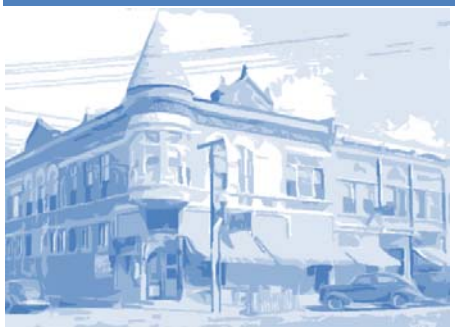

Iowa State University
Retail Trade Analysis Report
Fiscal Year 2009

Ankeny, Iowa

Overview

The local retail sector provides an important gauge for economic conditions in Iowa's communities. This report examines local retail sales and related trends using a variety of comparative performance measures. The retail analysis is based on state-reported sales of goods and services that are subject to Iowa's statewide sales tax.

The following tables provide an overview of key retail performance indicators for the city and the state. The first table highlights changes for the fiscal year beginning July 1, 2008 and ending June 30, 2009. The second table summarizes retail indicators for the last 10 fiscal years, with real sales stated in Fiscal Year 2009-equivalent dollars.

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2008-2009 Percentage Change in:	Ankeny	State of Iowa
Real taxable sales	3.3 ▲	-0.8 ▼
Number of reporting firms	9.3 ▲	2.8 ▲
Sales per firm	-5.5 ▼	-3.5 ▼
Population	2.9 ▲	0.5 ▲
Sales per capita	0.4 ▲	-1.3 ▼

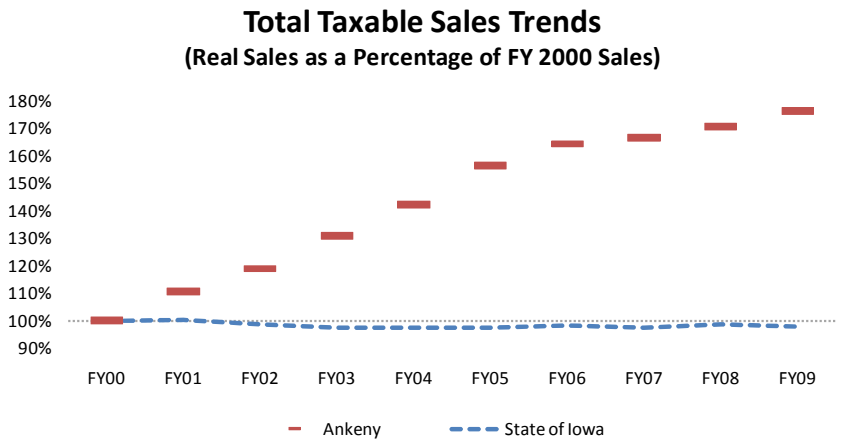
10-Year Summary Statistics for Ankeny:

		Total Sales ($ millions)		Average Real Sales ($)		Statewide Averages ($)	
Fiscal Year	Reporting Firms	Nominal	Real	Per Firm	Per Capita	Per Firm	Per Capita
2000	645	277.3	341.0	528,940	12,756	364,766	11,764
2001	667	314.5	377.7	566,325	13,694	362,531	11,735
2002	698	342.0	405.8	581,551	14,331	369,709	11,529
2003	708	383.6	446.4	630,455	15,120	383,404	11,411
2004	738	425.5	484.7	656,605	15,769	385,940	11,378
2005	774	481.8	533.8	690,174	15,449	387,144	11,347
2006	818	522.0	560.5	685,686	15,554	393,625	11,434
2007	917	541.6	567.8	619,484	14,682	385,877	11,285
2008	962	573.9	582.4	605,683	14,352	388,941	11,362
2009	**1,051**	**601.4**	**601.4**	**572,398**	**14,405**	**375,270**	**11,209**

Local Economic Trends

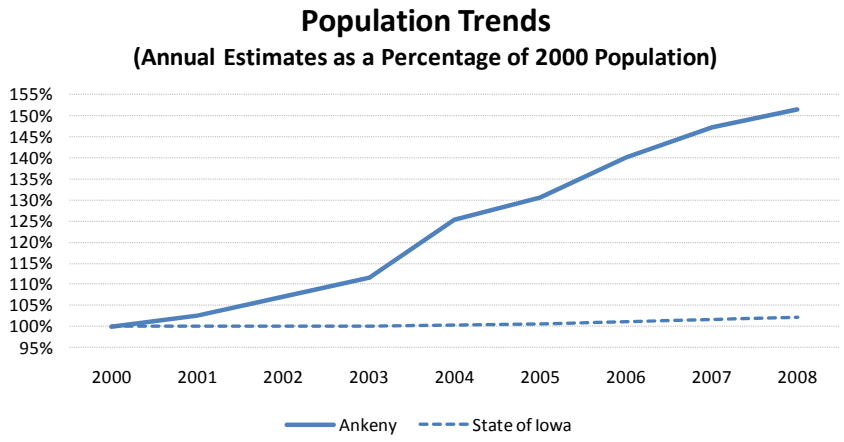
Taxable Sales

The city's recent sales levels are illustrated at right. Using Fiscal Year 2000 as the base year, inflation-adjusted total taxable sales are indexed to show real growth during the last 10 fiscal years. A value of 100 percent in a given year would indicate that sales had remained flat compared to 2000. A value of 90 percent or 110 percent would equate to a 10 percent decrease or increase in real sales, respectively. The statewide sales trend is included for comparison.



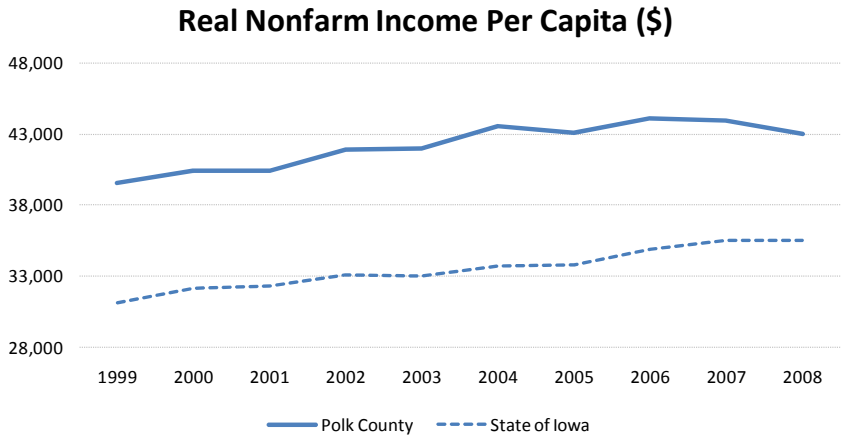
Population

Population change is a key factor influencing local retail sales performance. From one year to the next, area population gains or losses alter the number of potential shoppers in the region. Longer-term population trends reflect the general economic climate of the region, with population growth suggesting a more favorable retail environment than decline. The chart at right shows annual population estimates for the city and state indexed to baseline values from the 2000 Census.



Personal Income

The local demand for retail goods and services also depends on the income level of area residents. Per capita nonfarm personal income provides a useful gauge of the average income in the region. This measure includes residents' earnings, investment income, and government transfer payments. The chart at right illustrates inflation-adjusted average nonfarm income levels in the county and the state.

