profile. Esri produces a [Market Profile](#) providing comprehensive domestic market information. We have generated an Esri Market Profile for your community. This profile provides both 2020 and estimated 2025 values for key market indicators. Figure 12 on page 15 provides a summary from the more extensive Market Profile report. Use the hyperlink above to access the full report. This data provides three key indicators:

1. Total Estimated Consumer Spending by Category
2. Average Household Spending by Category
3. Spending Potential Index

Household Current Net Wealth. Figure 13 on page 17 provides a more detailed permanent resident household current net worth profile for your community. Over time this wealth will be spent. Some of this wealth may be used to build a dream retirement home, educate children and grandchildren, travel, and meet basic household needs from groceries to health care. Wamego has a wide range of households with regard to their household wealth levels.

Total Resident Household Wealth - \$1.546 Billion
Median Household Net Worth - \$113,593
Mean Household Net Worth - \$442,970
Median/Mean Ratio - 3.90x

Remember there are some important development considerations with respect to household current net worth and your community's spending potential and capture strategy.

Retirees. Through our life cycle from children to early career to our peak earning years, we are building an estate reflected in the current net worth values. Once we retire, we not only rely on Social Security and Medicare but also the investments we have put away in our retirement funds, home(s), and other assets to draw upon in retirement. In early retirement, these assets move from current net worth into spending to meet day-to-day needs and those special things like travel, helping a grandchild go to college, or that second home in the mountains. Many retirees will spend down their estates before they die. Others will die and provide the balance of their estates to heirs, charity, and other purposes.

Safety Nets. We are conditioned to save and invest. It is hard when we are young and our immediate needs for housing, children, cars, and the like often exceed our annual disposable income. But for most Americans over time and as we age, we all build estates from very large to very modest. During times of stress like health care needs, unemployment, unexpected spending (e.g., a new appliance, car, or roof), etc., we may be forced to go beyond our saving and dip into our estates to help cover these costs. It is for this reason that estate wealth may decline in recessionary periods to offset income losses.

Investments. Household may also tap into estate wealth for a wide range of what we might term **investment opportunities**, including that dream trip, remodeling a home, buying, or starting a business,

or enabling a loved one to go to college. While investment advisors typically counsel against this kind of behavior, it happens and again brings locked up estate wealth into spending in our communities and beyond.

Figure 13 – Wamego Household Current Net Worth Profile

Net Worth Profile							
2020 Population			9,096				
2020 Households			3,489				
2020 Households by Net Worth		Number	Percent				
Total		3,489	100.0%				
<\$15,000		803	23.0%				
\$15,000-\$34,999		281	8.1%				
\$35,000-\$49,999		151	4.3%				
\$50,000-\$74,999		217	6.2%				
\$75,000-\$99,999		204	5.8%				
\$100,000-\$149,999		267	7.7%				
\$150,000-\$249,999		468	13.4%				
\$250,000-\$499,999		600	17.2%				
\$500,000-\$999,999		249	7.1%				
\$1,000,000-\$1,499,999		103	3.0%				
\$1,500,000-\$1,999,999		37	1.1%				
\$2,000,000+		109	3.1%				
Median Net Worth			\$113,593				
Average Net Worth			\$442,970				
2020 Net Worth by Age of Householder		Number of Households					
	<25	25-34	35-44	45-54	55-64	65-74	75+
Total	133	551	676	564	709	505	351
<\$15,000	81	214	183	120	107	49	49
\$15,000-\$34,999	18	71	71	41	43	24	13
\$35,000-\$49,999	11	24	50	19	23	17	7
\$50,000-\$74,999	7	44	48	29	34	24	31
\$75,000-\$99,999	5	50	38	32	33	24	22
\$100,000-\$149,999	4	51	66	29	51	44	22
\$150,000-\$249,999	6	42	118	95	71	83	53
\$250,000-\$499,999	1	45	72	134	163	108	77
\$500,000-\$999,999	0	8	21	50	88	57	25
\$1000000+	0	2	9	15	96	75	52
Median Net Worth	\$12,315	\$30,867	\$66,243	\$158,409	\$235,753	\$229,095	\$199,487
Average Net Worth	\$34,467	\$95,829	\$163,011	\$326,783	\$711,043	\$748,556	\$887,416

Future Spending Potential

Community spending potential and capture opportunities change over time driven by a wide change of factors such as:

- Overall population growth or decline.
- Changes in age cohort groups within a community (each cohort has different spending behavior).
- Development of destination assets (e.g., attractions, festivals, etc.) drawing visitors.
- More competitive shopping and services that draws consumers from a larger region.
- Expansion of a health care facility that draws patients and their families into the community.

Figures 14 and 15 provide county-level data from the U.S. Bureau of Economic Analysis for total personal income, per capita income, and changes in average earnings per job (e.g., as average earnings go up, households have more spending power).

Personal Income Trends

Depending on the data source, consumer or household spending accounts for 60% to 80% of all spending in a community's economy. Not all of this spending is captured locally even when a community has positive trade surpluses. Tracking personal income, per capita income, and average earnings per job can provide an important indicator of whether your spending potential opportunity is expanding, stagnate, or declining. While past trends can never fully predict future trends, they are the starting point for understanding where your spending markets are tracking. As is the case with shopping malls, more and better goods and services offerings within a community can empower further spending capture opportunity.

Long-term personal income trends, measured in real or inflation-adjusted dollars (where a dollar in 2018 has the same purchasing power as a dollar in 1970), are presented for your county in Figure 14. Personal income is a critically important indicator of community well-being. Generally speaking, when personal income is rising faster than both population and employment, household and community well-being is improving. What Figure 14 does not show is income distribution. We have additional research in your electronic library profiling Household Disposable Income and Current Net Worth.

