

10-MILE MARKET REPORT

2017 Beloit Business Update



Welcome to our 2017 Beloit Business Update

Economic strength and community prosperity are by-products of business and consumer confidence in the trade area they call home. The 2017 Beloit Business Update was developed to share the background and market trends critical to the prosperity of the Beloit trade area. The report includes a unique approach to examining trade area performance that begins by pinpointing the Beloit city center and then incorporates business data and retail household information inside a 10-mile radius from that center. The resulting analysis provides business owners and community leaders with a unique perspective of market conditions and potential to assist with their planning and development activities. The radius market approach leverages the convenience orientation embedded in consumer decision-making and clarifies opportunities based on geographic advantages. Enjoy the journey through charts, graphs and illustrations validating the prosperity of Beloit, Wisconsin.



2017

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INTRODUCTION

The purpose of this 10-Mile Market Report is to provide a backdrop for economic trends and business opportunities in Beloit, Wisconsin. The report was compiled using government and demographic company data for a radius market anchored from the Market center of Beloit.

The trade area identified by the radius around Beloit will be referred to as the 10-Mile Market. The 10-Mile Market for Beloit includes all or a portion of a geography that connects to two states, three counties, 14 zip codes and 37 census tracts. The majority of the data available from government sources is reported based on at least one of these geographic areas.

This report examines the demographic profile of the 10-Mile Market population, including their age, ethnicity, income, education, and housing characteristics. Additionally, the report includes economic data for household spending and an examination of the composition of area businesses.

Using the standard demographic information for the trade area, the average resident in the Beloit 10-Mile Market is a homeowner, age 39.5, living in a household of 2.6 people. The resident is an employed Caucasian and a high school graduate.

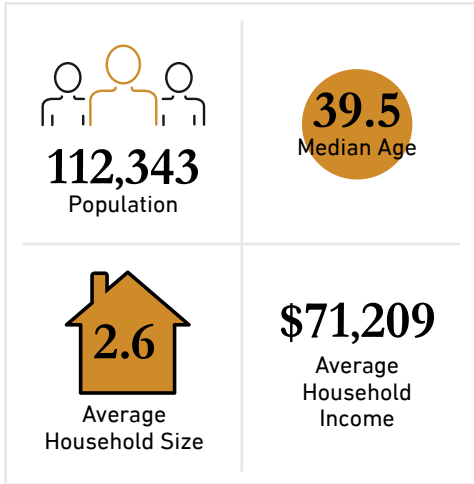
- Age – 39.5
- Ethnicity – Caucasian (81.6%)
- Education – High school graduate (31%), some college (31%)
- Household Size – 2.6
- Average Home Value – \$161,081
- Average Household Income – \$71,209
- Estimated Net Worth – \$126,032
- Drive Time To Work – 47% less than 20 minutes

In addition to analyzing the 10-Mile Market for Beloit, Wisconsin, the report presents data collected for 10-mile radius markets for other comparable communities in Wisconsin and surrounding states. The objective for the comparison cities is to provide demographic and economic information capable of validating the economic health of each trade area using common assessment data. The comparison cities were chosen on the basis of having reputations as successful downtowns. The majority are of comparable size. Even though sections of the 10-Mile Market overlap with the 10-mile radiuses of Janesville, WI and Rockford, IL, these cities were chosen based on their close proximities to Beloit and the direct competitive environment they represent.

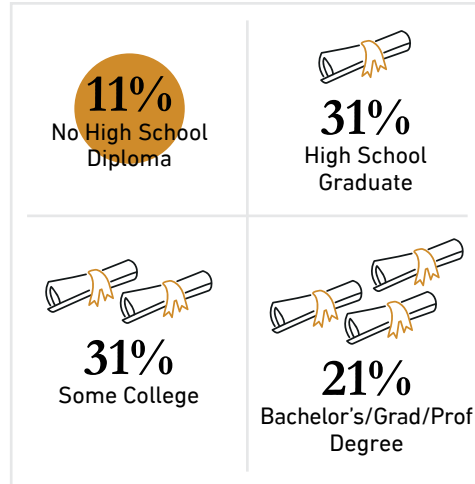


10-Mile Market

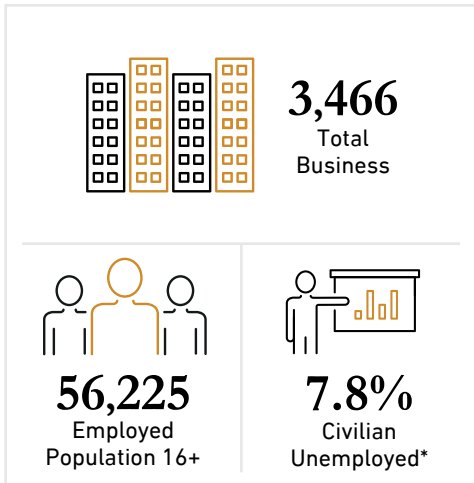
KEY FACTS



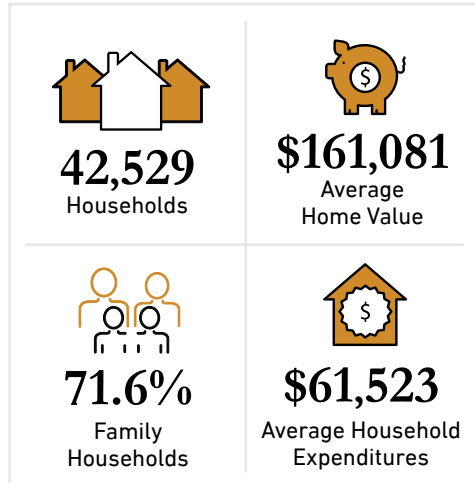
EDUCATION



BUSINESS



HOUSEHOLDS



*Beloit-Janesville, September 2017 - 3.3%



10-Mile Market Report Structure

The 10-Mile Market baseline draws upon the idea that no market operates within a vacuum, isolated from its neighboring geographical areas. Instead, residents travel across borders between communities, counties, zip codes, and states, in order to spend their time and financial resources.

In order to investigate the details of the 10-Mile Market, this report is divided into three sections:

1. GEOGRAPHY
2. DEMOGRAPHICS
3. COMMUNITY COMPARISONS



1

The first section of this report explains the 10-Mile Market by defining its boundaries through a series of maps and standardized reporting units, such as, zip codes and census tracts.

2

The second section utilizes the geographic boundaries to present demographic and economic variables included in the 10-Mile Market.

3

The third section of the report compares the Beloit 10-Mile Market to that of the 10-mile radius market for the following cities:

Appleton, WI

Fond du Lac, WI

Racine, WI

Wausau, WI

Dubuque, IA

Janesville, WI

Rockford, IL

West Bend, WI

Eau Claire, WI

Kenosha, WI

Sheboygan, WI



GEOGRAPHY

The 10-Mile Market extends ten miles from the center of Beloit. The trade area spans two states and three counties. Residents within this area cross the Stateline border for work, entertainment, shopping and recreation.

The utilization of the 10-Mile Market is intended to clarify the potential market for businesses and events located in Beloit based on a trade area centered on downtown Beloit. This report examines the nature of this market. By

understanding the economic and demographic characteristics of the 10-Mile Market, we are better equipped to conceptualize this geographic area as a unified trade area, centered on existing business activities at the heart of Beloit.