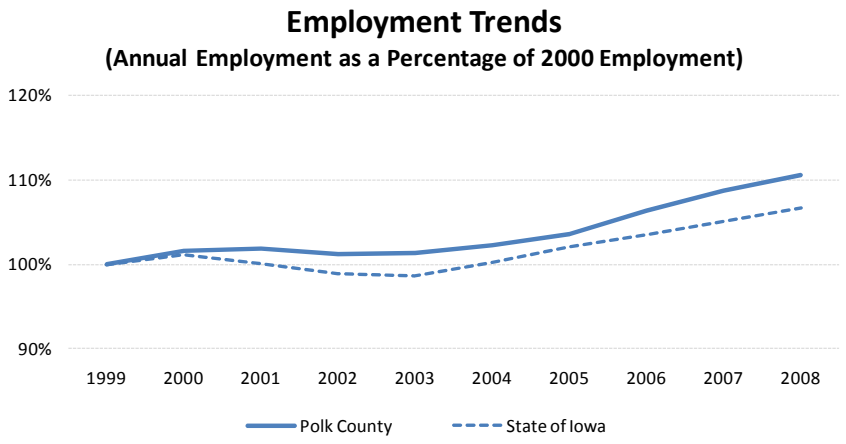


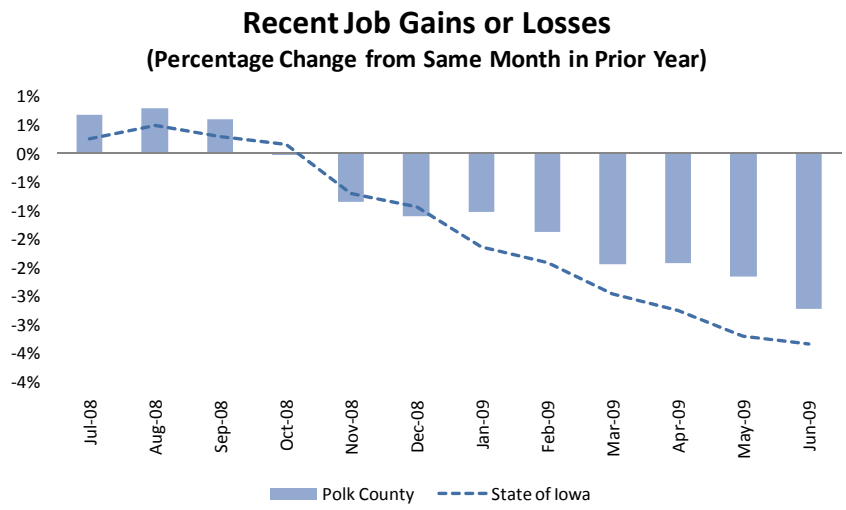
Employment

Earnings from employment represent the primary source of income for Iowa residents, accounting for nearly 70 percent of the state's total personal income in 2008. Area job growth creates earnings opportunities for current residents and helps to attract new residents. Lagging employment growth rates may indicate a decline in the region's competitive strength.

The chart at top right shows the 10-year trend in total employment in the county and the state. The number of jobs in each year is expressed in percentage terms compared to employment in 1999.

The middle chart shows more recent job gains and losses in the region. The bars measure the county's percentage gain or loss in jobs during Fiscal Year 2009 on a month-by-month basis, with each month's employment compared to the same month in Fiscal Year 2008. The dashed line represents the statewide average job change for the period.

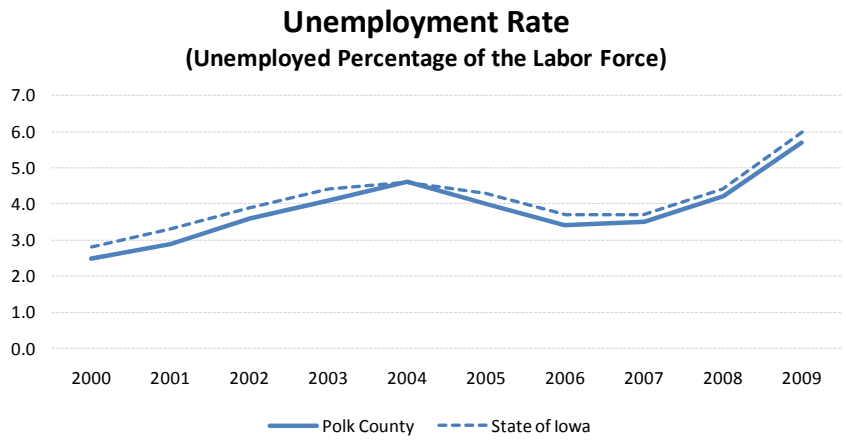




Unemployment

Rising or persistently high levels of unemployment may contribute to household economic stress within the region and may ultimately create stress within the local retail sector.

The chart at right shows recent trends in county and state rates of unemployment. The unemployment rate measures the percentage of the county (or state) labor force that is unemployed but actively seeking work.



Peer Group Analysis

With no two of Iowa's 949 cities exactly alike, one-to-one comparisons are not very useful for judging the strength or weakness of a particular city's retail performance. Peer group analysis, which measures sales levels across a set of cities sharing similar characteristics, can provide more reasonable benchmarks for local retail performance.

Basis for Peer Group Assignments

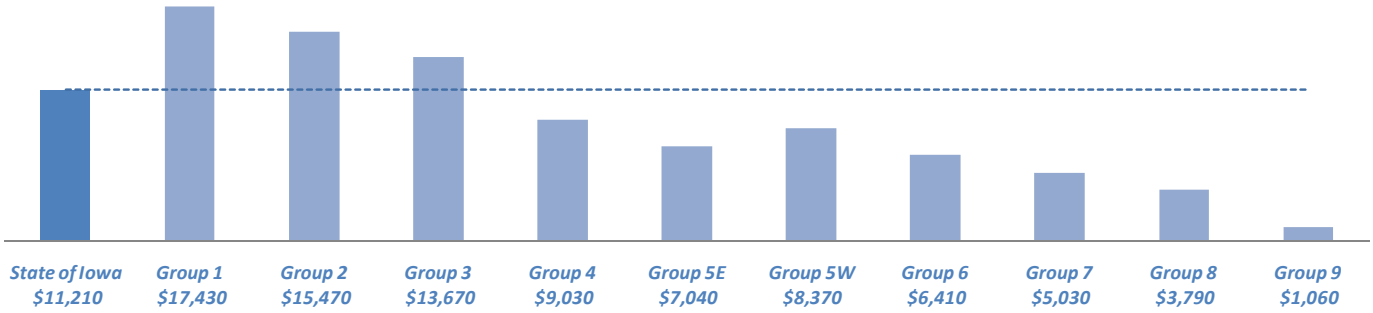
The level of retail sales that a city can generate is strongly influenced by its own population size and the population density of surrounding areas. Access to a large pool of potential customers in a geographically concentrated area allows large cities and metropolitan regions to offer a wider range of retail goods and services than most smaller communities can support. The retail diversity of these large trade centers tends to attract non-resident shoppers at the expense of smaller communities in outlying areas. To illustrate, Iowa's 34 largest cities (each with 10,000 or more residents), while home to less than half of the state's population, account for over 70 percent of Iowa's taxable sales.

Peer Group Definitions

In this report, cities have been assigned to peer groups of similar cities based on their own population size and the urbanization characteristics of their host county. The peer groups are listed in the following table, with the relevant peer group highlighted in blue (see Pages 13-15 for a complete list of member cities by peer group). The chart at the bottom of this page illustrates the comparative sales performance of the various city peer groups.

Peer Group	City Population in the 2000 Census	Metropolitan Status of the County	Number of Cities	% of State Taxable Sales
Group 1	**10,000 or greater**	**Central metropolitan statistical area (MSA) county**	**18**	**58.2%**
Group 2	10,000 or greater	Outlying MSA county or non-metropolitan county	16	13.0%
Group 3	2,500 to 9,999	Non-metropolitan county	63	12.6%
Group 4	2,500 to 9,999	Metropolitan county	30	5.0%
Group 5 East	500 to 2,499	Non-metropolitan county east of Interstate 35	121	2.6%
Group 5 West	500 to 2,499	Non-metropolitan county west of Interstate 35	113	2.9%
Group 6	500 to 2,499	Metropolitan county	107	2.5%
Group 7	250 to 499	Any county	180	0.9%
Group 8	100 to 249	Any county	200	0.4%
Group 9	99 or fewer	Any county	101	0.0%

Average Sales Per Capita by City Peer Group, FY09

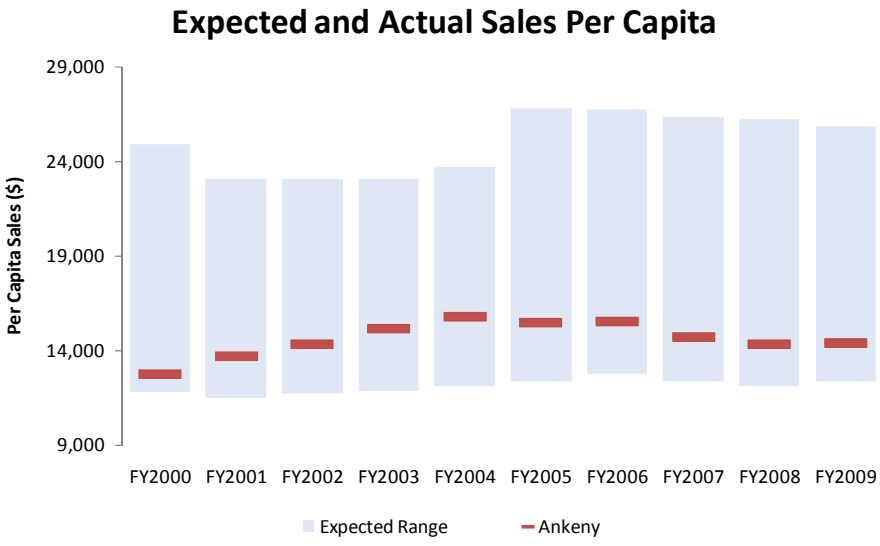


Expected Range for Local Sales Per Capita

The retail performance of other cities in the peer group may be used to construct a range of reasonable, expected values for local average sales per capita.