Figure 14. County Personal Income Trends 2001-2018

(Millions of 2018 dollars)

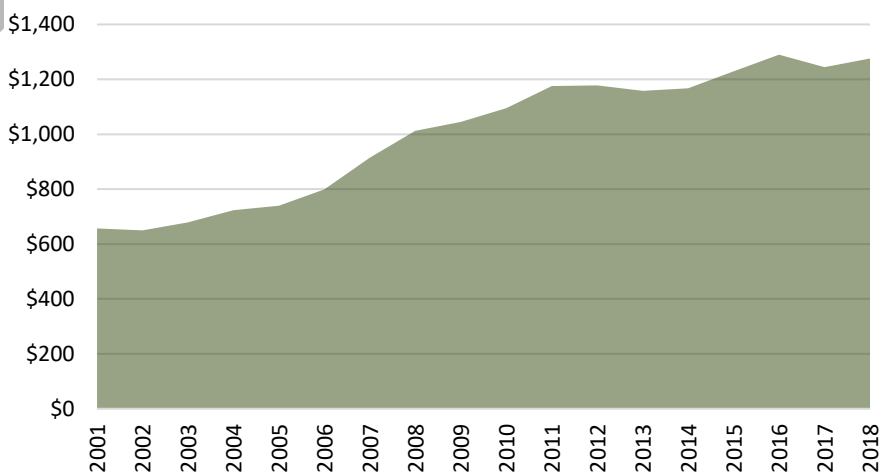
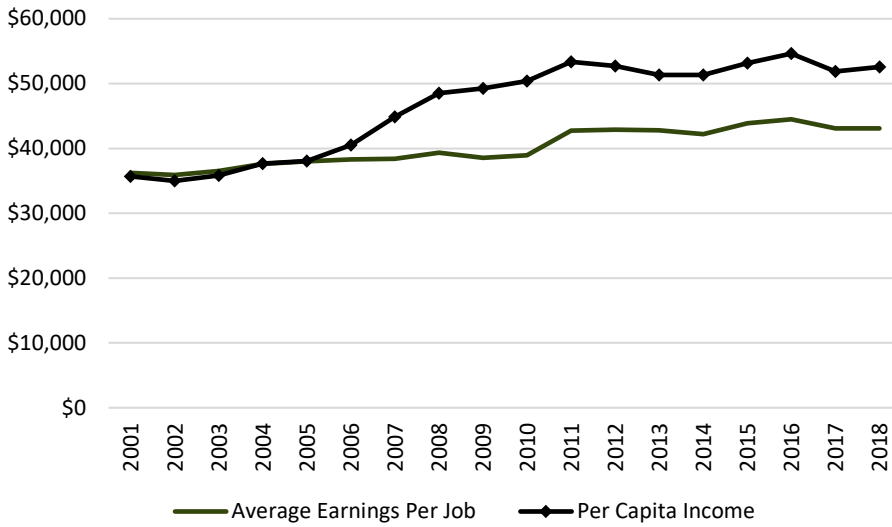


Figure 15. County Average Earnings Per Job & Per Capita Income 2001-2018
(2018 dollars)



Per capita income (total personal income for the county divided by the number of permanent residents or population) is a good indicator of how well a county is doing. Per capita income in most rural communities is rising because of an aging population. Total personal income includes active earnings (wage and salary earnings) and passive earnings associated with rents, Social Security, retirement, royalties, and the like. With aging populations, active earnings may be stagnant but per capita

income is rising due to growing passive earnings. Average earnings per job gives us a better indicator of how business owners and workers are doing. When average earnings are rising, chances are good that the county is doing better. The converse is true when average earnings are contracting, reflecting reduced earnings from businesses and wage stagnation or cuts for workers.

Household Types

Esri provides detailed profiles of unique household types (i.e., Tapestry Segmentation Profiles). Every American household is identified with one of 64 household types. Your community has a number of unique household types. The Esri [Tapestry Segmentation Area Profile](#) provides both summary and detailed background information for each of these groups. This information can be used to gain insight on the consumer characteristics and preferences of your community’s permanent residents. Chances are good that consumers coming into your community from other communities will have a similar set of household types. Additional Esri Tapestry Profiles can be obtained for your community’s shopping footprint to enable more detailed information for these visitors. There are hyperlinks in Figure 16 on page 20 that take you to four-page Esri descriptions of each household type. We have also included the detailed description for your top tapestry segment on the following page of this report.



One of the visitor attractions in Wamego is the Oz Museum and Opera House. To learn more about this destination check out www.ozmuseum.com.

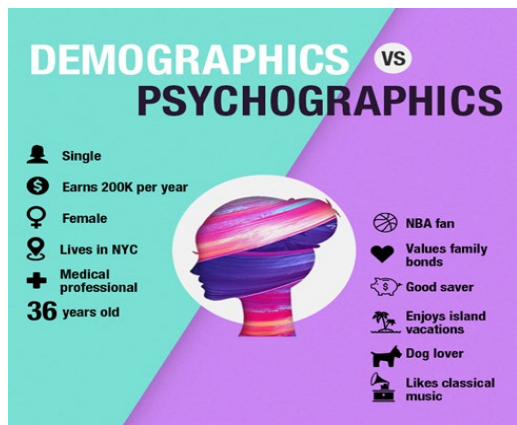
Figure 16 - Tapestry Segmentation Area Profile

Top 5 Tapestry Segments		Households		US Households		Index
Rank	Tapestry Segment	Percent	Cumulative Percent	Percent	Cumulative Percent	
1	Green Acres (6A)	26.7%	26.7%	3.2%	3.2%	825
2	Salt of the Earth (6B)	18.9%	45.7%	2.9%	6.1%	661
3	Bright Young Professionals (8C)	16.0%	61.7%	2.3%	8.4%	710
4	Rustbelt Traditions (5D)	14.3%	76.0%	2.2%	10.6%	657
5	Prairie Living (6D)	14.3%	90.4%	1.1%	11.7%	1,348
	Subtotal	90.2%	0	11.7%	0	0

*Esri, in addition to its Tapestry Household Segmentation groups, has “LifeMode” groups. Background information on both Tapestry and LifeMode groups can be explored at the Esri website (www.esri.com).