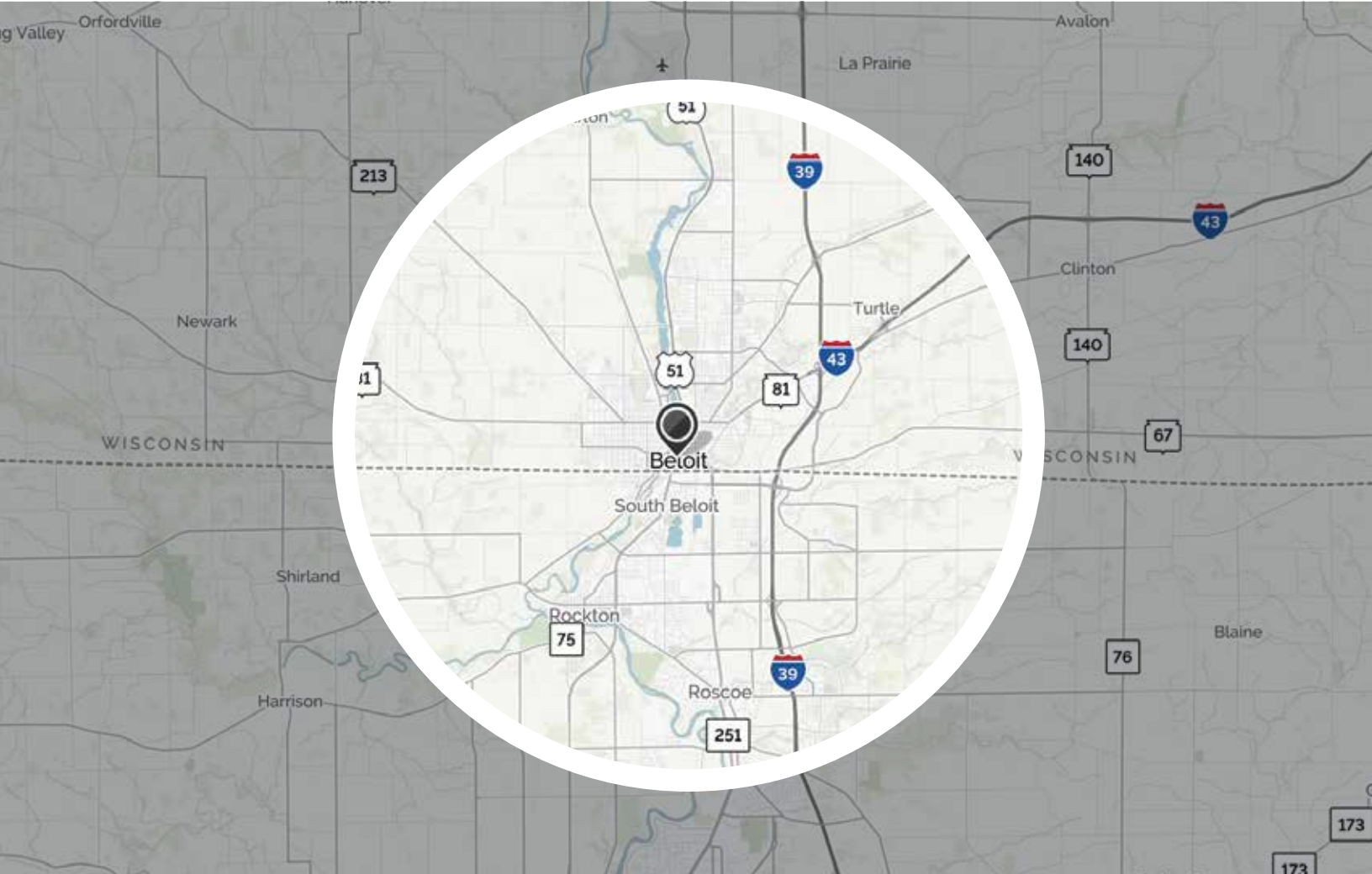
The 10-Mile Market is a multi-layered area that can be overlaid on an area consisting of:

37 Census Tracts
14 Zip Codes

Variances occur when examining data at different geographical levels. The demographic data can also vary based on the source of the data and how is it aggregated. The U.S. Census Bureau and Esri Business Analyst Online (BAO)* were used to clarify the base trade area geography

and core demographic information. For some of the reporting, this data was supplemented with information from the National Center for Education Statistics, Bureau of Labor Statistics and Nielsen.

10-MILE MARKET

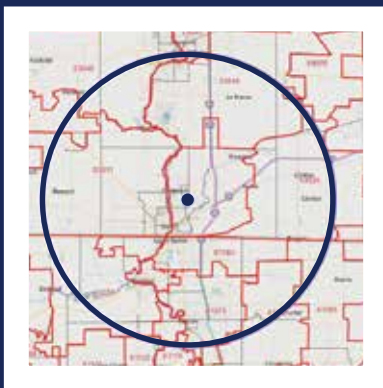


**Esri Business Analyst Online (BAO) is a Web-based solution that makes custom site evaluation and market analysis. Utilizing extensive demographic, consumer spending, and business data, BAO provides detailed information and insights about consumers, their lifestyles and buying behavior, and businesses in the market area.*

DEMOGRAPHICS

The demographics of the 10-Mile Market examined across the following categories:

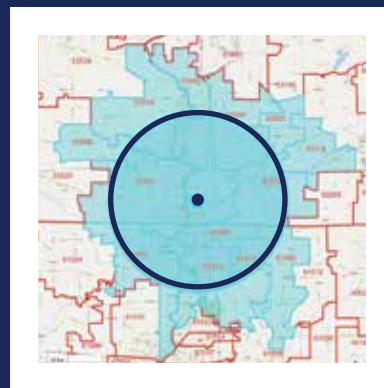
POPULATION	LABOR FORCE
AGE	INCOME
ETHNICITY	SPENDING
HOUSING	BUSINESS DISTRIBUTION
EDUCATION	



10-Mile Market



10-Mile Market
Census Tracts, 2017



10-Mile Market
Zip Codes, 2017

Source: Esri BAO and Census Bureau

Population

The 2017 population for the 10-Mile Market is 112,343 people:

57,160 are female
and **55,183** are male.

During the period from 2010 to 2017, the population dropped slightly by 0.01%. The Esri BAO projects the population will experience a slight decline of 0.02% by 2022. The increase in population experienced for the 10-Mile Market from 2000 to 2010 is not projected to repeat in the decade following 2010.

FIGURE 1 shows the population of the 10-Mile Market over the time span of 2000-2022. All data is drawn from Esri's Business Analyst Online (BAO), with the years 2000 and 2010 provided by U.S. Census data.

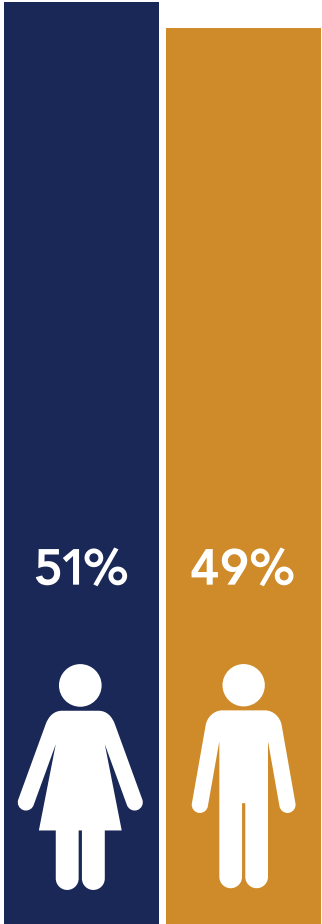
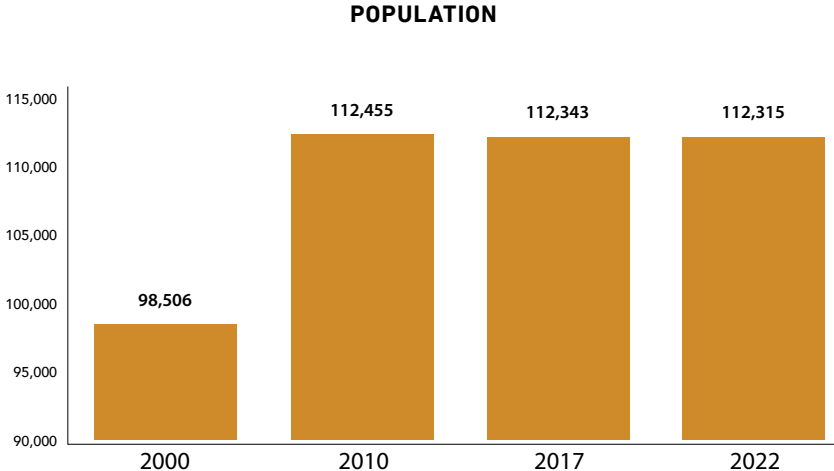


FIGURE 1

Age

FIGURE 2 shows the median age of the 10-Mile Market residents from 2010 and 2022. The median age increased from 2010 and 2017 and is projected to continue to increase slightly from 2017 to 2022. The increase in median age is occurring as a result of the migration of 45 to 54 year olds to the over 55 age group. The 45 to 54 age group is projected to decline from 15.6% of the population to 12.6% by 2022.

FIGURE 3 demonstrates how the age distribution has changed from 2010 to 2017. The aging Baby Boomers are reflected in the increase anticipated for the population over age 55. The impact of Millennials is reflected in the increases projected for the 15 to 34 age group.