In the chart at right, the city's annual per capita sales values are indicated with red dashes. A shaded blue bar illustrates the range of expected values for any city in the peer group in a given year. All values have been adjusted for inflation.

The expected range represents the 25th to the 75th percentile per capita sales values for the peer group. Any value above or below the blue bars would indicate the city ranks in the top quartile or bottom quartile, respectively, of all cities in its peer group.



Top 10 Cities in Peer Group (by Sales Per Capita)

The peer group's top performers, measured by their average sales per capita in Fiscal Year 2009, are listed in the table at right.

Caution is urged in using the top-performing cities to benchmark local retail performance. This is especially the case for small cities, where an exceptional firm can inflate a city's overall sales numbers. In general, cities with per capita sales that exceed statewide averages by a factor of three or more should be viewed as anomalies that merit further investigation. The conditions leading to their performance may not be replicable in other communities.

Peer Group Top 10	Per Capita Sales (FY 2009)	Estimated Population (7/1/2008)
Coralville	$37,553	18,667
West Des Moines	28,771	55,503
Altoona	24,578	14,066
Cedar Rapids	22,757	127,202
Clive	21,985	15,181
Davenport	19,381	100,181
Waterloo	17,165	66,281
Dubuque	16,817	57,163
Des Moines	16,698	197,639
Sioux City	16,525	82,299
Ankeny	**14,405**	**41,752**
State of Iowa	11,209	

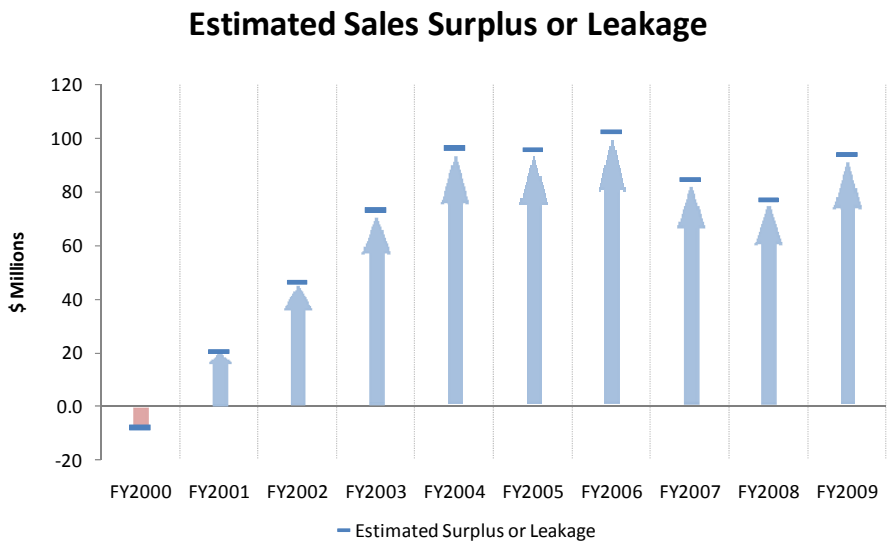
Pull Factor Analysis

This section introduces three related measures for comparing the city's actual sales performance with the total sales one might expect for a city of its population size and income characteristics: trade surplus or leakage, trade area capture, and the pull factor ratio. All three measures are based on a hypothetical "self-sufficiency" level of sales at which the city's retail sector satisfies all of the retail needs of its own residents. This same hypothetical sales value might also be viewed as "break-even" level where any lost sales to local residents are exactly offset by sales to non-residents.

Trade Surplus or Leakage

Trade surplus or leakage measures the dollar difference between the city's actual sales and the total sales it could generate if residents satisfied all their retail needs locally, i.e. its self-sufficiency level of sales.

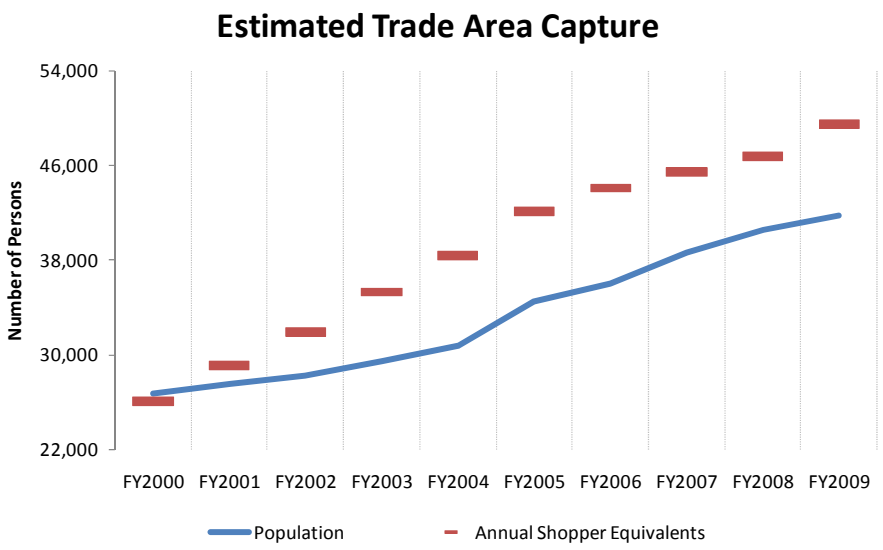
Any sales in excess of this self-sufficiency level suggests a surplus of sales that were attracted from non-residents. Any deficit suggests a leakage of local residents' retail spending to other communities. Sales right at the break-even point would result in a surplus or leakage value of zero.



Trade Area Capture

The extent of a city's "trade area" can be approximated by estimating the number of customers whose annual retail needs it satisfies. If that number exceeds the resident population, the city's geographic trade area likely extends beyond its borders. If below, the city's trade area likely overlaps or is subsumed by that of a nearby community.

Trade area capture is estimated by dividing the city's actual total sales by the expected, per person annual retail purchases (anywhere) of its residents. The chart at right illustrates the city's trade area capture in relation to its estimated population.



The Pull Factor Ratio

The city's pull factor ratio is calculated by dividing its trade area capture measure by its resident population.

A pull factor ratio equal to 1.0 suggests that the city's merchants are just satisfying the retail demands of local residents. This is equivalent to the "break even" sales level where the city is experiencing neither a surplus or leakage of sales.

A pull factor ratio greater than 1.0 suggests that the city's merchants are attracting shoppers from outside the city. For example, a city whose retail customer base is 25 percent larger than its population would have a pull factor of 1.25.

A pull factor ratio less than 1.0 indicates that the city's retail sector cannot satisfy all of the retail needs of its own residents.

Pull factor ratios may vary widely from one city to the next, even among cities in the same peer group. For this reason, the median pull factor value for the peer group as a whole provides the best comparison measure for the city.

The chart below shows the city's pull factor ratio in comparison with others in its peer group. The city's pull factor values are indicated with red dashes.

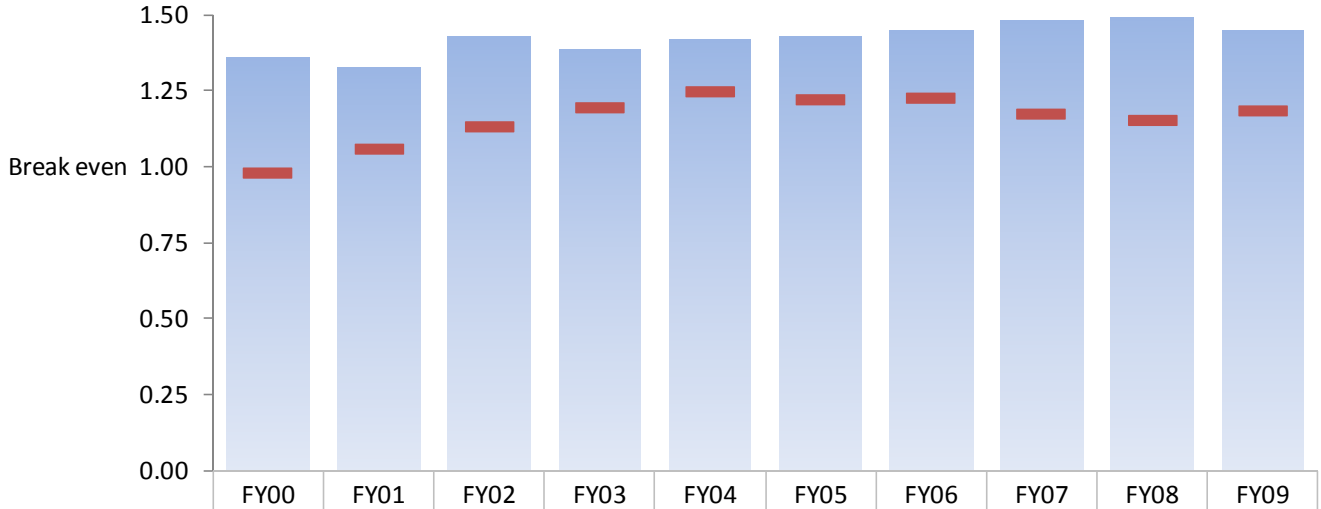
The height of the shaded blue bars indicates the median pull factors for the peer group in each year. If the city's pull factor exceeds the group median, it ranks among the top half of cities in its peer group. If its pull factor is below the group median, then it ranks among the bottom half of cities in its peer group.

