



Retail Trade Summary for Freeport, Illinois

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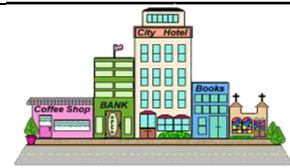


Table 1. Retail Sales, 2002-2016

Freeport, Illinois						
Calendar Year	Total Retail	Retail Sales Growth	Number of Sales Tax Paying Firms	Sales per Firm	Per Capita Sales	Pull Factor
2002	\$348,006,616	--	771	\$451,370	\$13,438	1.32
2003	\$354,746,445	1.9%	784	\$452,483	\$13,759	1.29
2004	\$360,997,544	1.8%	782	\$461,634	\$14,100	1.26
2005	\$363,455,731	0.7%	826	\$440,019	\$14,390	1.22
2006	\$377,336,632	3.8%	832	\$453,530	\$15,075	1.22
2007	\$380,137,948	0.7%	796	\$477,560	\$15,295	1.21
2008	\$399,711,655	5.1%	695	\$575,125	\$16,155	1.26
2009	\$371,320,645	-7.1%	649	\$572,143	\$15,034	1.27
2010	\$394,803,207	6.3%	655	\$602,753	\$15,399	1.28
2011	\$404,306,987	2.4%	694	\$582,575	\$15,819	1.25
2012	\$405,386,175	0.3%	686	\$590,942	\$16,096	1.26
2013	\$417,457,078	3.0%	694	\$601,523	\$16,675	1.29
2014	\$419,491,356	0.5%	688	\$609,726	\$16,880	1.29
2015	\$419,152,706	-0.1%	724	\$578,940	\$17,125	1.33
2016	\$424,180,209	1.2%	729	\$581,866	\$17,390	1.36

Retail sales are calculated from the Illinois Department of Revenue's Standard Industrial Classification (SIC) Code Reporting, available at <https://www.revenue.state.il.us/app/kob/index.jsp>. The following is a brief description of the measures used.

Between 2002 and 2016, total retail sales in Freeport increased 21.9 percent. During the same time period, the Illinois' total retail sales increased by 32.9 percent and downstate Illinois increased by 28.7 percent. Downstate sales figures include all incorporated and unincorporated areas except those in Cook, DuPage, Kane, Lake, McHenry, and Will counties. These counties are affected by Chicago economy.*

Changes in sales are partially determined by the number of businesses in operation. In Freeport, businesses decreased 5.4 percent compared to the 5.0 percent decline for the state of Illinois, between 2002 and 2016. Per capita sales (sales divided by local population according to Census Bureau's estimates) in Freeport were \$17,390 compared with \$14,106 for Illinois in 2016.

The drawing power of a city or county is reflected by a Pull Factor calculated as the ratio of local per capita retail sales divided by downstate (or collar) per capita retail sales. A Pull Factor greater than one reflects the strength of the local retail sector; the area is selling more per capita than comparable areas. A pull factor less than one indicates the residents are shopping elsewhere.

As noted earlier, Freeport had per capita retail sales of \$17,390 in 2016. Downstate's per capita retail sales was \$12,814 in 2016. This resulted in a positive pull factor of 1.29, indicating that Freeport has exceeded what would be expected compared with other areas and could mean that customers are being attracted from surrounding areas. Table 2 shows Pull Factors by specific category. More detail on types of business by category is available at: www.revenue.state.il.us/app/kob/terms.jsp.

Table 2. Taxable Retail Sales by Category, 2002 and 2016**

Category	2002			2016		
	Actual Sales	Percent of Total Sales	Pull Factor	Actual Sales	Percent of Total Sales	Pull Factor
General Merchandise	\$65,506,833	18.8%	1.56	--	--	--
Food	\$64,546,967	18.5%	1.80	\$59,315,914	14.0%	1.37
Drinking and Eating Places	\$26,335,243	7.6%	1.11	\$39,526,682	9.3%	1.20
Apparel	\$3,409,152	1.0%	0.77	--	--	--
Furniture, Household, and Radio	\$16,728,900	4.8%	1.56	\$9,386,826	2.2%	1.03
Lumber, Building, and Hardware	\$20,427,074	5.9%	1.19	\$41,130,265	9.7%	2.06
Automotive and Filling Stations	\$72,896,143	20.9%	1.16	\$84,545,821	19.9%	1.13
Drugs and Miscellaneous Retail	\$32,592,972	9.4%	1.16	\$44,188,200	10.4%	1.08
Manufacturers	\$2,797,841	0.8%	0.45	\$5,483,029	1.3%	0.77
Agriculture and All Other	\$42,765,491	12.3%	1.30	\$47,175,730	11.1%	1.44

*When a community is located in multiple counties, if one of the counties is considered a Chicago collar region county, then the community is assigned the collar region coding.