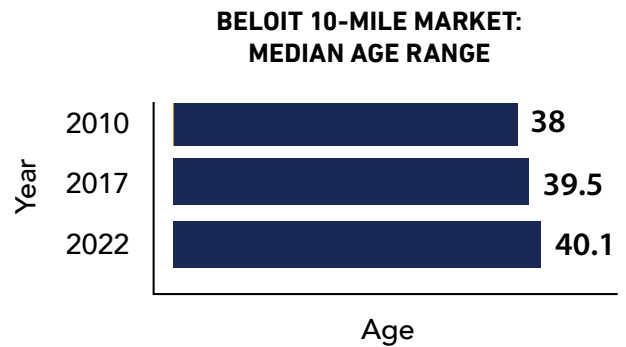


FIGURE 2

BELOIT 10-MILE MARKET: AGE, 2017

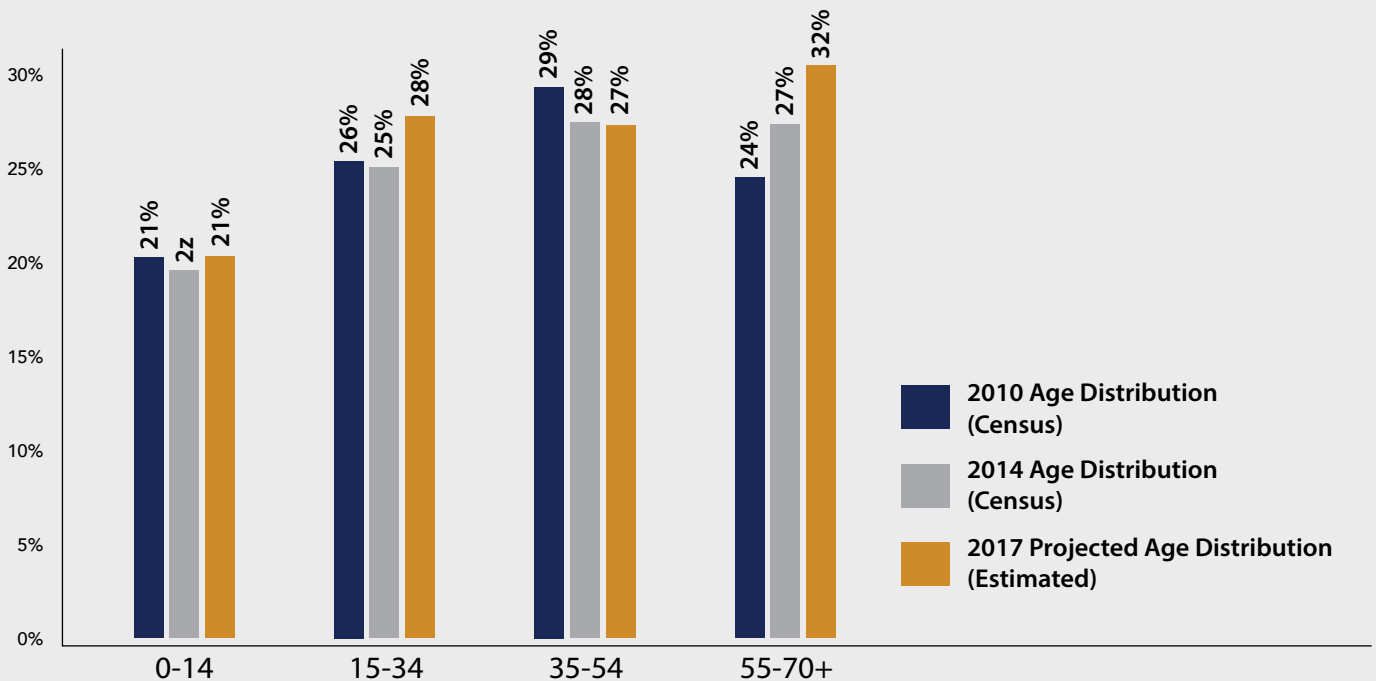


FIGURE 3

Ethnicity

The composition of ethnic backgrounds in the 10-Mile Market have not changed significantly since the 2010 Census. The percentage breakdown of the 2017 Race/Ethnicity groups can be seen in **FIGURE 4**. The largest ethnicity remaining White Alone at 82.3%. The additional examination of Hispanic Origin, **FIGURE 5**, shows an increase is projected through the available data period ending in 2022.

POPULATION OF THE 10-MILE MARKET

	2010	2017	2022
White Alone	84.4%	82.3%	80.2%
Black Alone	6.7%	7.0%	7.3%
American Indian Alone	0.3%	0.3%	0.3%
Asian Alone	1.2%	1.6%	1.9%
Some Other Race Alone	4.7%	5.6%	6.6%
Two or More Races	2.7%	0.3%	3.6%
Hispanic Origin	9.0%	10.8%	12.6%

Data source: U.S. Census Bureau
Persons of Hispanic Origin may be of any race.

FIGURE 5

BELOIT 10-MILE MARKET: POPULATION BY RACE/ETHNICITY, 2017

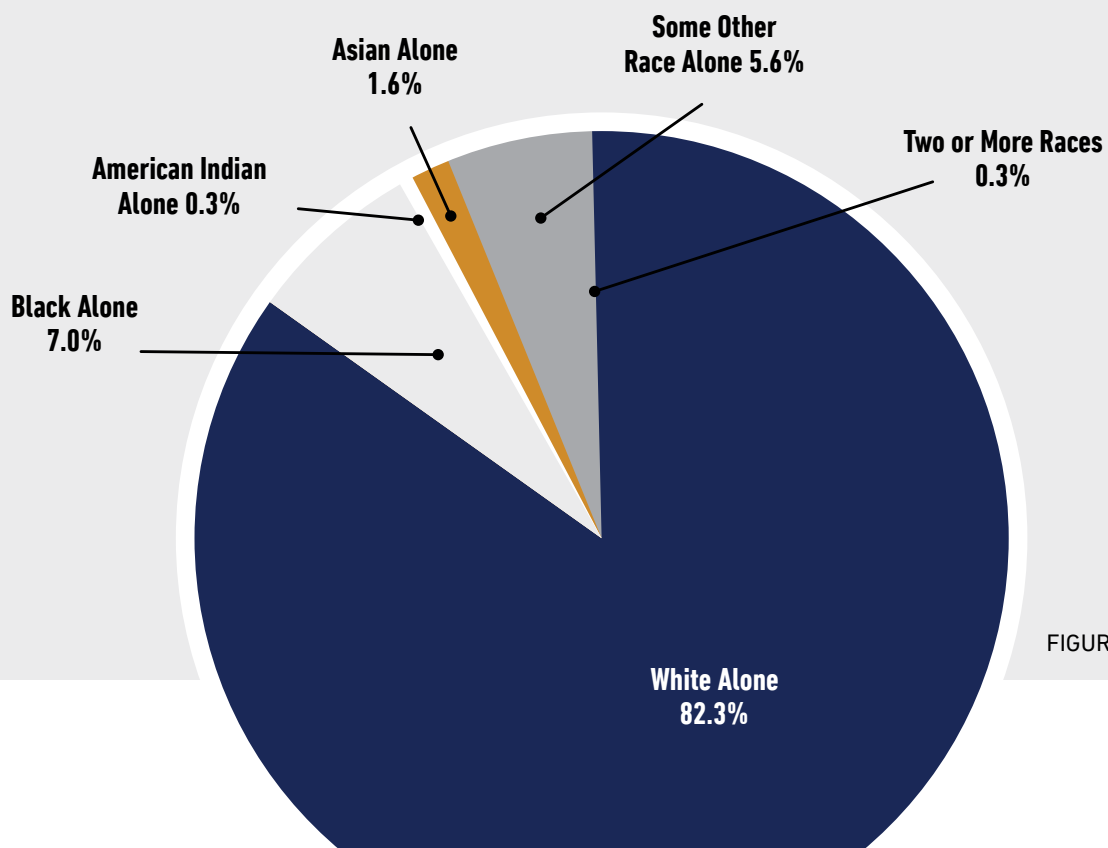


FIGURE 4

Housing

The 10-Mile Market had 45,037 housing units in the 2015 American Community Survey (ACS) Estimate. Of these units, 93.8% are owner-occupied. The number of housing units increased 0.7% from 2010 to 2017, and is projected to rise an additional 1.47% by 2022. The average value of owner-occupied housing in the 10-Mile Market

was \$161,081 in 2017 and is projected to increase to \$187,896 by 2022.

One in three of the homes in the 10-Mile Market have been constructed since 1990. An additional 17% of homes were built prior to 1931. Nearly 25% of owner occupied housing possesses market

values between \$100,000 and \$150,000.

Within the 10-Mile Market, the average household size is 2.6 and the significant majority (89%) are estimated to have four or less people. It is interesting to note that over 10% of the households are comprised of five or more individuals.