Caution is urged in the interpretation of pull factors, especially for smaller communities.

For example, a high pull factor doesn't necessarily indicate retail self-sufficiency across all categories of retail sales. A city's pull factor could be inflated by the presence of one or more retail establishments that serve as a regional draw in a particular category, even if the city is experiencing substantial leakage of sales in other retail categories.

Similarly, a low pull factor does not necessarily suggest untapped sales potential in the local retail sector. Most small cities should expect to lose a at least a fraction of their residents' spending to larger trade centers.

Pull Factor Comparison With Peer Group



	FY00	FY01	FY02	FY03	FY04	FY05	FY06	FY07	FY08	FY09
Peer Median	1.36	1.33	1.43	1.38	1.41	1.43	1.45	1.48	1.49	1.45
Ankeny	0.98	1.06	1.13	1.20	1.25	1.22	1.22	1.18	1.15	1.18

Regional Competition

Communities within a region compete with each other for shares of overall regional economic activity. This section explores some of the competitive forces at work in the surrounding area. First, other trade centers within the county are identified. Next, important interactions with surrounding counties are examined using data on worker commuting flows. Finally, retail trade patterns in the broader region are illustrated by comparing average per capita sales levels and pull factor ratios.

Trade Centers Within the County

The table at right lists cities within the county that reported taxable sales during the most recent fiscal year. The detail shown may not sum to the county totals, in part because sales data are suppressed for cities with 10 or fewer permit-holders filing sales tax returns. Values for those smaller jurisdictions are included within the county totals.

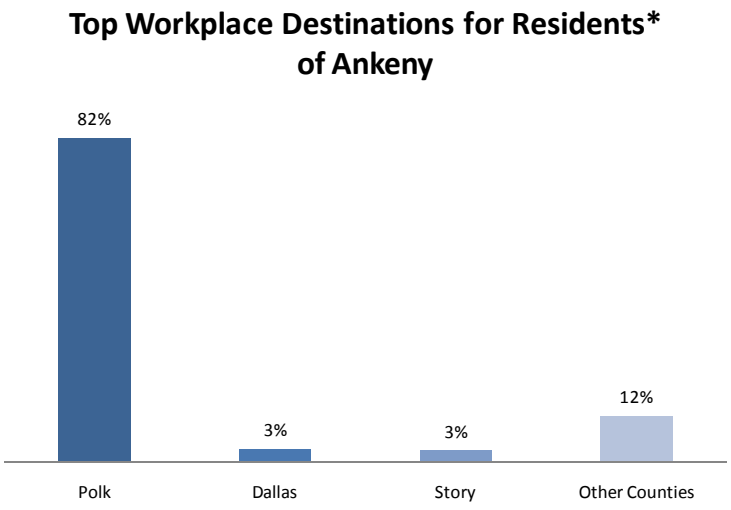
The city totals at right include sales activity as reported for the entire city, regardless of whether it crosses into a neighboring county. The county totals, however, exclude the portions of cities that fall within some other county's jurisdiction. Cities reporting discloseable sales in more than one county are indicated with an asterisk (*).

FY 2009 Reporting Jurisdictions	Population	Reporting Firms	Total Sales ($ millions)
Alleman	426	14	1.3
Altoona	14,066	335	345.7
Ankeny	41,752	1,051	601.4
Bondurant	2,839	108	13.5
Clive*	15,181	487	333.8
Des Moines	197,639	5,243	3,300.1
Elkhart	463	21	3.6
Grimes	8,418	225	114.3
Johnston	15,580	356	156.1
Mitchellville	2,096	43	3.3
Pleasant Hill	8,190	148	38.1
Polk City	3,198	93	10.4
Runnells	383	73	4.8
Urbandale*	38,451	972	579.8
West Des Moines*	55,503	1,654	1,596.9
Windsor Heights	4,574	86	31.4
Polk Total	**422,893**	**10,588**	**6,471.3**

Area Commuting Patterns

Worker commuting flows tell us a great deal about important, regional economic relationships that may influence the city's retail performance. For example, rates of worker out -commuting to other counties may reveal sources of potential sales leakage from the local retail sector. When residents commute to another county for work, the likelihood that they will shop locally, especially during traditional business hours, decreases.

The chart at right shows the top workplace destinations for the city's working residents. The chart identifies the three counties that attracted the highest percentage of local workers, excluding self-employed residents, in 2008.

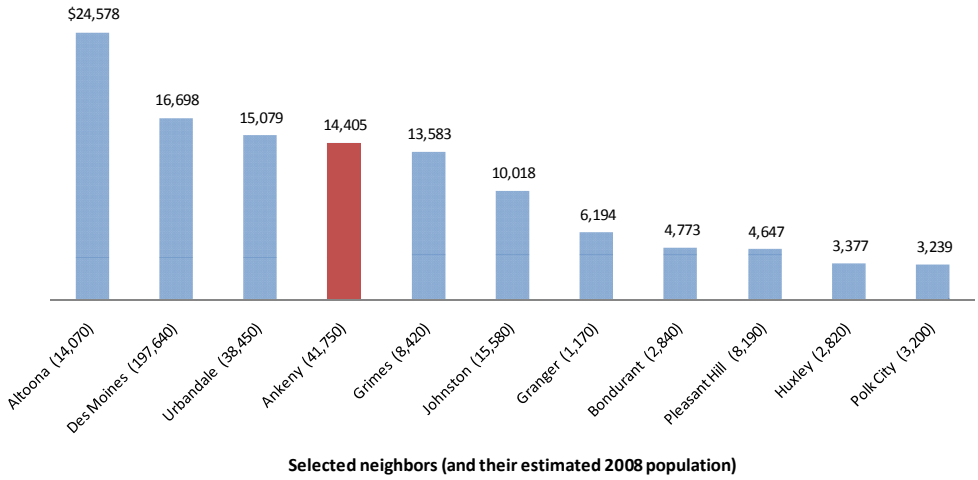


* Excludes self-employed residents

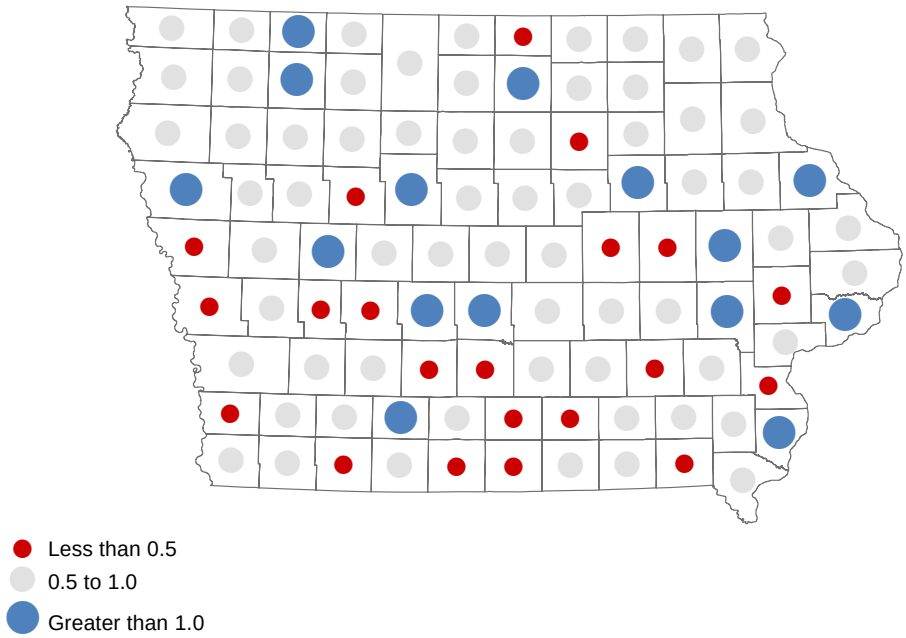
Regional Shopping Patterns

Regional shopping patterns may be inferred from the relative trade levels in surrounding cities and counties. The graphics below illustrate which cities and counties in the region are serving as regional magnets for retail trade activity. The bar graph shows Fiscal Year 2009 per capita sales values for the 10 nearest communities of 500 or more in population (as of the 2000 Census). Current population estimates for these communities are also listed. The map illustrates county retail pull factors for Fiscal Year 2009 (see Page 7 for a definition of pull factors). The counties with a pull factor exceeding 1.0, identified in the map with large blue dots, are likely exerting a strong retail influence on surrounding trade centers.