Psychographics. Oxford Languages defines psychographics as, “...the study and classification of people according to their attitudes, aspirations, and other psychological criteria, especially in market research.”

Illustration 1



Esri’s Household Tapestry Groups are a form of psychographics that can be used by your community to identify market opportunities for entrepreneurial development. Illustration 1 compares and contrasts demographics and psychographics.

Illustration 2 provides some of the key psychographic considerations from a consumer’s habits to their interests. Entrepreneurial ventures and your community can use this information to identify potential market areas that can be forged to generate spending capture and associated economic development.

Illustration 2

PSYCHOGRAPHICS			
Habits:	Wakes up at 7AM Checks Facebook after work	Interests:	Outdoors Shutterbug
Hobbies:	Mountain Biking Fly Fishing	Objections:	“This is out of my budget”
Values:	Calm Environment Safe Environment for Family	Challenges:	Affordable home in Durango Finances for down-payment
Goals:	Find spacious house for family Best mortgage rate for home	Pain Points:	Rent is too expensive Current house is too small

Foundi

Esri’s Tapestry groups can be used to inform this market potential exploration. Additionally, these consumer profiles can be used in developing marketing strategies to more effectively connect with potential customers.

Aminas





LifeMode Group: Cozy Country Living
Green Acres



Households: 3,923,400

Average Household Size: 2.70

Median Age: 43.9

Median Household Income: \$76,800

WHO ARE WE?

The Green Acres lifestyle features country living and self-reliance. They are avid do-it-yourselfers, maintaining and remodeling their homes, with all the necessary power tools to accomplish the jobs. Gardening, especially growing vegetables, is also a priority, again with the right tools, tillers, tractors, and riding mowers. Outdoor living also features a variety of sports: hunting and fishing, motorcycling, hiking and camping, and even golf. Self-described conservatives, residents of Green Acres remain pessimistic about the near future yet are heavily invested in it.

OUR NEIGHBORHOOD

- Rural enclaves in metropolitan areas, primarily (not exclusively) older homes with acreage; new housing growth in the past 15 years.
- Single-family, owner-occupied housing, with a median value of \$235,500.
- An older market, primarily married couples, most with no children.

SOCIOECONOMIC TRAITS

- Education: More than 60% are college educated.
- Unemployment is low at 3.8% (Index 70); labor force participation rate is high at 66.8% (Index 107).
- Income is derived not only from wages and salaries but also from self-employment (more than 13% of households), investments (27% of households), and increasingly, from retirement.
- They are cautious consumers with a focus on quality and durability.
- Comfortable with technology, more as a tool than a trend: banking or paying bills online is convenient; but the Internet is not viewed as entertainment.
- Economic outlook is professed as pessimistic, but consumers are comfortable with debt, primarily as home and auto loans, and investments.

Note: The index measures the ratio of the segment rate to the US rate multiplied by 100. Consumer behaviors are estimated from data by GfK MRI.





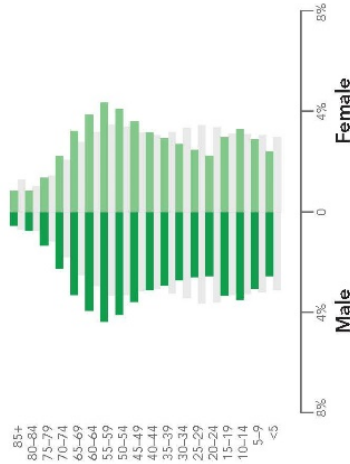
LifeMode Group: Cozy Country Living
Green Acres



AGE BY SEX (Esri data)

Median Age: 43.9 US: 38.2

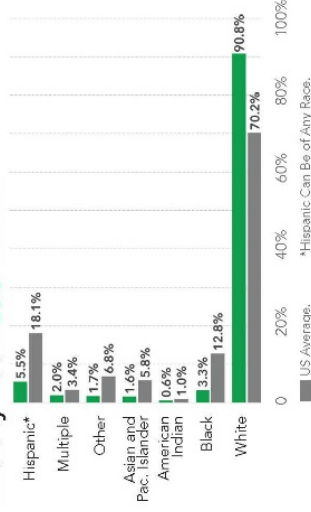
■ Indicates US



RACE AND ETHNICITY (Esri data)

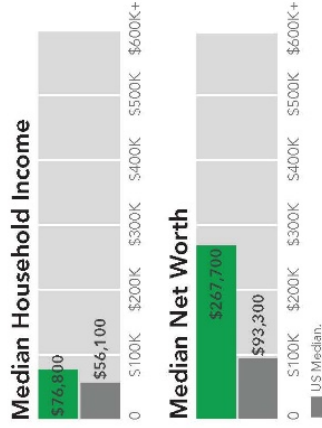
The Diversity Index summarizes racial and ethnic diversity. The index shows the likelihood that two persons, chosen at random from the same area, belong to different race or ethnic groups. The index ranges from 0 (no diversity) to 100 (complete diversity).