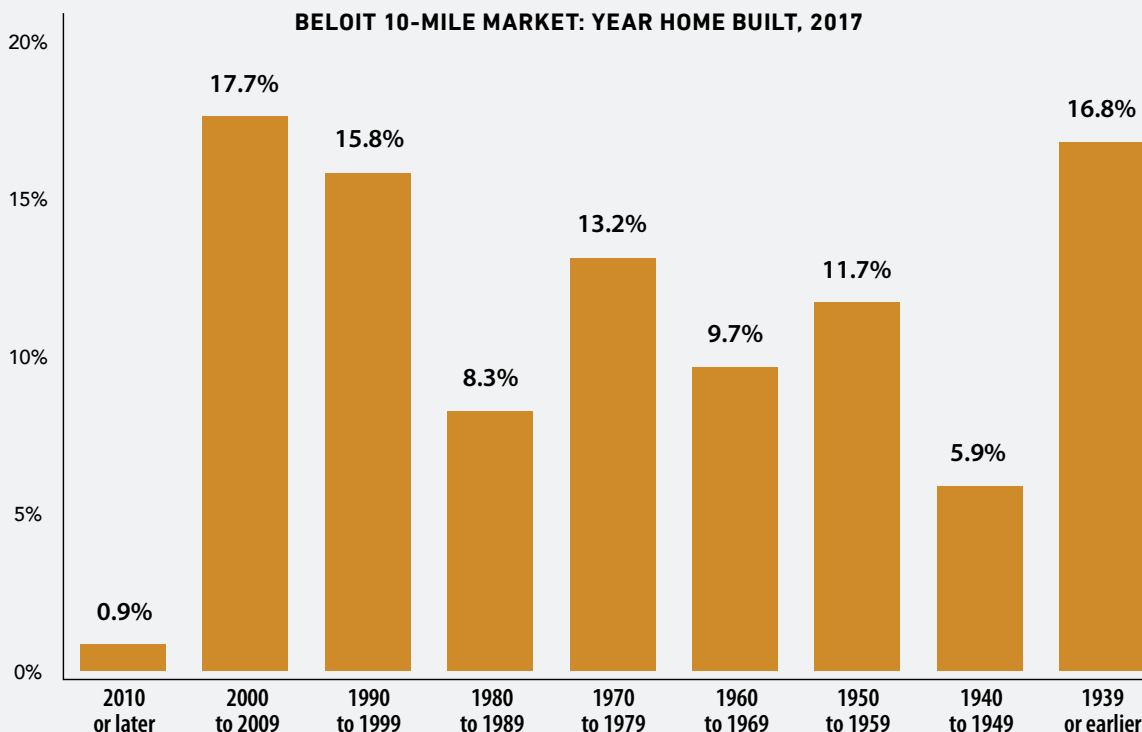


FIGURE 6

OWNER-OCCUPIED HOUSING BY VALUE, 2017

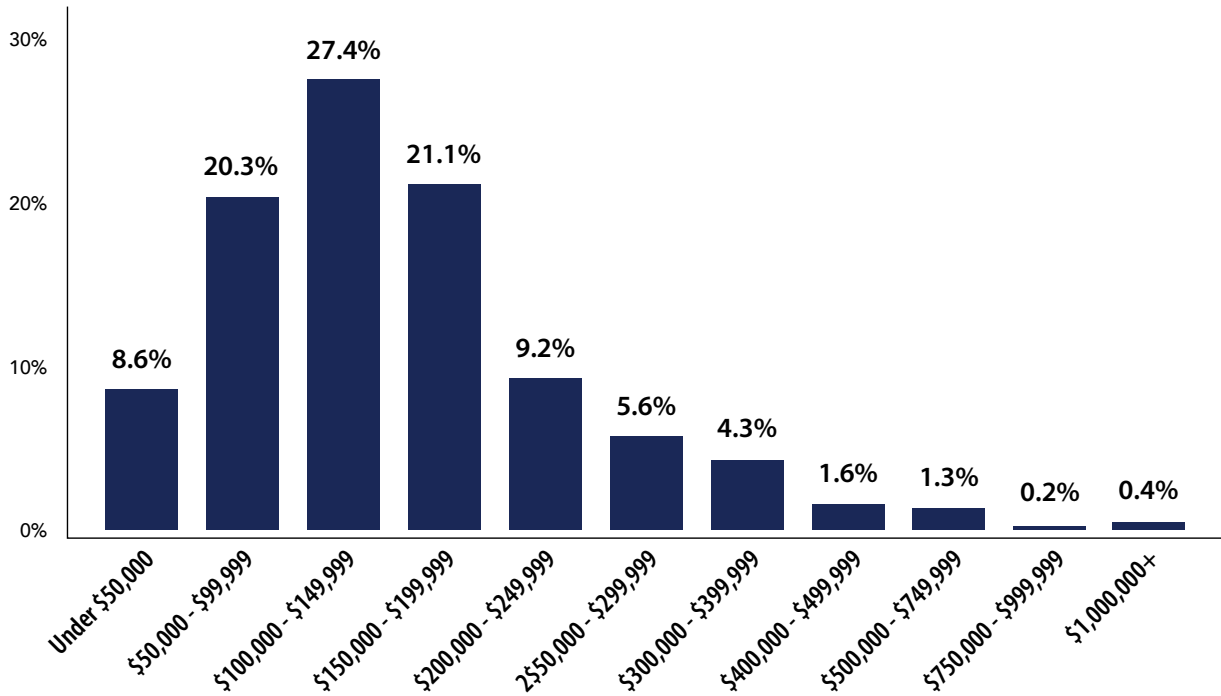


FIGURE 7

HOUSEHOLD SIZE, 2017

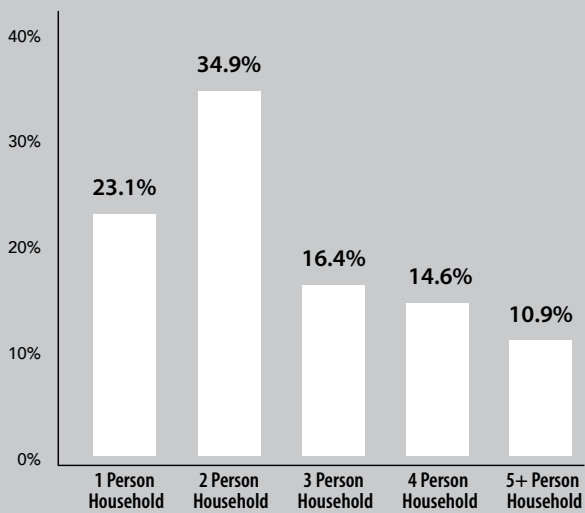


FIGURE 8

MARITAL STATUS, 2017

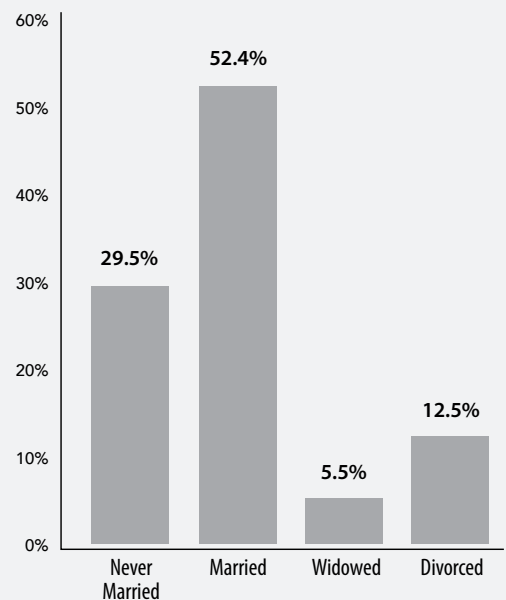


FIGURE 9

Education

The 10-Mile Market shows that 88.8% of the population has received a high school diploma or equivalent. This compares favorably to the U.S. average of 87%. When compared to trends for high school graduates (age 25 or older) the performance is similar to the State of Illinois (88.3%) and lower than the State of Wisconsin (91.4%). This gap has closed considerably since 2010. Additionally, the 10-Mile Market has shown a slight increase in the percent of the population with a Bachelor's degree or higher. 19.2% of the population possessed a Bachelor's degree or higher in 2010. That population rose to 21.2% in 2017.