Per Capita Average Retail Sales in Neighboring Communities



County Pull Factors, Fiscal Year 2009



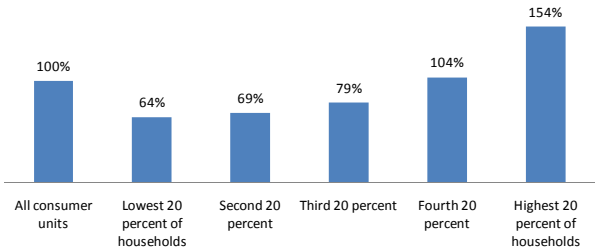
Consumer Characteristics

Spending Patterns by Income and Age

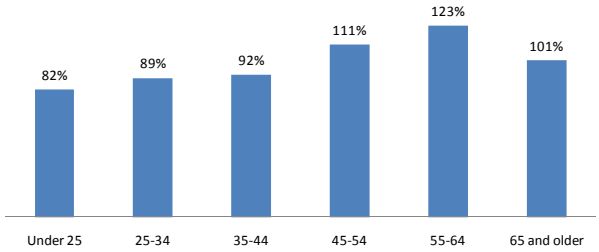
Consumer expenditure patterns vary depending on personal characteristics such as the age and income level of the consumer. The charts at right illustrate variation in U.S. per capita spending on a selected bundle of goods and services that would likely be subject to Iowa's sales tax (including food away from home, household supplies and furnishings, apparel, entertainment, and personal services). Average spending levels by income level and age group are expressed as percentages of the all-consumer average.

Spending by consumers in the top 20 percent of households by income level is more than twice the per capita average for households in the bottom 20 percent. Differences are also apparent by age group. Per capita spending is highest in households headed by persons 55-64 years of age, followed by those in the 45-54 age group. The under 25 age group has the lowest average spending levels.

U.S. Average Per Capita Spending on Selected Goods and Services by Quintiles of Income and Age of Reference Persons, 2008



Percentage of Average by Quintiles of Income



Percentage of Average by Age of Reference Person in Years

Local Income and Age Distributions

Recent county-level statistics may be used to profile the distribution of area households by income and area population by age. If the county deviates strongly from statewide averages on these measures, one might expect some differences in local residents' spending compared to the average spending of all Iowa residents.

The table at right shows the county's median household income level and estimated poverty rate compared to the state. A lower median income level, a higher poverty rate, or both suggest that the percentage of county residents in low income brackets exceeds the statewide average. In these cases, comparatively lower retail spending levels may be anticipated locally.

The bottom half of the table at right illustrates the percentage distribution of the county's population by age group in years. The table also highlights which of the county's age groups represent a higher or lower percentage of total population as compared to the state.

2008 Polk County Profile

Median Household Income ($)	Polk		State of Iowa
Estimate	56,980	▶	49,007
90% Confidence Interval	55,540 - 58,420		48,380 - 49,630

Poverty Rate (%)	Polk		State of Iowa
Estimate	9.9	◀	11.4
90% Confidence Interval	8.8 - 11.0		11.1 - 11.7

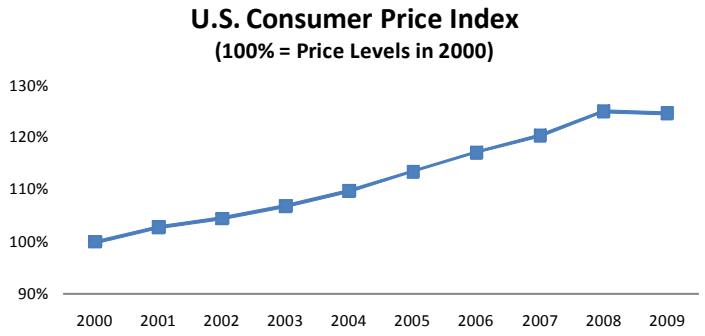
Population (% of total)	Polk		State of Iowa
Under 5 years	8.0%	▶	6.7%
Age 5 to 13	12.2%	▶	11.5%
Age 14 to 17	5.2%	◀	5.5%
Age 18 to 24	8.7%	◀	10.7%
Age 25 to 44	30.6%	▶	24.6%
Age 45 to 64	24.2%	◀	26.1%
Age 65 years and over	11.2%	◀	14.8%

Other Factors Influencing Retail Sales

Inflation

The rate of inflation measures changes over time in the purchasing power of the dollar. When price levels rise faster than earnings and other income, consumers may have to reduce or reallocate their spending.

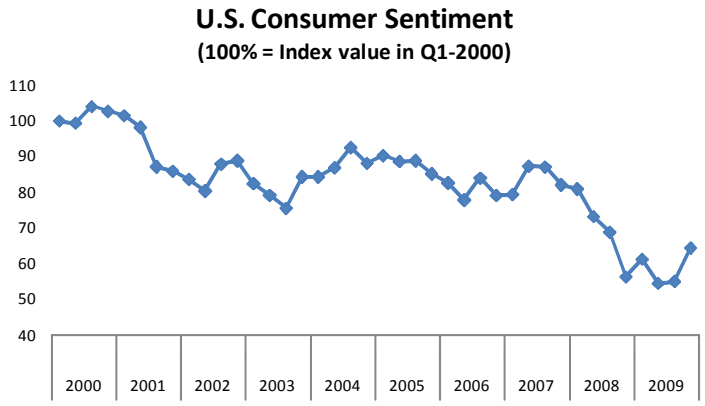
The pace of U.S. inflation during the last 10 years is illustrated at right. This chart shows annual changes in the U.S. Consumer Price Index for All Urban Consumers, using 2000 as the benchmark year.



Consumer Confidence

Consumer confidence refers to how favorably or unfavorably consumers view prospects for the economy and their own financial situation. Pessimism about the economy can have a dampening effect on the discretionary purchases of households, while optimism can boost the likelihood of purchases.

The chart at right illustrates a quarterly index of consumer confidence benchmarked to the 1st quarter of 2000. Source data were obtained from the Index of Consumer Sentiment, Reuters/University of Michigan Surveys of Consumers.



Internet and Catalog Sales

E-commerce represents a small but rapidly growing share of retail activity in the United States. While e-commerce presents a sales growth opportunity for many retailers, it also poses a potentially important new source of retail sales leakage for Iowa's communities.

The chart at right shows the growing share of total U.S. retail sales that are transacted through e-commerce. E-commerce, which includes internet and catalog sales, describes transactions in which an order is placed by the buyer or price and terms of sale are negotiated over an internet or other online system.

Historical Trade Statistics

Historical retail sales statistics for the city and state are presented in the table below. All dollar values, with the exception of nominal total sales, have been adjusted for inflation and restated in Fiscal Year 2009-equivalent dollars.