**Blank categories have less than four taxpayers; therefore no data is shown to protect the confidentiality of individual taxpayers. The total listed in Table 1 includes censored data. Businesses may not report themselves in the same category from year to year, resulting in some fluctuation of sales by category.

Retail Trade Summary: Freeport, Illinois

Table 3. Inflation Adjusted Retail Sales by Category, 2016=100

Freeport, Illinois

Category	Real Dollars		Real Change 2006-2016	Freeport, Illinois Downstate	
	2002	2016		Real Retail Sales Growth	Real Retail Sales Growth
Total Retail Sales	\$464,280,288	\$424,180,209	-\$40,100,079	-8.6%	-3.6%
General Merchandise	\$87,393,543	--	--	--	-13.1%
Food	\$86,112,973	\$59,315,914	-\$26,797,059	-31.1%	-1.9%
Drinking and Eating Places	\$35,134,200	\$39,526,682	\$4,392,482	12.5%	13.8%
Apparel	\$4,548,195	--	--	--	3.8%
Furniture, Household, and Radio	\$22,318,250	\$9,386,826	-\$12,931,424	-57.9%	-31.0%
Lumber, Building, and Hardware	\$27,252,033	\$41,130,265	\$13,878,232	50.9%	-4.9%
Automotive and Filling Stations	\$97,251,721	\$84,545,821	-\$12,705,900	-13.1%	-2.6%
Drugs and Miscellaneous Retail	\$43,482,721	\$44,188,200	\$705,479	1.6%	18.2%
Manufacturers	\$3,732,637	\$5,483,029	\$1,750,392	46.9%	-7.1%
Agriculture and All Other	\$57,054,014	\$47,175,730	-\$9,878,284	-17.3%	-19.0%
Consumer Price Index (CPI)	75.0	100.0	33.4%	--	--

Table 3 illustrates the effects of inflation on retail sales. Based on the Consumer Price Index, published by the Bureau of Labor Statistics, U.S. Department of Labor, it cost \$74.96 in 2002 to purchase the same goods and services that cost \$100 in 2016. When the effects of inflation are taken into consideration, total retail sales for Freeport declined by 8.6 percent over the time period examined. The comparable downstate Illinois change was a 2.7 percent decline in inflation-adjusted dollars. The different categories of sales vary according to the real change.

Caution should be used when comparing category items over the years, since businesses may not report themselves in the same category from year to year, which results in some fluctuation of sales by category. Table 3 does not take into consideration population changes or technology changes that effect industrial efficiencies. Blank categories have less than four taxpayers, therefore no data is shown to protect the confidentiality of individual taxpayers. Total retail sales amount includes the information censored from the category breakdown.

Table 4. Surplus or Leakages from Retail Trade, 2002-2016

Freeport, Illinois

Calendar Year	Potential Sales	Actual Sales	Surplus or Leakage	Surplus or Leakage as % of Potential
2002	\$253,961,048	\$348,006,616	\$94,045,568	37.0%
2003	\$264,694,715	\$354,746,445	\$90,051,730	34.0%
2004	\$276,003,481	\$360,997,544	\$84,994,063	30.8%
2005	\$287,325,255	\$363,455,731	\$76,130,476	26.5%
2006	\$297,945,429	\$377,336,632	\$79,391,203	26.6%
2007	\$301,271,341	\$380,137,948	\$78,866,607	26.2%
2008	\$304,705,997	\$399,711,655	\$95,005,658	31.2%
2009	\$259,895,102	\$371,320,645	\$111,425,543	42.9%
2010	\$268,598,810	\$394,803,207	\$126,204,397	47.0%
2011	\$276,662,421	\$404,306,987	\$127,644,566	46.1%
2012	\$276,278,589	\$405,386,175	\$129,107,586	46.7%
2013	\$284,928,330	\$417,457,078	\$132,528,748	46.5%
2014	\$269,928,713	\$419,491,356	\$149,562,643	55.4%
2015	\$252,980,814	\$419,152,706	\$166,171,892	65.7%
2016	\$250,556,619	\$424,180,209	\$173,623,590	69.3%

Potential sales are an estimate of the sales level that a local area should achieve, based on average downstate (or collar region) sales. Comparing potential sales to actual sales allows a measurement of retail **surplus** (positive number) or **leakage** (negative number).