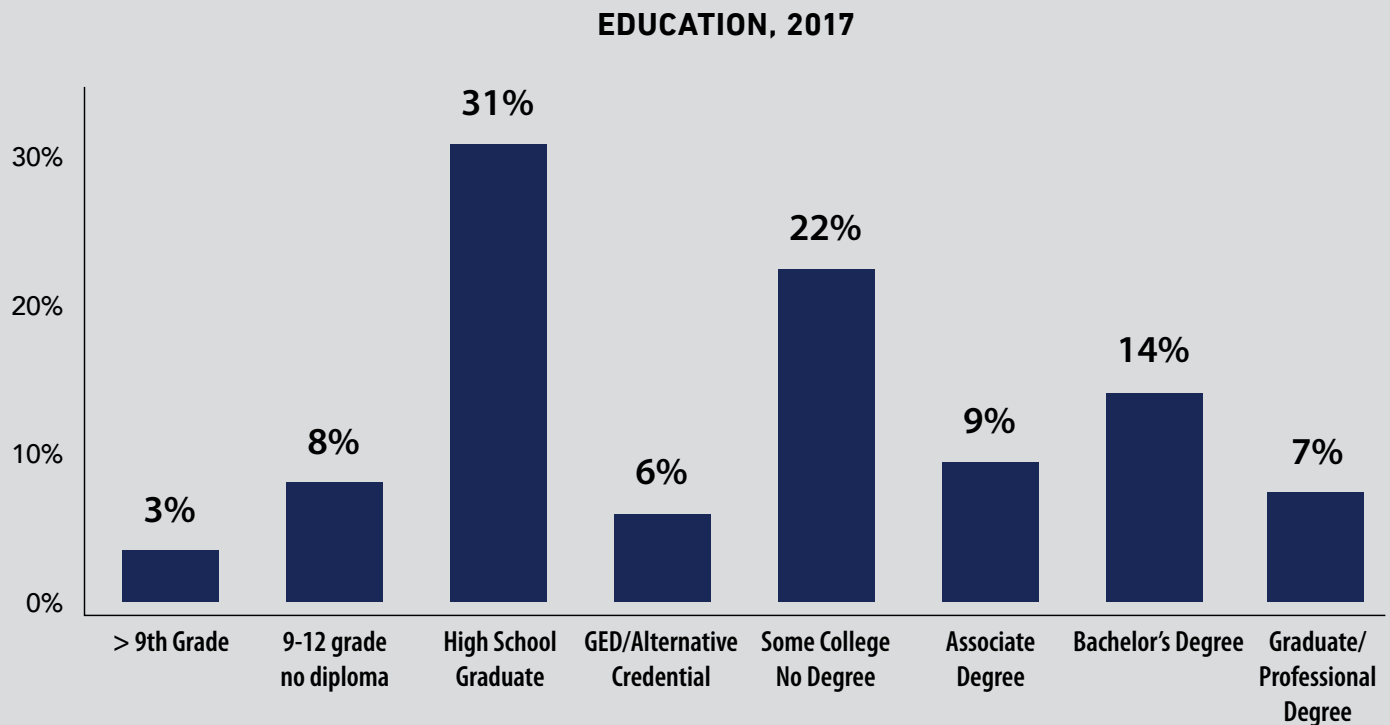


FIGURE 10

% OF BACHELOR'S DEGREE OR HIGHER, 2017

Beloit 10-Mile Market	Rock County, Wisconsin	Wisconsin	Illinois	United States
21.2%	20.8%	28.4%	32.9%	30.3%

FIGURE 11



Labor Force

46% of the total population is employed. **FIGURE 12** provides a historical perspective of the labor force in the 10-Mile Market. The trade area has shown steady increases in the size of the labor force since 2010. The 2010 unemployment rate of the 10-Mile Market was 13.9%. According to the Bureau of Labor Statistics, the unemployment rate for the immediate Beloit-Janesville trade area is even lower at 3.3%, as of September 2017.

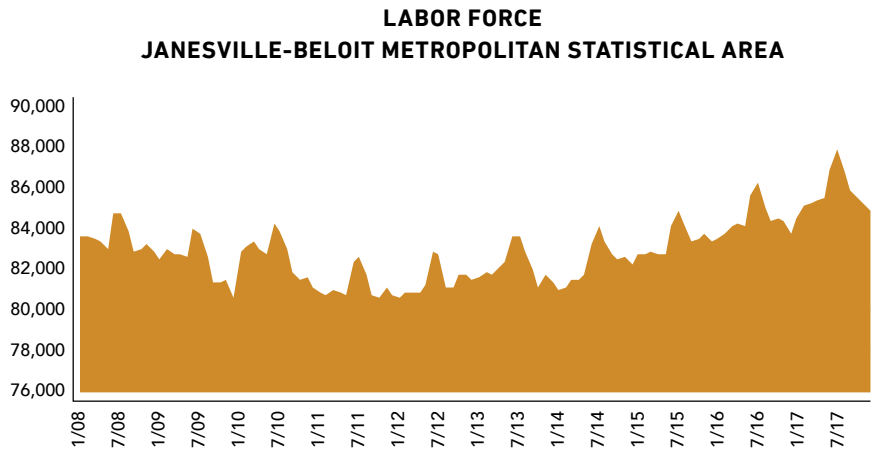


FIGURE 12

Using standardized North American Industry Classification System (NAICS) codes to examine employment, 40.9% of the population is working in the services industry. The summary code for Services, **FIGURE 14**, includes hotels, lodging, automotive repair, health services, legal services, and others. Manufacturing is second at 24.5%.