Historical Statistics for Ankeny:

		Total Sales ($ millions)		Average Real Sales ($)		Statewide Averages ($)	
Fiscal Year*	Reporting Firms	Nominal	Real	Per Firm	Per Capita	Per Firm	Per Capita
1976	218	28.5	95.2	437,008	8,009	350,402	9,986
1977	224	34.2	108.4	484,819	8,655	362,285	10,580
1978	266	39.8	118.3	445,151	8,968	356,987	10,807
1979	328	48.4	134.0	408,594	9,643	363,487	11,321
1980	340	53.9	136.1	400,391	9,296	358,335	11,344
1981	360	53.8	122.8	341,719	7,962	317,788	10,261
1982	358	53.9	114.1	318,969	7,264	302,898	9,765
1983	382	57.9	116.6	305,592	7,288	293,786	9,634
1984	393	67.2	129.9	330,994	7,976	287,461	9,554
1985	396	72.8	135.8	343,394	8,189	283,940	9,492
1986	419	69.1	125.0	298,521	7,402	278,127	9,455
1987	426	76.9	135.7	318,606	7,894	293,416	9,861
1988	423	85.7	145.7	344,775	8,320	294,286	9,943
1989	443	98.4	160.5	362,425	9,001	299,652	10,052
1990	454	101.4	158.6	349,645	8,736	302,618	10,137
1991	460	116.5	174.3	379,294	9,430	302,981	10,073
1992	480	127.7	185.0	385,794	9,553	301,725	10,119
1993	527	131.8	185.6	352,404	9,263	301,504	10,242
1994	557	152.7	210.8	378,719	10,229	308,296	10,486
1995	575	185.8	250.9	436,973	11,710	314,745	10,723
1996	598	193.1	255.4	427,258	11,283	315,157	10,957
1997	617	207.4	268.3	435,182	11,430	330,889	11,139
1998	640	222.1	282.9	442,231	11,710	331,708	11,307
1999	637	244.2	308.0	483,843	12,301	354,837	11,802
2000	643	277.3	343.0	533,697	13,135	362,200	11,894

* NOTE: This table shows annual sales totals for fiscal years ending on March 31st of each year shown. Beginning in 2009, the state of Iowa adopted a fiscal year ending June 30 for the annual reporting of retail sales data. The 10-year trend data presented elsewhere in this report were compiled according to the new (July 1– June 30) fiscal year, and are not directly comparable to data on the old (April 1—March 31) fiscal year basis.

Peer Group Assignments

Group	Name and 2000 Census Population					
1	Altoona	10,345	Clive	12,855	Iowa City	62,220
	Ames	50,731	Coralville	15,123	Marion	26,294
	Ankeny	27,117	Council Bluffs	58,268	Sioux City	85,013
	Bettendorf	31,275	Davenport	98,359	Urbandale	29,072
	Cedar Falls	36,145	Des Moines	198,682	Waterloo	68,747
	Cedar Rapids	120,758	Dubuque	57,686	West Des Moines	46,403
2	Boone	12,803	Indianola	12,998	Oskaloosa	10,938
	Burlington	26,839	Keokuk	11,427	Ottumwa	24,998
	Carroll	10,106	Marshalltown	26,009	Spencer	11,317
	Clinton	27,772	Mason City	29,172	Storm Lake	10,076
	Fort Dodge	25,136	Muscatine	22,697		
	Fort Madison	10,715	Newton	15,579		
3	Albia	3,706	Estherville	6,656	Osage	3,451
	Algona	5,741	Fairfield	9,509	Osceola	4,659
	Atlantic	7,257	Forest City	4,362	Pella	9,832
	Belmond	2,560	Garner	2,922	Red Oak	6,197
	Bloomfield	2,601	Grinnell	9,105	Rock Rapids	2,573
	Camanche	4,215	Hampton	4,218	Rock Valley	2,702
	Centerville	5,924	Harlan	5,282	Sheldon	4,914
	Chariton	4,573	Humboldt	4,452	Shenandoah	5,546
	Charles City	7,812	Independence	6,014	Sibley	2,796
	Cherokee	5,369	Iowa Falls	5,193	Sioux Center	6,002
	Clarinda	5,690	Jefferson	4,626	Spirit Lake	4,261
	Clarion	2,968	Knoxville	7,731	Tama	2,731
	Clear Lake	8,161	Le Mars	9,237	Tipton	3,155
	Cresco	3,905	Manchester	5,257	Toledo	2,539
	Creston	7,597	Maquoketa	6,112	Waukon	4,131
	Decorah	8,172	Marengo	2,535	Webster City	8,176
	Denison	7,339	Mount Pleasant	8,751	West Burlington	3,161
	De Witt	5,049	New Hampton	3,692	West Liberty	3,332
	Eagle Grove	3,712	Oelwein	6,692	West Union	2,549
	Eldora	3,035	Onawa	3,091	Williamsburg	2,622
	Emmetsburg	3,958	Orange City	5,582	Wilton	2,829
4	Adel	3,435	Grundy Center	2,596	Perry	7,633
	Anamosa	5,494	Hiawatha	6,480	Pleasant Hill	5,070
	Belle Plaine	2,878	Johnston	8,649	Sergeant Bluff	3,321
	Carlisle	3,497	Le Claire	2,847	Story City	3,228
	Carter Lake	3,248	Missouri Valley	2,992	Vinton	5,102
	Dyersville	4,035	Monticello	3,607	Washington	7,047
	Eldridge	4,159	Mount Vernon	3,390	Waukee	5,126
	Evansdale	4,526	Nevada	6,658	Waverly	8,968
	Glenwood	5,358	North Liberty	5,367	Windsor Heights	4,805
	Grimes	5,098	Norwalk	6,884	Winterset	4,768

Peer Group Assignments, cont.

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Name and 2000 Census Population

Ackley	1,809	Elma	598	McGregor	871	Preston	949
Agency	622	Fairbank	1,041	Manly	1,342	Quasqueton	574
Albion	592	Farmington	756	Maynard	500	Radcliffe	607
Alden	904	Fayette	1,300	Mechanicsville	1,173	Riceville	840
Allerton	559	Fredericksburg	984	Mediapolis	1,644	Richland	587
Allison	1,006	Fremont	704	Melbourne	794	Rockford	907
Aplington	1,054	Fruitland	703	Melcher-Dallas	1,298	Rockwell	989
Batavia	500	Garnavillo	754	Middletown	535	Russell	559
Baxter	1,052	Garwin	565	Milton	550	Sabula	670
Beacon	518	Gilman	600	Monona	1,550	St. Ansgar	1,031
Bellevue	2,350	Gladbrook	1,015	Monroe	1,808	Seymour	810
Brooklyn	1,367	Grand Mound	676	Montezuma	1,440	Sheffield	930
Calmar	1,058	Grandview	600	Montrose	957	Shell Rock	1,298
Clarence	1,008	Greene	1,099	Moravia	713	Sigourney	2,209
Clarksville	1,441	Guttenberg	1,987	Morning Sun	872	Stanwood	680
Clermont	716	Hazleton	950	Moulton	658	State Center	1,349
Colfax	2,223	Hedrick	837	Mystic	588	Strawberry Point	1,386
Columbus Junction	1,900	Hopkinton	681	Nashua	1,618	Sully	904
Corydon	1,591	Hubbard	885	New Albin	527	Traer	1,594
Danville	914	Humeston	543	New Hartford	659	University Park	536
Delmar	514	Jesup	2,212	New London	1,937	Ventura	670
Donnellson	963	Kellogg	606	New Sharon	1,301	Victor	952
Dumont	676	Keosauqua	1,066	Nora Springs	1,532	Wapello	2,124
Durant	1,677	Keota	1,025	North English	991	Wayland	945
Dysart	1,303	Lamont	503	Northwood	2,050	West Branch	2,188
Earlville	900	Lansing	1,012	Ossian	853	West Point	980
Eddyville	1,064	Latimer	535	Parkersburg	1,889	What Cheer	678
Edgewood	923	Le Grand	883	Pleasantville	1,539	Wheatland	772
Eldon	998	Lovilia	583	Postville	2,273	Winfield	1,131
Elgin	676	Lowden	794	Prairie City	1,365	Winthrop	772
Elkader	1,465						

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Adair	839	Ellsworth	531	Kingsley	1,245	Paullina	1,124
Afton	917	Essex	884	Klemme	593	Pocahontas	1,970
Akron	1,489	Everly	647	Lake City	1,787	Pomeroy	710
Albert City	709	Exira	810	Lake Mills	2,140	Primghar	891
Alta	1,865	Farragut	509	Lake Park	1,023	Remsen	1,762
Alton	1,095	Fonda	648	Lake View	1,278	Rockwell City	2,264
Anita	1,049	Fontanelle	692	Lamoni	2,444	Rolfe	675
Armstrong	979	George	1,051	Larchwood	788	Ruthven	711
Arnolds Park	1,162	Gilmore City	556	Laurens	1,476	Sac City	2,368
Audubon	2,382	Glidden	1,253	Lenox	1,401	Sanborn	1,353
Aurelia	1,062	Goldfield	680	Leon	1,983	Schaller	779
Badger	610	Gowrie	1,038	Madrid	2,264	Schleswig	833
Bancroft	808	Graettinger	900	Manilla	839	Scranton	604
Battle Creek	743	Grand Junction	964	Manning	1,490	Shelby	696
Bedford	1,620	Greenfield	2,129	Manson	1,893	Sidney	1,300
Boyden	672	Griswold	1,039	Mapleton	1,416	Sioux Rapids	720
Britt	2,052	Hamburg	1,240	Marcus	1,139	Stanton	714
Buffalo Center	963	Hartley	1,733	Merrill	754	Stratford	746
Burt	556	Hawarden	2,478	Milford	2,474	Sutherland	707
Charter Oak	530	Hinton	808	Mount Ayr	1,822	Swea City	642
Coon Rapids	1,305	Holstein	1,470	Murray	766	Tabor	993
Corning	1,783	Hospers	672	Newell	887	Thompson	596
Dakota City	911	Hull	1,960	Ocheyedan	536	Titonka	584
Dayton	884	Ida Grove	2,350	Odebolt	1,153	Villisca	1,344
Doon	533	Inwood	875	Ogden	2,023	Wall Lake	841
Dow City	503	Ireton	585	Okoboji	820	West Bend	834
Dows	675	Jewell Junction	1,239	Orleans	583	Whiting	707
Early	605	Kanawha	739	Otho	571	Whittemore	530
Elk Horn	649						

Peer Group Assignments, cont.