Potential sales are a product of downstate per capita sales, local population, and the index of income being multiplied together. The index of income is a ratio of local to downstate per capita income. The index of income attempts to measure the relative wealth of the local area compared to the downstate region. The index of income for Freeport is 0.80, which indicates that the local per capita income* is below the downstate average by 19.8 percent. In 2016, potential sales were \$250,556,619 and actual sales were \$424,180,209, resulting in a surplus of \$173,623,590. A surplus indicates that the local area attracted customers from the surrounding area.

*Starting in 2009 calculations, local personal income data from the American Community Survey from the U.S. Census Bureau was used. Between 2000 and 2008.

Retail Trade Summary: Freeport, Illinois

County Retail Trade Summary: Stephenson County

County retail trade information can provide additional insight on how the area is doing. According to the Illinois Department of Revenue's Standard Industrial Classification data set, there are over 100 municipalities that are situated on the boundaries of two or more counties. All municipalities are assigned a county based on where the greatest percentage of its businesses are located. When there is a tie in the number of businesses, then the county assignment falls to the county with the highest retail sales.

Table 5. County Retail Sales, 2002-2016

Calendar Year	Total Retail Sales	Retail Sales Growth	Number of Sales Tax Paying Firms	Pull Factor	Stephenson County	
					Potential Sales (millions)	Surplus or Leakage (millions)
2002	\$428,953,631	--	1,639	0.88	\$499	-\$70.2
2003	\$440,550,569	2.7%	1,638	0.86	\$522	-\$81.6
2004	\$462,381,818	5.0%	1,618	0.86	\$546	-\$59.8
2005	\$467,903,160	1.2%	1,712	0.84	\$570	-\$78.4
2006	\$484,005,489	3.4%	1,754	0.83	\$592	-\$86.1
2007	\$492,679,417	1.8%	1,699	0.84	\$600	-\$99.6
2008	\$508,948,866	3.3%	1,470	0.85	\$608	-\$91.2
2009	\$462,136,886	-9.2%	1,343	0.84	\$532	-\$145.9
2010	\$490,032,804	6.0%	1,409	0.85	\$528	-\$42.3
2011	\$508,686,765	3.8%	1,443	0.85	\$552	-\$19.6
2012	\$508,570,695	0.0%	1,541	0.85	\$552	-\$43.3
2013	\$524,483,535	3.1%	1,636	0.87	\$583	-\$27.7
2014	\$534,442,646	1.9%	1,648	0.88	\$569	-\$48.9
2015	\$523,234,575	-2.1%	1,649	0.89	\$537	-\$45.7
2016	\$530,040,065	1.3%	1,692	0.91	\$540	-\$7.2

Between 2001 and 2015, total retail sales in Stephenson County increased 23.6 percent, Freeport increased 21.9 percent. As noted earlier, the Illinois' total retail sales increased by 32.9 percent and downstate Illinois increased by 28.7 percent. The number of firms in Stephenson County increased by 3.2 percent compared to 5.4 percent decrease in Freeport. The Stephenson County pull factor was 0.91, which indicates sales lost to competing counties.

Table 6. County Retail Sales by Category, 2002-2016*

Category	2002			2016		
	Actual Sales	Percent of Total Sales	Pull Factor	Actual Sales	Percent of Total Sales	Pull Factor
General Merchandise	\$65,615,071	15.3%	0.84	\$90,401,221	16.9%	1.08
Food	\$73,354,697	17.1%	1.10	\$69,330,957	13.0%	0.86
Drinking and Eating Places	\$32,135,741	7.5%	0.73	\$47,435,687	8.9%	0.77
Apparel	\$3,438,408	0.8%	0.42	\$3,240,994	0.6%	0.31
Furniture, Household, and Radio	\$17,480,262	4.1%	0.88	\$10,246,968	1.9%	0.60
Lumber, Building, and Hardware	\$26,099,060	6.1%	0.82	\$46,230,900	8.7%	1.24
Automotive and Filling Stations	\$106,764,235	24.9%	0.92	\$131,797,812	24.7%	0.94
Drugs and Miscellaneous Retail	\$38,417,188	9.0%	0.74	\$52,258,494	9.8%	0.69
Manufacturers	\$6,060,044	1.4%	0.53	\$6,429,715	1.2%	0.48
Agriculture and All Other	\$59,588,925	13.9%	0.98	\$72,667,317	13.6%	1.19

Figure 1. Per Capita Sales, 2001-2015