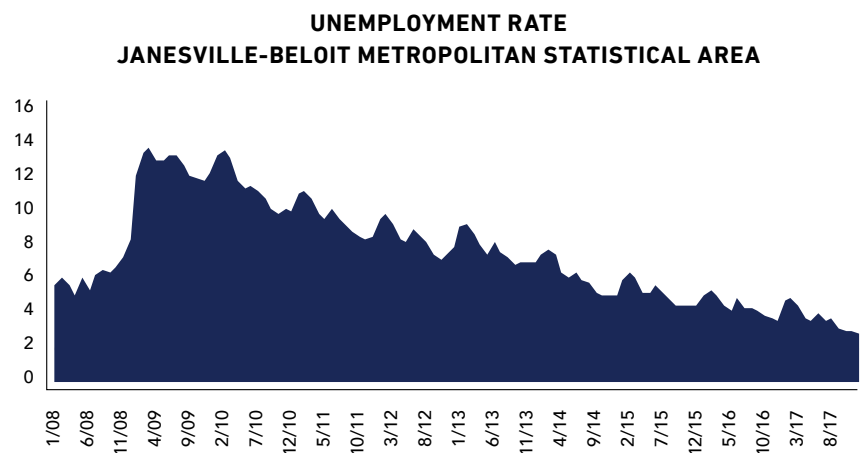


FIGURE 13

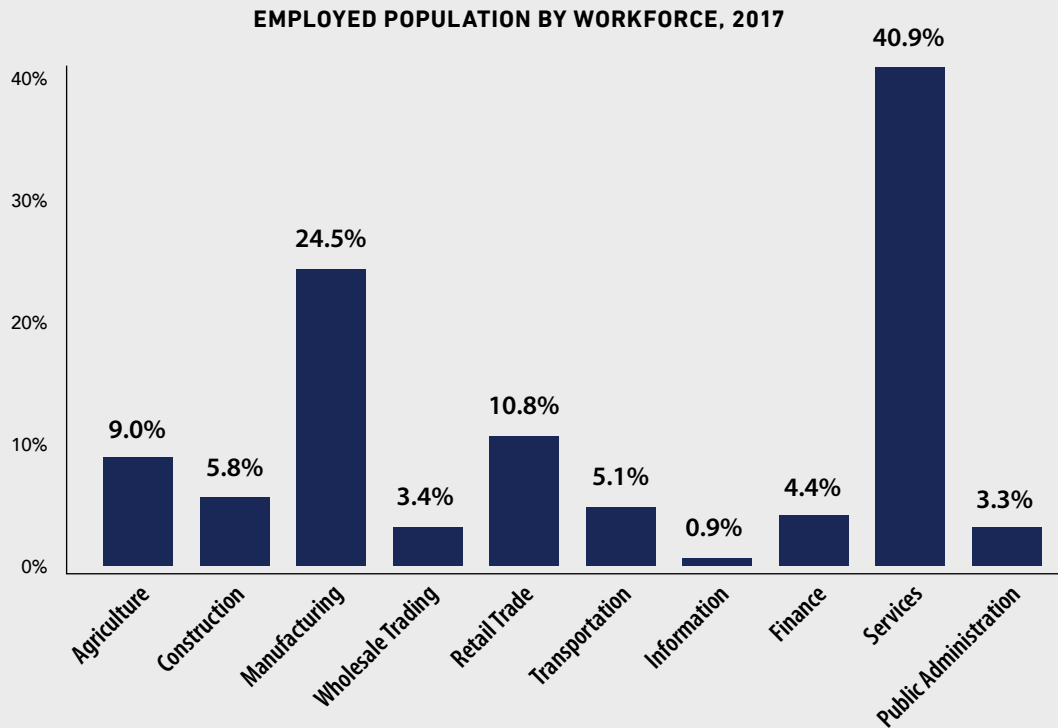


FIGURE 14

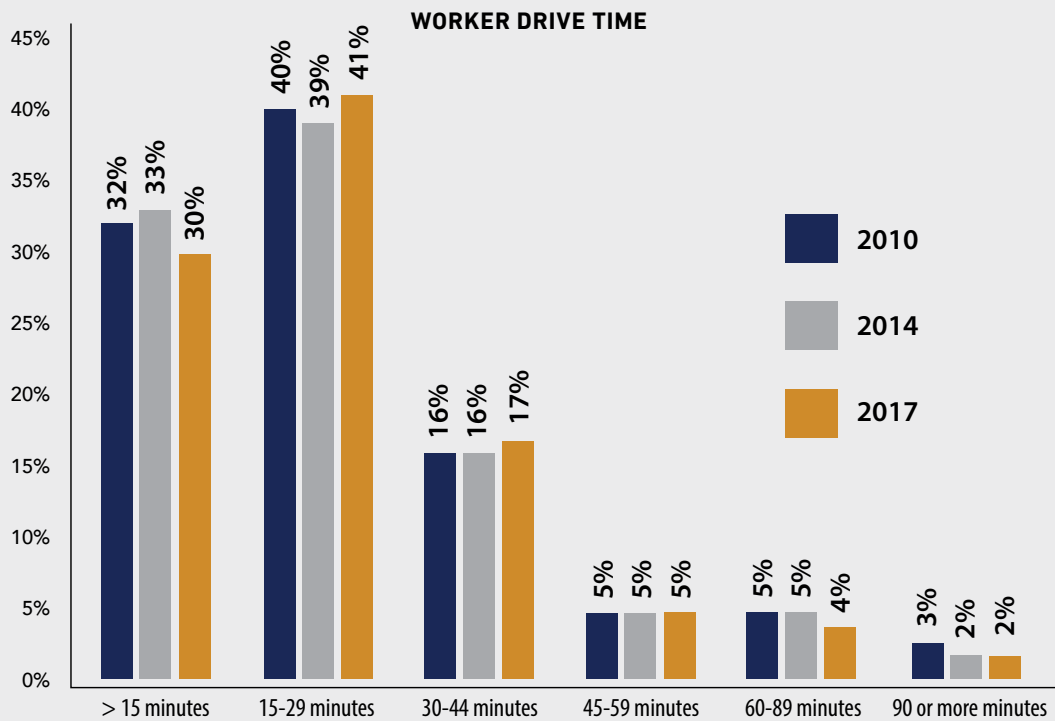


FIGURE 15

Income

The 2017 average household income for the 10-Mile Market is \$71,209. The per capita income in the trade area increased 7.3% from 2014 to 2017, moving from \$25,291 to \$27,141. Per capita income is projected to rise 14% from 2017 to 2022. By 2022, less than four out of ten (39.7%) households are expected to have annual incomes less than \$50,000. Poverty level for a family of two in 2017 was \$28,780. Approximately 19% of the Beloit 10-Mile Market households have an annual income less than \$25,000.

HOUSEHOLD INCOME, 2017

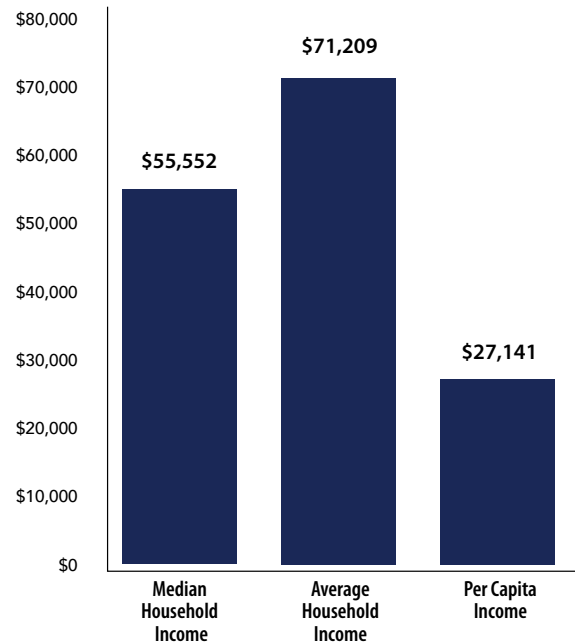


FIGURE 16

HOUSEHOLD INCOME, 2017

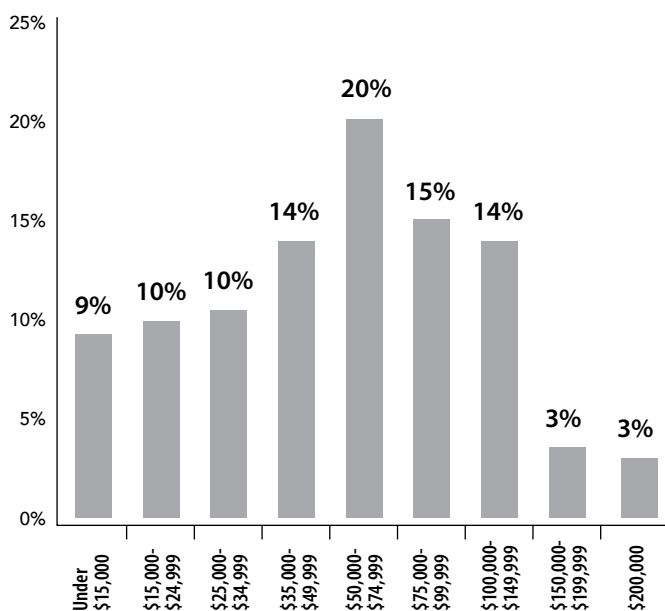


FIGURE 17

ESTIMATED DISPOSABLE INCOME, 2017

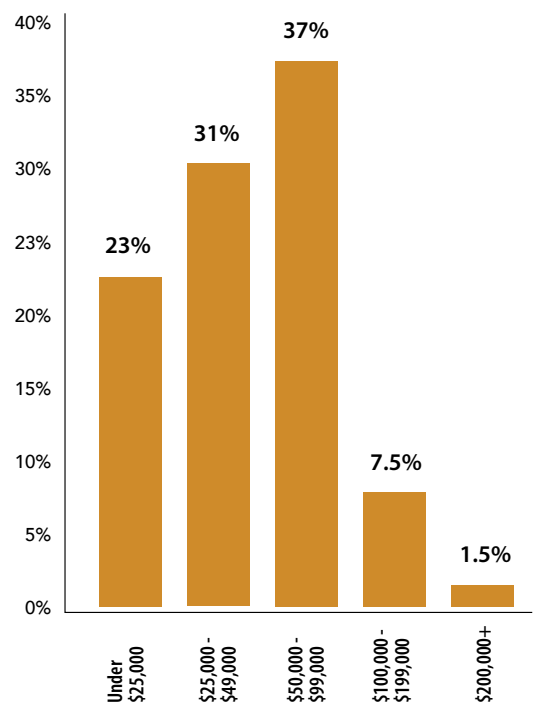


FIGURE 18

Spending

In 2014 residents in the 10-Mile Market collectively spent \$2,692,189,837 in household budget expenditures. That amount dropped in 2017 to \$2,616,545,440. **FIGURE 19** shows the breakdown of consumer spending into their respective categories, the largest dedicated to shelter at 37% in 2017.