6	*Name and 2000 Census Population*				
	Ainsworth, 524	Crescent, 537	Janesville, 829	Pacific Junction, 507	Swisher, 813
	Alburnett, 559	Dallas Center, 1,595	Kalona, 2,293	Palo, 614	Tiffin, 975
	Anthon, 649	Denver, 1,627	Keystone, 687	Panora, 1,175	Treynor, 950
	Asbury, 2,450	De Soto, 1,009	La Porte City, 2,275	Peosta, 651	Tripoli, 1,310
	Atkins, 977	Dexter, 689	Lawton, 697	Polk City, 2,344	Underwood, 688
	Avoca, 1,610	Dike, 944	Lisbon, 1,898	Princeton, 946	University Heights, 987
	Bayard, 536	Dunkerton, 749	Logan, 1,545	Raymond, 537	Urbana, 1,019
	Bertram, 681	Dunlap, 1,139	Lone Tree, 1,151	Readlyn, 786	Van Horne, 716
	Blairstown, 682	Earlham, 1,298	Long Grove, 597	Redfield, 833	Van Meter, 866
	Blue Grass, 1,169	Elk Run Heights, 1,052	Malvern, 1,256	Reinbeck, 1,751	Walcott, 1,528
	Bondurant, 1,846	Ely, 1,149	Maxwell, 807	Riverdale, 656	Walford, 1,224
	Brighton, 687	Epworth, 1,428	Milo, 839	Riverside, 928	Walker, 750
	Buffalo, 1,321	Fairfax, 889	Minden, 564	Robins, 1,806	Walnut, 778
	Cambridge, 819	Farley, 1,334	Mitchellville, 1,715	Roland, 1,324	Wellman, 1,393
	Carson, 668	Gilbert, 987	Moville, 1,583	St. Charles, 619	Wellsburg, 716
	Cascade, 1,958	Gilbertville, 767	Neola, 845	Shellsburg, 938	Woodbine, 1,564
	Center Point, 2,007	Granger, 583	Newhall, 886	Slater, 1,306	Woodward, 1,200
	Central City, 1,157	Guthrie Center, 1,668	Norway, 601	Sloan, 1,032	Wyoming, 626
	Coggon, 745	Hartford, 759	Oakland, 1,487	Solon, 1,177	Zearing, 617
	Colo, 868	Hills, 679	Olin, 716	Springville, 1,091	
	Conrad, 1,055	Hudson, 2,117	Oxford, 705	Stuart, 1,712	
	Correctionville, 851	Huxley, 2,316	Oxford Junction, 573	Sumner, 2,106	

7	Alleman, 439	Crystal Lake, 285	Holy Cross, 339	McCausland, 299	Rhodes, 294
	Alta Vista, 286	Cumberland, 281	Hornick, 253	Macedonia, 325	Ridgeway, 293
	Andrew, 460	Danbury, 384	Ionia, 277	Malcom, 352	Ringsted, 436
	Arcadia, 443	Davis City, 275	Irwin, 372	Mallard, 298	Rippey, 319
	Arlington, 490	Dedham, 280	Kellerton, 372	Marathon, 302	Riverton, 304
	Ashton, 461	Deep River, 288	Kelley, 300	Marble Rock, 326	Rowley, 290
	Atalissa, 283	Defiance, 346	Kensett, 280	Marquette, 421	Royal, 479
	Auburn, 296	Delhi, 458	Keswick, 295	Martelle, 280	Rudd, 431
	Bagley, 354	Deloit, 288	Kimballton, 342	Martensdale, 467	Runnells, 352
	Bennett, 395	Delta, 410	Kiron, 273	Massena, 414	Ryan, 410
	Birmingham, 423	Diagonal, 312	Lacona, 360	Maurice, 254	Salem, 464
	Blakesburg, 374	Dixon, 276	Ladora, 287	Menlo, 365	Salix, 370
	Bode, 327	Donahue, 293	Lakeside, 484	Meservey, 252	Sheldahl, 336
	Bonaparte, 458	Duncombe, 474	Lakota, 255	Miles, 462	Shueyville, 250
	Brandon, 311	Earling, 471	La Motte, 272	Minburn, 391	Silver City, 259
	Breda, 477	Elkhart, 362	Laurel, 266	Mingo, 269	Spillville, 386
	Bronson, 269	Elliott, 402	Lawler, 461	Modale, 303	Stacyville, 469
	Bussey, 450	Emerson, 480	Lehigh, 497	Mondamin, 423	Stanhope, 488
	Calamus, 394	Farmersburg, 300	Leland, 258	Montour, 285	Steamboat Rock, 336
	Callender, 424	Farnhamville, 430	Lester, 251	New Market, 456	Stockport, 284
	Cantril, 257	Fenton, 317	Letts, 392	New Vienna, 400	Templeton, 334
	Casey, 478	Fertile, 360	Lewis, 438	New Virginia, 469	Terril, 404
	Charlotte, 421	Floyd, 361	Libertyville, 325	Nichols, 374	Thornton, 422
	Chelsea, 287	Fort Atkinson, 389	Lime Springs, 496	Oakville, 439	Truro, 427
	Churdan, 418	Fredonia, 251	Lineville, 273	Orient, 402	Union, 427
	Cincinnati, 428	Galva, 368	Liscomb, 272	Paton, 265	Ute, 378
	Clearfield, 371	Garden Grove, 250	Little Rock, 489	Persia, 363	Vail, 452
	Cleghorn, 250	Garrison, 413	Livermore, 431	Peterson, 372	Wahpeton, 462
	Coin, 252	Grafton, 290	Lockridge, 275	Pierson, 371	Washta, 282
	Colesburg, 412	Granville, 325	Lohrville, 431	Pisgah, 316	Waucoma, 299
	Collins, 499	Greeley, 276	Lorimor, 427	Plainfield, 438	Wesley, 467
	Columbus City, 376	Harcourt, 340	Lost Nation, 497	Plymouth, 429	West Okoboji, 432
	Conesville, 424	Harpers Ferry, 330	Lu Verne, 299	Prescott, 266	Westside, 327
	Corwith, 350	Harvey, 277	Lynnville, 366	Protivin, 317	Williams, 427
	Coulter, 262	Hawkeye, 489	Lytton, 305	Quimby, 368	Worthington, 381
	Crawfordsville, 295	Holland, 250	McCallsburg, 318	Renwick, 306	Yale, 287

Data Notes and Definitions

Iowa's Retail Sales Tax Reporting

The state of Iowa imposes a tax on the gross receipts from sales of taxable tangible personal property and taxable services. In general, merchandise goods are taxable unless specifically exempted and services are taxable if specifically enumerated by the state.

Retailers file sales tax returns to the Iowa Department of Revenue on a semi-monthly, monthly, quarterly, or annual basis depending on their amount of sales.

The Department of Revenue compiles the data from sales tax returns and publishes quarterly and annual retail sales tax reports that provide the primary source of data for this report.

Iowa's sales tax reporting process may lead to occasional anomalies in retail sales data reported at the local level. The state compiles these data primarily for fiscal management purposes, and only secondarily for analytical purposes.

Certain accounting and other administrative constraints may result in the under-reporting or no reporting of sales activity for individual communities.

Impact of Late Filers. Retail sales totals for cities and counties exclude sales data for area merchants who did not meet their filing deadline. Data for the late filers are reported as an aggregated total in the state compilations and are not attributed back to specific communities. The exclusion of late returns may cause fluctuations in year-to-year sales amounts reported for individual localities, and is especially noticeable in small cities.