Diversity Index: 26.0 US: 64.0



INCOME AND NET WORTH

Net worth measures total household assets (homes, vehicles, investments, etc.) less any debts, secured (e.g., mortgages) or unsecured (credit cards). Household income and net worth are estimated by Esri.



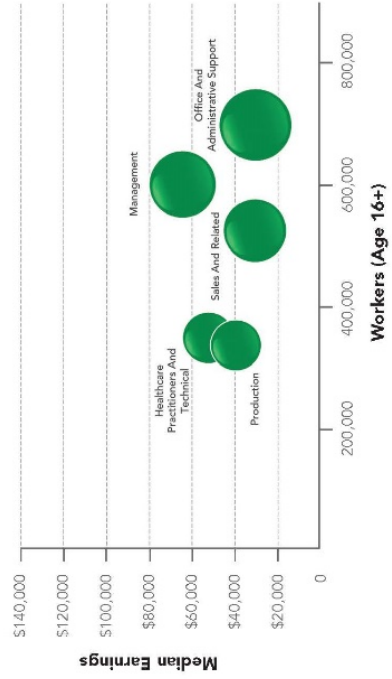
AVERAGE HOUSEHOLD BUDGET INDEX

The index compares the average amount spent in this market's household budgets for housing, food, apparel, etc., to the average amount spent by all US households. An index of 100 is average. An index of 120 shows that average spending by consumers in this market is 20 percent above the national average. Consumer expenditures are estimated by Esri.



OCCUPATION BY EARNINGS

The five occupations with the highest number of workers in the market are displayed by median earnings. Data from the Census Bureau's American Community Survey.





LifeMode Group: Cozy Country Living Green Acres



MARKET PROFILE

(Consumer preferences are estimated from data by GfK MRI)

- Purchasing choices reflect Green Acres' residents country life, including a variety of vehicles from trucks and SUVs to ATVs and motorcycles, preferably late model.
- Homeowners favor DIY home improvement projects and gardening.
- Media of choice are provided by satellite service, radio, and television, also with an emphasis on country and home and garden.
- Green Acres residents pursue physical fitness vigorously, from working out on home exercise equipment to playing a variety of sports.
- Residents are active in their communities and a variety of social organizations, from charitable to veterans' clubs.

HOUSING

Median home value is displayed for markets that are primarily owner occupied; average rent is shown for renter-occupied markets. Tenure and home value are estimated by Esri. Housing type and average rent are from the Census Bureau's American Community Survey.



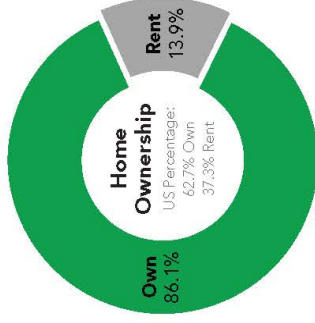
Typical Housing:

Single Family

Median Value:

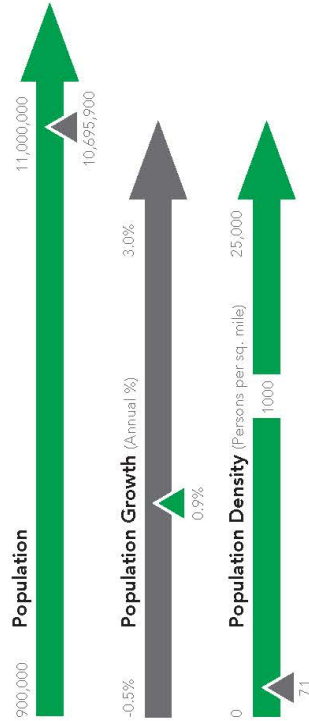
\$235,500

US Median: \$207,300



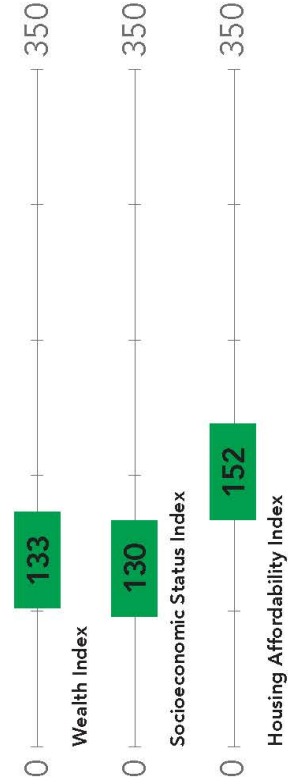
POPULATION CHARACTERISTICS

Total population, average annual population change since Census 2010, and average density (population per square mile) are displayed for the market relative to the size and change among all Tapestry markets. Data estimated by Esri.



ESRI INDEXES

Esri developed three indexes to display average household wealth, socioeconomic status, and housing affordability for the market relative to US standards.



Retail MarketPlace Profile

In estimating your community's spending capture opportunities, we rely heavily on Esri's **Retail MarketPlace Profile**. This profile first estimates, based on your community's household types, domestic retail demand. Then Esri, employing proprietary spending information (e.g., credit cards, bank loans, etc.), estimates actual retail spending or supply. The difference between retail demand and supply tells us if a community has a net retail trade surplus or leakage. Figure 17 on the next page provides Esri's **Retail MarketPlace Profile** for your community.

Estimating Venture and Visitor Potential

Our estimates of venture and visitor spending capture potential are benchmarked against the estimated level of household spending. Actual spending capture and future spending capture potential is benchmarked by Esri's Retail MarketPlace Profile.