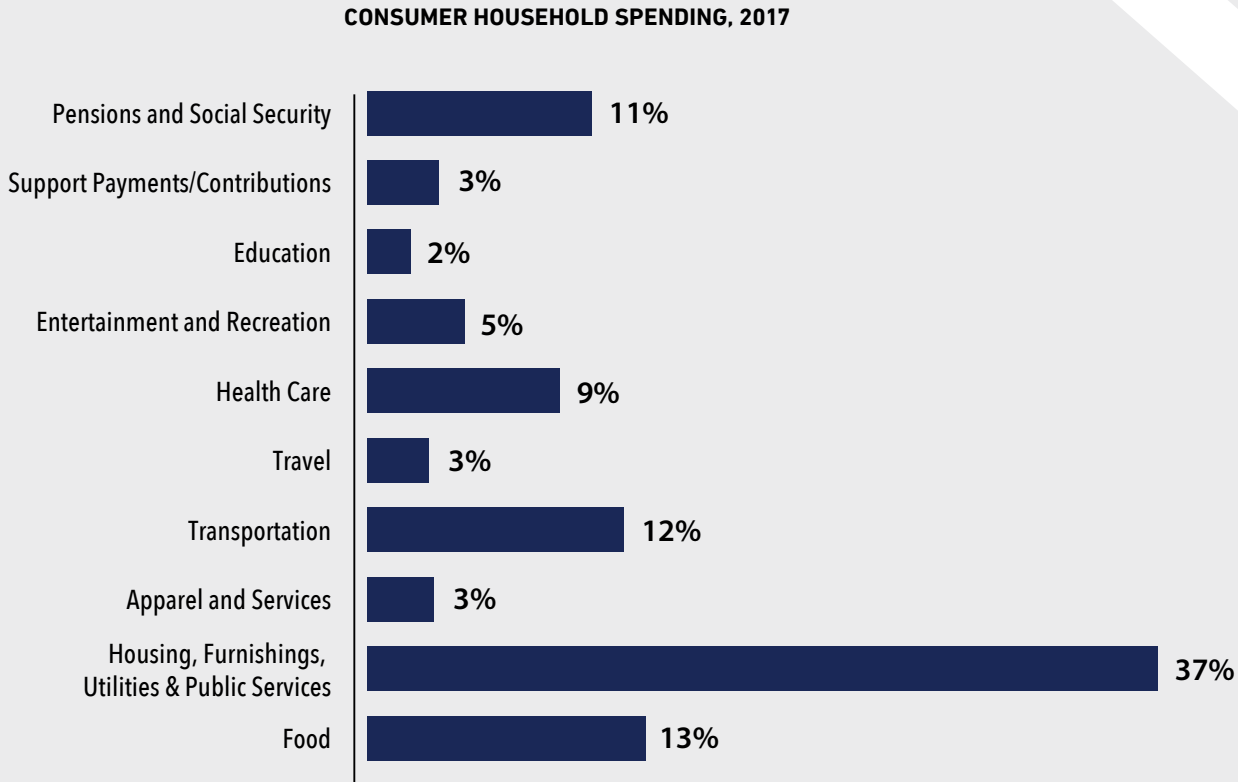


FIGURE 19

Business

According to Esri data, there were 3,466 businesses within the 10-Mile Market. **FIGURE 20** shows the distribution of businesses in the 10-Mile Market. The trade area businesses are estimated to have sales totaling \$10,388,709,000.

When looking at NAICS codes, the largest grouping of businesses exist in, Services (Accommodations/

Food, Health Care, Professional, etc.), Retail Trade, Construction, and Manufacturing.

The drive time information provides the demographic profiles of households living within 10 and 20 minutes of the city center. **FIGURE 21** shows the location of those households based on traffic patterns and household location.

BUSINESS LOCATION MAP, 2017

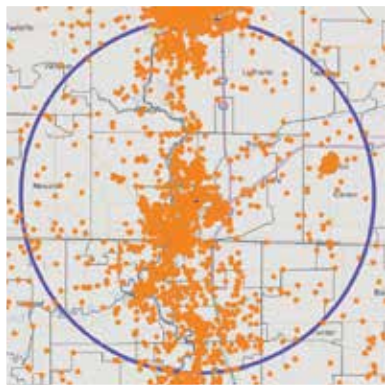


FIGURE 20

HOUSEHOLD DRIVE TIME OF 10-20 MINUTES



FIGURE 21

BELOIT 10-MILE MARKET: DRIVE TIMES FROM CITY CENTER

	Population	Population 18+	Population 65+	Households	Family Households	Average Household Size	Owner Occupied Housing Units	Average Household Income
10 Min.	30,490	23,123	4,842	11,672	7,482	2.5	7,098	\$57,091
20 Min.	70,307	52,980	10,689	26,417	18,186	2.6	18,448	\$65,039

FIGURE 20

BUSINESS TYPES IN THE 10-MILE CITY

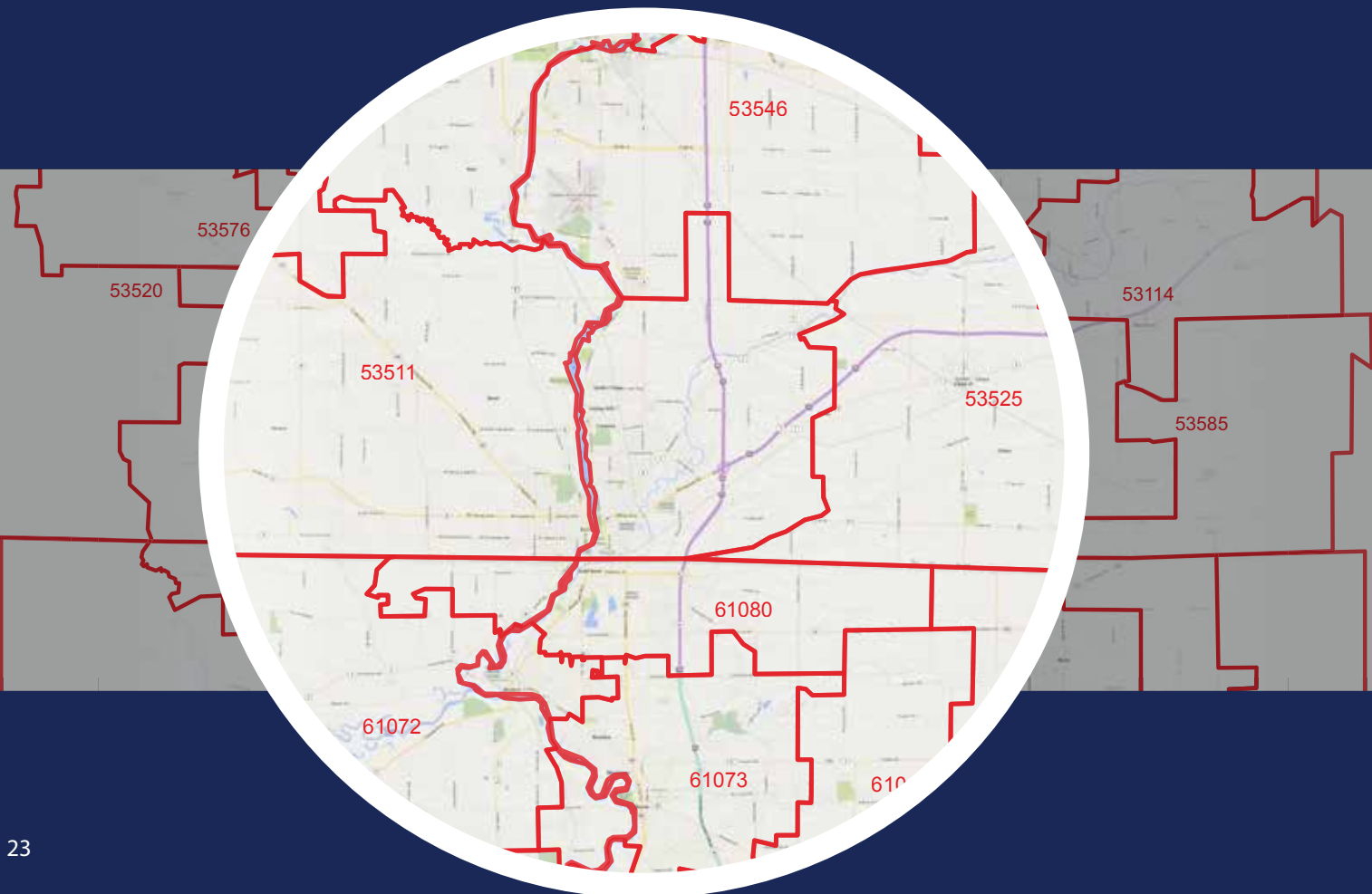
Industry	Number of Businesses	Percent	Number of Employees	Percent
Agriculture, Forestry, Fishing & Hunting	31	0.9%	120	0.2%
Mining	1	0.0%	4	0.0%
Utilities	7	0.2%	68	0.1%
Construction	319	9.2%	2,118	4.1%
Manufacturing	261	7.5%	8,076	15.6%
Wholesale Trade	164	4.7%	4,658	9.0%
Retail Trade	503	14.5%	6,451	12.5%
Motor Vehicle & Parts Dealers	80	2.3%	560	1.1%
Furniture & Home Furnishings Stores	23	0.7%	92	0.2%
Electronics & Appliance Stores	24	0.7%	201	0.4%
Bldg Material & Garden Equip & Supplies Dealers	52	1.5%	1195	2.3%
Food & Beverage Stores	57	1.6%	976	1.9%
Health & Personal Care Stores	39	1.1%	531	1.0%
Gasoline Stations	37	1.1%	346	0.7%
Clothing & Clothing Accessories Stores	26	0.8%	117	0.2%
Sport Goods, Hobby, Book & Music Stores	39	1.1%	210	0.4%
General Merchandise Stores	28	0.8%	1407	2.7%
Miscellaneous Store Retailers	86	2.5%	673	1.3%
Nonstore Retailers	13	0.4%	143	0.3%
Transportation & Warehousing	86	2.5%	812	1.6%
Information	80	2.3%	871	1.7%
Finance & Insurance	154	4.4%	1073	2.1%
Central Bank/Credit Intermediation & Related Activities	56	1.6%	650	1.3%
Securities, Commodity Contracts & Other Financial Investments & Other	42	1.2%	126	0.2%
Insurance Carriers & Related Activities; Funds, Trusts & Other Financial	56	1.6%	297	0.6%
Real Estate, Rental & Leasing	167	4.8%	854	1.7%
Professional, Scientific & Tech Services	207	6.0%	1,571	3.0%
Legal Services	26	0.8%	91	0.2%
Management of Companies & Enterprises	3	0.1%	78	0.2%
Admin, Support, Waste Mng & Remediation Services	143	4.1%	1,193	2.3%
Educational Services	98	2.8%	4,387	8.5%
Health Care and Social Assistance	217	6.3%	8,840	17.1%
Arts, Entertainment & Recreation	80	2.3%	2,817	5.4%
Accommodation & Food Services	254	7.3%	3,662	7.1%
Accommodation	22	0.6%	228	0.4%
Food Services & Drinking Places	232	6.7%	3,433	6.6%
Other Services (Except Public Administration)	480	13.8%	2,239	4.3%
Automotive Repair & Maintenance	111	3.2%	820	1.6%
Public Administration	120	3.5%	1,789	3.5%
Unclassified Establishments	91	2.6%	54	0.1%
Total	3,466	100%	51,734	100%