Confidentiality. In order to protect the confidentiality of individual filers, the Iowa Department of Revenue only reports data from localities with a minimum of 10 tax returns filed for a quarter or 40 returns per year. Sales data for localities not meeting this threshold level are reported for the county in which they are located.

Recent changes in the administration of Iowa's sales tax include the following:

- July 1, 2004. Iowa implemented several changes in its sales tax laws to meet Streamlined Sales Tax Project (SSTP) requirements. SSTP improves uniformity in sales tax laws across states, thereby encouraging businesses to collect and remit sales tax in every state in which they make taxable sales.
- January 1, 2006. The tax on certain types of energy was reduced to 0% after a 4-year phased decline.
- July 1, 2008. Iowa's sales tax rate increased from 5% to 6%.
- July 1, 2008. The Iowa Department of Revenue adopted a new fiscal year reporting period to align with the state fiscal year that runs from July 1 through June 30 of each year.

Notable Exemptions and Exclusions from Iowa's Retail Sales Tax

Many retail transactions, because they are exempt or otherwise excluded from the state's sales tax, are not included in the taxable sales values reported in this report. Following are some notable exemptions from Iowa's sales tax. More detailed documentation is available from the Iowa Department of Revenue.

Exempt or Excluded Goods. Goods that are exempt from the sales tax include certain foods used for home consumption, prescription drugs, and medical devices. Sales of gasoline, subject to a separate fuel tax, are excluded from taxable retail sales. Taxable retail sales also exclude the sale or lease of new or used vehicles that are subject to registration. Vehicle purchases are taxed separately under the state's one-time registration fee.

Exempt Services. Unlike tangible goods, services are exempt from tax unless specifically enumerated. Professional services such as medical and legal are not subject to the sales tax.

Utilities. The state has phased out taxes on sales of metered gas, electricity, and fuel used as energy in residential dwellings, apartment units and condominiums. Specific exemptions may also apply to certain businesses and industries.

Sales to Agriculture, Manufacturing, and Other Industries. The state exempts sales of many goods and services that are used as inputs to agriculture and other industrial processes.

Sales tax exemptions for agriculture apply to the purchase of feed, seed, fertilizer, farm machinery and equipment, fuels and utilities, and some services.

Exemptions to manufacturing include purchases of tangible inputs that become an integral part of manufactured goods ultimately sold at retail; fuels, chemicals, and other inputs that are consumed during production processes; industrial machinery, equipment, and some computer equipment; and many services.

The state has created additional exemptions targeted toward specific industries such as wind energy and information technology. See the Department of Revenue Web site for more detailed information about exempt sales to industry and business.

Sales to Tax-Exempt Organizations. Local and state government entities are exempt. Sales to private nonprofit educational institutions for educational purposes are also exempt. Sales from fund-raising activities are exempt from sales tax if the proceeds are used for educational, religious, or charitable purposes.

Cautions for Interpreting Reported Sales Data

Non-Taxable Goods & Services. The sales information presented in this report provides only a partial picture of retail and service sector activity in Iowa's communities, due in part to the data reporting practices and sales tax exemptions listed on the previous page.

Large Public Institutions. The presence of large public institutions such as correctional facilities or universities may distort local sales measures, as their institutional purchases are excluded from taxable sales but their residents are included in local population estimates.

Sales or Service Territories. Some cities' reported sales values may appear inflated if they are home to the business office or headquarters of a firm with a broad, geographically-defined service territory such as a rural telecommunications or cable television provider.

Definitions of Retail Measures

Retail Sales. This term refers to the reported sales of goods and services that are subject to Iowa's retail sales tax.

Reporting Firms. This value reflects the average number of tax returns filed per quarter during the year, and it serves as a proxy for the number of local retail firms.

Real Sales. "Real" dollar values have been standardized to reflect the purchasing power of a dollar in the current fiscal year, thus removing the effects of price inflation.

Nominal Sales. Nominal sales are the dollar amounts reported in the year the transactions actually took place. These values have not been adjusted for inflation.

Sales Per Firm. Per firm sales are calculated by dividing the annual dollar value of sales by the average number of reporting firms in that year.

Sales Per Capita. Per capita (or "per person") sales are calculated by dividing the dollar value of sales by the estimated population for the subject place.

Expected Per Capita Spending. An expected value for residents' average spending on taxable retail goods and services is used in the calculation of trade surplus and leakage, trade area capture, and pull factor values. This expected spending estimate is based on a combination of factors, including: statewide average per capita sales; county-level nonfarm personal income; population; and a demand elasticity function derived from consumer expenditure survey data for Midwestern consumers. For more information, please contact the author.

Other Data Sources and Notes

City-to-County Assignments: The incorporated territory of many Iowa cities crosses the boundaries of two or more counties. For this report, all cities are assigned to the county that contained the greatest percentage of its population in the 2000 Census.

Commuting Flows: Local Employment Dynamics Program, U.S. Census Bureau. These commuting flows describe the place of work and place of residence of wage and salary workers in 2008. Self-employed individuals such as sole proprietors and partners are excluded from these data.

Consumer Spending Patterns: Consumer Expenditure Survey, U.S. Bureau of Labor Statistics.

Consumer Sentiment: Index of Consumer Sentiment, University of Michigan Surveys of Consumers, via the Federal Reserve Bank of St. Louis.

E-commerce Sales: Monthly and Annual Retail Trade Survey, Quarterly E-Commerce Report, U.S. Census Bureau.

Employment: U.S. Bureau of Economic Analysis. Employment includes full-time and part-time jobs, with all jobs counted equally.

Household Income and Poverty: Small Area Income and Poverty Estimates, U.S. Census Bureau.

Inflation Rate: Consumer Price Index, U.S. Bureau of Labor Statistics.

Nonfarm Personal Income: U.S. Bureau of Economic Analysis. This report excludes farm earnings and income from measures of local personal income due to the annual volatility of farm income and the fact that many farm-related purchases are exempt from Iowa sales tax.

Population: Population Estimates Program, U.S. Census Bureau. With each annual data release, the U.S. Census Bureau occasionally revises its estimates from prior years. This report incorporates the most recently available estimates and revisions. Population-based statistics published in this report may not reconcile with those appearing in earlier retail trade analysis reports. In most cases, the discrepancies are minor.

Price Deflators: Except where otherwise noted in this report, the dollar values for all retail sales and personal income data have been adjusted for inflation using the Implicit Price Deflator for Personal Consumption Expenditures published by the U.S. Bureau of Economic Analysis.

Unemployment: Local Area Unemployment Statistics, U.S. Bureau of Labor Statistics.

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Changes from Previous ISU Retail Trade Analysis Reports

Frequent users of the Iowa State University Retail Trade Analysis reports may notice changes in the availability of taxable sales data in the Fiscal Year 2009 reports compared to reports issued in previous years. These changes are summarized below.

Historical Data. The Iowa Department of Revenue has adopted a fiscal year ending June 30 for its annual reporting of retail sales data. Prior to 2009, retail data were reported for fiscal years that ended on March 31 of each year. Annual sales totals that were tabulated on the old fiscal year basis are not directly comparable with new fiscal year tabulations.

In this report, quarterly data from 1999 and after were compiled and restated on the new July 1 fiscal year basis to allow for 10-year trend analysis. In any given fiscal year, the restated data are presented only for jurisdictions that had 10 or more sales tax returns filed in every quarter of that year. This minimum threshold resulted in a slightly higher level of sales data suppression than readers may have encountered in previous years' reports, especially for smaller cities. For cities that cross county boundaries, the re-compiled quarterly sales tabulations may exclude data for parts of the city where the reporting threshold was not met.

Sales by Merchandise Category. With its Fiscal Year 2009 Annual Retail Sales and Use Tax Report, the Iowa Department of Revenue ceased publication of detailed sales data by merchandise category for cities of 2,500 population and above. As a consequence, Iowa State University will no longer include merchandise category sales in its annual retail trade analysis reports for cities. Subject to disclosure limitations, detailed categorical sales data for some cities may be available by request directly from the Department of Revenue.

The Iowa Department of Revenue continues to publish sales data by merchandise category for counties, and these data are available in Iowa State University's county-level retail trade analysis reports.

Note: This report replaces an earlier version released in August, 2010. This version incorporates September, 2010 revisions to the U.S. Census Bureau's population estimates for cities. In some cities, population data revisions resulted in slight changes in per capita sales and other population-based measures.

Acknowledgements

For more than 25 years Iowa State University has provided retail trade analysis and outreach services to Iowa's communities.

This report's methodology has evolved from the earlier work of Kenneth E. Stone, now Professor Emeritus, later developed by a number of ISU employees, including Scott Baumler, Georgeanne Artz, and Meghan O'Brien.

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