The Esri **Retail MarketPlace Profile** does an exceptional job of capturing retail demand, retail supply from within your community and the retail surplus or gap. This data also captures external spending occurring in your community providing a good indicator of retail draw.

Services

Some services but not all are including in the Retail MarketPlace Profile. Unfortunately Esri does not generate a similar profile for services not included in the Retail MarketPlace Profile. As a general rule for every dollar spent on retail goods and services, another dollar is spent for other services. There are exceptions based on the composition of your community's economy. For example, if your community is home to an area or regional health care system, your other services will be larger. There are additional Esri reports focusing on a wide range of goods and services that do estimate consumer potential and likely expenditures.

Ventures

For-Profit Businesses

Nonprofit Organizations

Government Agencies & Enterprises

As noted earlier, there are three kinds of ventures in every community – for-profit businesses, nonprofit organizations, and governmental entities. Ventures, like households, are consumers as well, purchasing a wide variety of goods and services.

Locally Owned Ventures

Locally owned ventures are particularly important as they tend to be smaller and purchase more of their needs from area suppliers. These ventures also can understand the importance of supporting local ventures through their patronage. As ventures become larger and more externally owned and directed, they have the opportunity and are more likely to buy in bulk with external vendors.

Figure 17 – Wamego’s Retail MarketPlace Profile

Summary Demographics

2020 Population	9,096
2020 Households	3,489
2020 Median Disposable Income	\$51,077
2020 Per Capita Income	\$29,239

Industry Summary	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Total Retail Trade and Food & Drink	44-45,722	\$127,380,193	\$49,832,283	-\$77,547,910	-43.8	59
Total Retail Trade	44-45	\$115,946,606	\$43,911,862	-\$72,034,744	-45.1	44
Total Food & Drink	722	\$11,433,587	\$5,920,421	-\$5,513,166	-31.8	15
Industry Group	NAICS	Demand (Potential)	Supply (Sales)	Retail Gap	Leakage/Surplus Factor	Number of Businesses
Motor Vehicle & Parts Dealers	441	\$29,068,245	\$9,109,688	-\$19,958,557	-52.3	7
Automobile Dealers	4411	\$17,990,550	\$7,276,301	-\$10,714,249	-42.4	2
Other Motor Vehicle Dealers	4412	\$9,114,053	\$149,582	-\$8,964,471	-96.8	1
Auto Parts, Accessories & Tire Stores	4413	\$1,963,642	\$1,683,805	-\$279,837	-7.7	4
Furniture & Home Furnishings Stores	442	\$3,516,680	\$550,791	-\$2,965,889	-72.9	1
Furniture Stores	4421	\$2,426,195	\$0	-\$2,426,195	-100.0	0
Home Furnishings Stores	4422	\$1,090,485	\$550,791	-\$539,694	-32.9	1
Electronics & Appliance Stores	443	\$3,122,611	\$589,395	-\$2,533,216	-68.2	2
Bldg Materials, Garden Equip & Supply Stores	444	\$7,818,579	\$5,161,108	-\$2,657,471	-20.5	6
Bldg Material & Supplies Dealers	4441	\$7,125,670	\$4,720,992	-\$2,404,678	-20.3	5
Lawn & Garden Equip & Supply Stores	4442	\$692,909	\$440,116	-\$252,793	-22.3	1
Food & Beverage Stores	445	\$21,128,537	\$10,483,489	-\$10,645,048	-33.7	4
Grocery Stores	4451	\$18,601,703	\$8,555,391	-\$10,046,312	-37.0	1
Specialty Food Stores	4452	\$506,492	\$198,155	-\$308,337	-43.8	1
Beer, Wine & Liquor Stores	4453	\$2,020,342	\$1,729,943	-\$290,399	-7.7	2
Health & Personal Care Stores	446,4461	\$5,550,185	\$811,201	-\$4,738,984	-74.5	2
Gasoline Stations	447,4471	\$10,980,851	\$12,008,332	\$1,027,481	4.5	3
Clothing & Clothing Accessories Stores	448	\$4,204,889	\$2,031,150	-\$2,173,739	-34.9	3
Clothing Stores	4481	\$2,833,888	\$552,420	-\$2,281,468	-67.4	1
Shoe Stores	4482	\$527,276	\$1,248,822	\$721,546	40.6	1
Jewelry, Luggage & Leather Goods Stores	4483	\$843,725	\$229,908	-\$613,817	-57.2	1
Sporting Goods, Hobby, Book & Music Store	451	\$2,679,649	\$773,934	-\$1,905,715	-55.2	7
Sporting Goods/Hobby/Musical Instr Stores	4511	\$2,249,000	\$773,934	-\$1,475,066	-48.8	7
Book, Periodical & Music Stores	4512	\$430,649	\$0	-\$430,649	-100.0	0
General Merchandise Stores	452	\$21,254,019	\$772,966	-\$20,481,053	-93.0	1
Department Stores Excluding Leased Depts	4521	\$15,543,133	\$0	-\$15,543,133	-100.0	0
Other General Merchandise Stores	4529	\$5,710,886	\$772,966	-\$4,937,920	-76.2	1
Miscellaneous Store Retailers	453	\$4,708,565	\$1,619,808	-\$3,088,757	-48.8	8
Florists	4531	\$266,212	\$38,559	-\$227,653	-74.7	1
Office Supplies, Stationery & Gift Stores	4532	\$1,214,008	\$109,393	-\$1,104,615	-83.5	2
Used Merchandise Stores	4533	\$524,253	\$592,288	\$68,035	6.1	3
Other Miscellaneous Store Retailers	4539	\$2,704,092	\$879,568	-\$1,824,524	-50.9	2
Nonstore Retailers	454	\$1,913,796	\$0	-\$1,913,796	-100.0	0
Electronic Shopping & Mail-Order Houses	4541	\$1,277,284	\$0	-\$1,277,284	-100.0	0
Vending Machine Operators	4542	\$151,595	\$0	-\$151,595	-100.0	0
Direct Selling Establishments	4543	\$484,917	\$0	-\$484,917	-100.0	0
Food Services & Drinking Places	722	\$11,433,587	\$5,920,421	-\$5,513,166	-31.8	15
Special Food Services	7223	\$130,089	\$820,798	\$690,709	72.6	1
Drinking Places - Alcoholic Beverages	7224	\$895,547	\$481,665	-\$413,882	-30.1	2
Restaurants/Other Eating Places	7225	\$10,407,951	\$4,617,958	-\$5,789,993	-38.5	12