Source: Copyright 2017 Infogroup, Inc. All rights reserved. Esri Total Residential Population forecasts for 2017.

FIGURE 21

THE 10-MILE MARKET COMPARISON CITIES

This section compares key characteristics of the Beloit 10-Mile Market with the 10-mile radius markets surrounding the downtown areas of 11 select cities in Wisconsin, Iowa and Illinois. This allows for direct comparison with the average demographic characteristics of the Beloit 10-Mile Market. These variables sum up the important characteristics present in each city's radius market.



Demographic and Income Profile The 10-Mile Market Demographics (2017)

	Beloit	Dubuque	Janesville	Rockford	Fond du Lac	Shegoygan	Wausau	Eau Claire	Racine	West Bend	Appleton	Kenosha
Total Population	114,302	88,793	95,373	243,988	70,113	80,961	88,074	113,178	194,009	85,998	247,360	228,496
HOUSEHOLDS & HOUSING												
# of Households	43,251	35,763	38,553	96,604	29,111	33,825	36,361	46,464	76,243	34,478	101,383	86,728
Family Households	70.1%	64.9%	67.7%	65.3%	64.6%	64.3%	65.5%	59.7%	64.6%	71.4%	66.1%	65.9%
Avg Household Size	2.6	2.3	2.4	2.5	2.4	2.4	2.4	2.3	2.5	2.5	2.4	2.6
Median Home Value	127,409	159,411	137,482	109,308	147,319	137,736	144,636	161,862	144,862	227,795	159,661	147,240
Owner Occupied Housing Units	67.3%	68.4%	66.7%	59.6%	64.6%	63.0%	63.0%	59.7%	57.6%	72.2%	66.2%	58.4%
Renter Occupied Housing Units	24.4%	26.0%	25.3%	29.1%	28.4%	28.6%	28.9%	35.1%	33.2%	21.5%	28.9%	32.5%
INCOME												
Median Household	\$57,263	60,300	58,497	51,995	61,597	58,110	55,657	57,436	55,591	73,361	64,201	56,740
Average Household	\$69,748	72,790	73,489	64,443	73,799	68,935	69,692	72,255	70,331	89,385	77,652	70,498
Per Capita	\$27,264	31,017	30,180	26,867	31,071	28,990	29,473	31,222	28,729	35,332	32,340	27,990
Under \$25,000	22.6%	20.6%	20.9%	27.5%	20.9%	22.5%	22.7%	22.4%	24.7%	14.3%	18.1%	23.8%
\$25,000 – \$49,999	30.4%	29.0%	29.9%	31.6%	29.8%	30.4%	30.9%	31.1%	30.0%	27.0%	29.9%	29.7%
\$50,000 – \$99,999	37.4%	39.2%	40.0%	32.0%	39.5%	39.2%	36.7%	37.0%	35.2%	45.8%	40.2%	36.0%
\$100,000 – \$199,999	7.9%	9.5%	7.0%	7.4%	8.4%	6.8%	8.0%	7.5%	8.1%	10.8%	9.7%	8.5%
\$200,000 +	1.6%	1.8%	2.2%	1.6%	1.4%	1.0%	1.7%	2.1%	2.1%	2.1%	2.1%	1.9%
AGE												
0 - 14	20.9%	19.2%	18.9%	20.2%	18.9%	20.0%	19.9%	18.6%	21.6%	18.4%	21.6%	22.1%
15 - 34	28.0%	27.9%	25.7%	26.7%	25.2%	25.7%	25.8%	34.2%	28.7%	23.6%	28.2%	30.0%
35 - 54	27.4%	24.1%	27.3%	26.4%	26.4%	26.8%	26.6%	24.4%	27.5%	28.4%	29.3%	29.1%
55 - 69	20.9%	20.1%	20.8%	20.4%	21.4%	21.0%	20.6%	24.4%	27.5%	28.4%	29.3%	29.1%
70+	11.2%	13.0%	12.2%	12.3%	12.3%	12.4%	12.6%	10.7%	11.2%	12.1%	10.6%	10.3%
18+	82.9%	81.0%	81.8%	81.5%	81.4%	81.5%	81.5%	83.8%	83.1%	81.7%	84.0%	84.4%
65+	17.1%	19.0%	18.2%	18.5%	18.6%	18.5%	18.5%	16.2%	16.9%	18.3%	16.0%	15.6%
Median Age	40.2	40.6	41.4	40.3	41.7	40.9	40.7	37.3	38.4	43.7	39.4	37.9
GENDER												
Female Population	51%	51%	51%	51%	51%	50%	50%	51%	51%	50%	50%	51%
Male Population	49%	49%	49%	49%	49%	50%	50%	49%	49%	50%	50%	49%
ETHNICITY												
Caucasian	73.9%	89.4%	86.3%	62.8%	85.4%	78.2%	84.1%	88.7%	61.1%	92.3%	84.9%	62.4%
Black	6.1%	3.5%	2.6%	12.9%	2.2%	1.5%	1.2%	1.0%	12.4%	0.9%	1.5%	12.5%
American Indian & Alaska Native	0.3%	0.2%	0.3%	0.3%	0.6%	0.4%	0.6%	0.5%	0.5%	0.3%	0.6%	0.5%
Asian	1.5%	1.6%	1.5%	2.7%	1.9%	7.1%	8.4%	4.3%	1.3%	0.8%	3.7%	1.7%
Pacific Islander	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%	0.1%
Other Race	5.3%	0.6%	2.0%	5.7%	2.2%	2.7%	0.9%	0.7%	6.7%	1.0%	2.2%	7.0%
Multiple Races	2.9%	1.8%	2.1%	3.0%	1.8%	2.3%	2.1%	2.0%	3.3%	1.4%	2.0%	3.6%
Hispanic	10.0%	2.6%	5.2%	12.6%	5.9%	7.7%	2.8%	2.6%	14.7%	3.2%	5.0%	15.8%

DEFINITIONS

Census Tracts are small, relatively permanent statistical subdivisions of a county or equivalent entity that are updated by local participants prior to each decennial census as part of the Census Bureau's Participant Statistical Areas Program. The Census Bureau delineates census tracts in situations where no local participant existed or where state, local, or tribal governments declined to participate. The primary purpose of census tracts is to provide a stable set of geographic units for the presentation of statistical data.

Census tracts generally have a population size between 1,200 and 8,000 people, with an optimum size of 4,000 people. A census tract usually covers a contiguous area; however, the spatial size of census tracts varies widely depending on the density of settlement. Census tract boundaries are delineated with the intention of being maintained over a long time so that statistical comparisons can be made from census to census. Census tracts occasionally are split due to population growth or merged as a result of substantial population decline.



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