Figure 18 provides Esri’s profile of your venture community by sector type. Esri’s [Business Summary](#) tends to be more conservative in accounting for all the ventures in your community when compared to other sources like the U.S. Bureau of Economic Analysis, U.S. Census Bureau, or www.youreconomy.org. Nevertheless, this profile is useful in understanding the size of your potential venture market potential.

Esri’s Venture Profile by Economic Sectors

Every data source employs a somewhat different methodology for accounting for ventures. Esri does an excellent job but tends to underestimate self-employment, farms and ranches, and smaller proprietorships. For a more detailed venture profile, we encourage your community to explore www.youreconomy.org for additional information. There are both free web-based resources and more detailed venture information that can be purchased from YourEconomy. Like Esri, YourEconomy includes all kinds of ventures from for-profit businesses to nonprofit organizations to governmental agencies and enterprises (e.g., parks, museums, etc.).

Figure 18 - Economic Sectors, Wamego, KS 2020

Sector	Ventures	Employees	Percent of Total Employees
Agriculture	10	32	0.9%
Mining & Utilities	3	37	1.1%
Construction	41	348	10.2%
Manufacturing	12	180	5.3%
Wholesale Trade	11	481	14.1%
Retail Trade*	44	245	7.2%
Transportation & Warehousing	4	10	0.3%
Information	14	203	5.9%
Finance & Insurance*	20	203	5.9%
Real Estate	13	45	1.3%
Professional Services	27	154	4.5%
Management & Administrative	9	58	1.7%
Education	13	279	8.2%
Health Care	29	458	13.4%
Arts, Entertainment & Recreation	11	65	1.9%
Accommodations	3	5	0.1%
Food Service	18	226	6.6%
Hospitality/Tourism Sector**	32	296	8.6%
Other Services	55	155	4.5%
Public Administration	18	220	6.4%
Unclassified Establishments	17	18	0.5%
Total	372	3,422	100%

*Esri provides additional detail for these sectors including sub-sector information.

**Hospitality/Tourism Sector is created by combining the three preceding sectors.

Visitors

We lack the source data to breakout spending potential associated with visitors. However, the Esri Retail MarketPlace Profile does capture visitor spending. Typically, communities with stronger retail trade surpluses have higher visitor activity whether it is associated with traffic passing through your community, visiting your community for an event or a tourist taking in your community’s attractions. Communities that have some form of



lodging tax can use this data to generate an idea of visitor attraction complementing the analysis we have produced in this profile.

Capturing Visitor and Commuter Spending

Whether it is someone coming to your community for the fall festival, participating in trainings and conferences, traveling through on a federal or state highway, or a commuter who comes into your community each working day, these visitors represent potential spending potential. They are in your community for a few minutes or several days and are likely to spend money. Understanding the spending potential of these visitors is critical to positioning your community to competitive goods and services enabling greater spending capture.

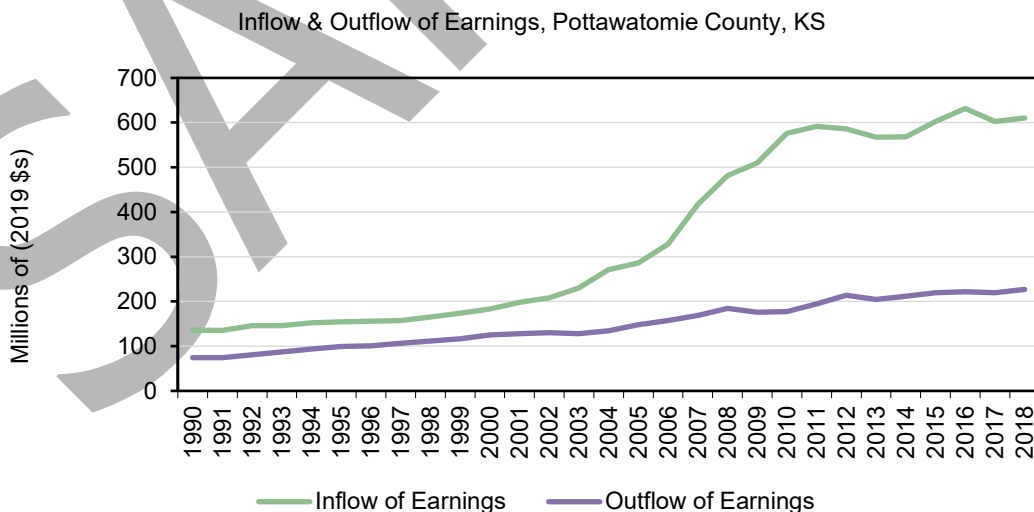
Commuters

As is the case with visitors, we cannot precisely estimate inbound commuter related spending. Remember inbound commuters are those who live outside of your community but come into your community for work. Often while they are in your community, they engage in various levels of local spending activity. Once again, the Esri **Retail MarketPlace Profile** does capture inbound commuter related spending. According to the U.S. Census Bureau your community’s worker commuter activity is as follows:

- 2,162 Work in Your Community but Live in Another Community
- 3,199 Live in Your Community but Work in Another Community
- 946 Live and Work in Your Community

Figure 19 provides data from the U.S. Bureau of Economic Analysis household earnings associated with worker commuter activity for your county.

Figure 19 – Worker Commuter Household Earning Flows, Pottawattamie County, Kansas



Key: Inflow of earnings come from your community’s residents working outside of the community and outflow of earnings come from workers living outside of your community and coming into your community for work.



Importance of Spending Capture

In this section of our Market Opportunity Profile, we begin our exploration of spending capture with the importance of understanding the components of economic development.

Components of Economic Development. America is unique when compared to most developed economies throughout the world. In America, the primary responsibility for a community’s development resides with the community itself. Elsewhere in the world provincial and national governments assume greater development responsibility. For communities in the United States, there are two primary economic development strategies as summarized in Figure 21.

Central to growing a more prosperous community is growing a more competitive, vibrant, and diverse economy. For rural communities, increasing economic diversity is foundational. When our community’s economies are more diverse, they tend to be more competitive, generate more value (e.g., profits, wages, taxes, etc.), and over time become more resilient (e.g., the ability to weather shocks like natural disasters, loss of major employers, or recessions). Strengthening your community’s venture community focusing on spending capture is a core economy development strategy.

Figure 20 – Components of Economic Development

Growing the Base Economy		Growing the Secondary Economy	
Growing the base economy is foundational where goods and services are produced in your economy, sold outside of your community, and bringing income and spending into your community.		Equally important in economic development is capturing available spending within your community. This is often referred to as the “secondary economy.” Spending capture leads to a more robust, diverse, and attractive economy.	
Recruitment	Home Grown	Spending Capture	Quality of Life Amenities
Historically business recruitment has been the primary strategy for growing the base part of a community’s economy.	With the headwinds challenging business attraction, growing ventures that contribute to the base economy from within makes great sense.	Spending capture creates a wide range of venture opportunities producing jobs and local tax base. Spending capture increases the economic multiplier of your economy.	Whether a great café or medical clinic, ventures focused on meeting the needs and wants of local consumers enhance quality of life attractiveness.
Today’s ventures focused on local or home markets can become tomorrow’s growth ventures. Contributing to the base economy by reaching external markets and bringing income into your community.			
Whether recruited ventures or homegrown, the owners, operators, and workers of these ventures want vibrant communities offering a wide range of both essential and amenity goods and services ventures.			

Every community is responsible for its own economic development. This local responsibility is unique among most mature economies around the globe. We pursue economic development to ensure our hometowns are great places to live, work and play. In fostering a stronger venture community capable of meeting our area spending needs and wants, we also grow communities that are more attractive to communities. For more information, check out our papers [Community Quality of Life Placemaking](#) and [Rural Community Prosperity Development Framework](#).



Detailed Sector-Centered Market Profiles

Esri provides a collection of both “Expenditure Profiles” and “Market Potential Profiles” ranging from financial services to health care to personal and beauty items. To illustrate the detail of these profiles, we have included the [Restaurant Market Potential](#) profile. This profile provides detailed information on relevant “products” and “consumer behavior,” estimating the “expected number of adults” engaging in this particular consumer activity (visiting a “family steakhouse”), percent of total adults, and the market potential index. These profiles can provide more granular data on potential business development opportunities.

Common Strategic Development Considerations

In this section of our **Market Potential Profile**, we offer our top five generic (e.g., generally applicable to every community) and five strategic development considerations specific to your community. Strengthening area spending capture is a foundational economic development strategy that builds your community’s venture sector, the competitiveness of your area ventures and creates stronger communities through venture community engagement.

Power of the Three Rs

Restarting Our Economies

Recovering from Economic Recession

Growing more Resilient Economy and Community

#1 – Restart, Recover & Resiliency. We are now in an environment with the Pandemic Recession facing challenges and opportunities in restarting our economies, once again driving economic recovery and with the opportunity to grow more resilient ventures and communities. Damage is and will be done with the Pandemic Recession. We are and will lose community ventures adversely impacting our community’s venture sector. It is critical now to create a strategy to support existing ventures and create pathways for new ventures essential for rebuilding our venture sector and community’s economy.

COVID-19, Shutdowns and Recession

2021 is proving to be a challenging year with the COVID-19 world health pandemic, shutdowns of significant economic sectors and a national and global recession. This health and economic crisis is far from over and will continue to ripple through our economy and society possibly well into 2022. The uncertainty of this crisis complicates economic development planning. For additional information on how this crisis may create development opportunities for communities like yours check out our paper [The 2020 Pandemic Recession – Future Trends](#).

#2 – Robust and Relevant Venture Ecosystems. Andy Stoll with the Ewing Marion Kauffman Foundation says, “*Entrepreneurial talent is universal... but entrepreneurial ecosystems are not!*” Local ventures working hard to capture area spending have unique needs and opportunities. Growing out your community’s venture ecosystem intentionally focused on these ventures is foundational to growing a more competitive venture community. For

more information on venture ecosystem building check out our paper [*Entrepreneurial Ecosystem Building in Rural America – Four Decades of Learning.*](#)

#3 – Venture Competitiveness. Peter Kenyon calling Western Australia home is an international expert on main street venture competitiveness. Over the years, we have worked with Peter, learning from his experience and knowledge. One key learning from Peter is that many of our ventures focused on capturing local spending are not very innovative or competitive. Whether we consider shop hours, appearance, service, or other factors, this often has significant potential to increase the competitiveness of our ventures in clawing back spending from mail order, box stores, franchises, and now electronic commerce sites. For more information, check out two of our papers [*Downtowns and Entrepreneurship*](#) and [*Walmart Lessons Learned.*](#)

#4 – Growth-Oriented Ventures. Many of our growth ventures that ultimately reach external consumers and markets start as local ventures focused on area spending capture. In helping these ventures become more competitive, chances are good we will enable a larger number of successful growth-oriented ventures strengthening the base part of your economy. Probabilities are clear, there is now more opportunity to grow the base part of your economy (e.g., those ventures located in your community that sell to consumers outside of your community, bringing income and economic activity into your economy) when compared to venture attraction. For more information, check out our paper [*Growth-Oriented Entrepreneurs.*](#)

#5 – Community Engagement. Rooted community ventures are more likely to engage in community building and betterment. These ventures provide leadership and volunteers within our communities. Local ventures are more likely to contribute to community-centered philanthropy. In strengthening your community's ventures that capture area spending, you are also growing community development partners that grow thriving communities. Check out our paper [*Rooted Corporations – Growing an Entrepreneurial Economy*](#) for addition strategy information.

We sincerely hope that our **Market Opportunity Profile** for your community helps your vision a brighter future, evolve a more impactful economic development strategy and over time become a more prosperous community.

Sources

In our Development Opportunity Profiles, we use three public and two private sources of venture and employment research and data. A detailed review of our profiles shows that values change and sometimes change dramatically based on the sources we are using. The following summarizes these sources and their unique attributes:

Public Sources

U.S. Bureau of Economic Analysis. BEA has very reliable data on private sector business establishments and associated employment. We use this source to profile both farm and nonfarm proprietorships. Proprietorships are typically locally owned and “main street” type smaller businesses. However, this kind of business organization can include small manufacturing, industrial, construction and other concerns.

U.S. Bureau of Labor Statistics. BLS captures very accurate information on all establishments that have wage and salary workers based on workman’s compensation filings. However, this source does not necessarily capture smaller self-employment ventures or proprietorships.

U.S. Census Bureau. Census establishment and employment data is based on surveys. It is comprehensive but for smaller geographies, the sampling can result in potentially unreliable estimates. This source does include information on commuters, home-based and self-employed persons by economic sector.

Private Sources

Esri. We purchase data from Esri (www.esri.com), a national market research company. Esri data is very current and can be procured for almost any geographic unit. It estimates ventures and employment at considerable detail including profiles of potential market demand by detailed economic sector. However, the Esri data is not as comprehensive as compared to Your Economy data.

Your Economy. The Your Economy (www.youreconomy.org) data is very comprehensive. The Your Economy data for ventures and jobs can be 20, 30 and even 40 percent higher as compared to the Esri data series. The Your Economy data set was created by the Edward Lowe Foundation and is now managed by the University of Wisconsin at Madison.

We use all these sources as they provide unique insights into the economy of a particular geography. Understanding what each source is measuring and how the source is estimating data are important. Hopefully this information helps users understand differences in data shared in this profile.

Other Sources

All the data contained in this Development Opportunity Profile were obtained from the following:

- Esri ArcGIS Maps (bao.arcgis.com), 2020
- Headwaters Economics (www.headwaterseconomics.org), 2020
- U.S. Department of Agriculture, Census of Agriculture (quickstats.nass.usda.gov), 2017
- Ben Winchester [Brain Gain](#) Databook, University of Minnesota Extension (obtained privately), 2016

About e2



e2 Entrepreneurial Ecosystems helps communities increase prosperity through entrepreneur-focused economic development and ecosystem building. Led by [Don Macke](#), e2 has a national team of practitioners who bring research, coaching, incubation, market intelligence and other expertise to this work.

What We Do

- ✓ **Mentoring.** We mentor and coach practitioners seeking to pursue entrepreneur-led development. We provide advice and support for building eEcosystem strategies that work and invite practitioners to join our [National e2 Practitioners Network](#).
- ✓ **Analytics Support.** e2 helps communities and regions understand their entrepreneurial potential through research and data.
- ✓ **e2 University (e2U)** is our online platform for sharing guides, papers, stories, tools, and resources with communities wanting a deep dive into eEcosystem building. Don Macke leads the [e2 University](#) team with analytics support from **Cathy Kottwitz** and report preparation from **Ann Chaffin**. Special recognition for their e2U legacy contributions goes to **Dana Williams** and **Deb Markley**, LOCUS Impacting Investing.
- ✓ **Fostering the eMovement.** We support the national entrepreneurship movement along with our partners including the **Federal Reserve Bank of Kansas City**, **SourceLink**, **Edward Lowe Foundation**, **Kauffman Foundation**, and **NetWork Kansas**. We are a founding member of **Start Us Up: America's New Business Plan**, a coalition dedicated to strengthening entrepreneurship across America. Together, we continue to advance the foundational ideas of building entrepreneurial ecosystems and entrepreneurship-led economic development.

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[NetWork Kansas](#), a 501c3 nonprofit organization dedicated to developing an entrepreneurial ecosystem in Kansas, is the home for e2 Entrepreneurial Ecosystems. NetWork Kansas connects aspiring entrepreneurs, emerging and established businesses, to a deep network of business building resource organizations across the state.

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