



Retail Trade Summary for Salem, Illinois

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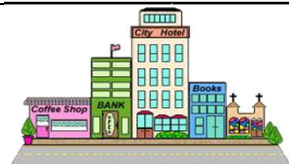


Table 1. Retail Sales, 2001-2013

Salem, Illinois

| Calendar Year | Total Retail | Retail Sales Growth | Number of Sales Tax Paying Firms | Sales per Firm | Per Capita Sales | Pull Factor |
|---------------|---------------|---------------------|----------------------------------|----------------|------------------|-------------|
| 2001 | \$143,740,650 | -- | 397 | \$362,067 | \$18,409 | 1.84 |
| 2002 | \$141,070,065 | -1.9% | 388 | \$363,583 | \$18,264 | 1.79 |
| 2003 | \$156,838,556 | 11.2% | 427 | \$367,303 | \$20,438 | 1.92 |
| 2004 | \$166,743,739 | 6.3% | 416 | \$400,826 | \$22,079 | 1.97 |
| 2005 | \$174,784,416 | 4.8% | 437 | \$399,964 | \$23,426 | 1.98 |
| 2006 | \$192,350,195 | 10.0% | 434 | \$443,203 | \$25,802 | 2.09 |
| 2007 | \$198,272,323 | 3.1% | 434 | \$456,849 | \$26,678 | 2.12 |
| 2008 | \$204,941,997 | 3.4% | 357 | \$574,067 | \$27,676 | 2.16 |
| 2009 | \$185,409,022 | -9.5% | 341 | \$543,721 | \$25,357 | 2.15 |
| 2010 | \$196,301,508 | 5.9% | 341 | \$575,664 | \$26,226 | 2.17 |
| 2011 | \$204,184,563 | 4.0% | 355 | \$575,168 | \$27,363 | 2.17 |
| 2012 | \$210,483,805 | 3.1% | 352 | \$597,965 | \$28,517 | 2.23 |
| 2013 | \$213,613,404 | 1.5% | 372 | \$574,230 | \$29,063 | 2.25 |

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 2001 and 2013, total retail sales in Salem increased 48.6 percent. During the same time period, the Illinois' total retail sales increased by 26 percent and downstate Illinois increased by 33.8 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 Salem, businesses decreased 6.3 percent compared to the 10.2 percent decline for the state of Illinois, between 2001 and 2013. Per capita sales (sales divided by local population according to Census Bureau's estimates) in Salem were \$29,063 compared with \$12,817 for Illinois in 2013.

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, Salem had per capita retail sales of \$29,063 in 2013. Downstate's per capita retail sales was \$12,915 in 2013. This resulted in a positive pull factor of 2.25, indicating that Salem 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, 2001 and 2013**

Salem, Illinois

| Category | 2001 | | | 2013 | | |
|---------------------------------|--------------|------------------------|-------------|--------------|------------------------|-------------|
| | Actual Sales | Percent of Total Sales | Pull Factor | Actual Sales | Percent of Total Sales | Pull Factor |
| General Merchandise | -- | -- | -- | -- | -- | -- |
| Food | \$22,624,090 | 15.7% | 2.10 | \$21,391,056 | 10.0% | 1.84 |
| Drinking and Eating Places | \$14,529,869 | 10.1% | 2.07 | \$20,375,798 | 9.5% | 2.29 |
| Apparel | -- | -- | -- | \$1,441,051 | 0.7% | 0.86 |
| Furniture, Household, and Radio | \$2,379,509 | 1.7% | 0.73 | -- | -- | -- |
| Lumber, Building, and Hardware | \$3,510,592 | 2.4% | 0.74 | \$2,040,063 | 1.0% | 0.37 |
| Automotive and Filling Stations | \$50,933,125 | 35.4% | 2.61 | \$67,415,664 | 31.6% | 2.93 |
| Drugs and Miscellaneous Retail | \$11,634,012 | 8.1% | 1.43 | \$18,843,580 | 8.8% | 1.49 |
| Manufacturers | \$2,342,751 | 1.6% | 1.24 | \$3,582,076 | 1.7% | 1.77 |
| Agriculture and All Other | \$12,900,189 | 9.0% | 1.37 | \$24,263,135 | 11.4% | 1.88 |

*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: Salem, Illinois

Table 3. Inflation Adjusted Retail Sales by Category, 2013=100

| Category | Salem, Illinois | | | | |
|---------------------------------|-----------------|---------------|--------------------------|-----------------------------|--|
| | Real Dollars | | Real Change 2000-2013 | Real Retail Sales Growth | Downstate Real Retail Sales Growth |
| | 2001 | 2013 | | | |
| Total Retail Sales | \$194,456,391 | \$213,613,404 | \$19,157,013 | 9.9% | -1.1% |
| General Merchandise | -- | -- | -- | -- | -8.2% |
| Food | \$30,606,505 | \$21,391,056 | -\$9,215,449 | -30.1% | -12.1% |
| Drinking and Eating Places | \$19,656,415 | \$20,375,798 | \$719,383 | 3.7% | 3.6% |
| Apparel | -- | \$1,441,051 | -- | -- | 1.5% |
| Furniture, Household, and Radio | \$3,219,067 | -- | -- | -- | -34.1% |
| Lumber, Building, and Hardware | \$4,749,228 | \$2,040,063 | -\$2,709,165 | -57.0% | -5.5% |
| Automotive and Filling Stations | \$68,903,763 | \$67,415,664 | -\$1,488,099 | -2.2% | -3.8% |
| Drugs and Miscellaneous Retail | \$15,738,818 | \$18,843,580 | \$3,104,762 | 19.7% | 26.5% |
| Manufacturers | \$3,169,339 | \$3,582,076 | \$412,737 | 13.0% | -12.9% |
| Agriculture and All Other | \$17,451,738 | \$24,263,135 | \$6,811,397 | 39.0% | 11.9% |
| Consumer Price Index (CPI) | 73.9 | 100.0 | 35.3% | -- | -- |

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 \$73.90 in 2001 to purchase the same goods and services that cost \$100 in 2013. When the effects of inflation are taken into consideration, total retail sales for Salem increased by 9.9 percent over the time period examined. The comparable downstate Illinois change was a 1.1 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, 2001-2013

| Calendar Year | Potential Sales | Actual Sales | Salem, Illinois | |
|---------------|-----------------|---------------|-----------------------|--|
| | | | Surplus or Leakage | Surplus or Leakage as % of Potential |
| 2001 | \$68,262,259 | \$143,740,650 | \$75,478,391 | 110.6% |
| 2002 | \$68,744,579 | \$141,070,065 | \$72,325,486 | 105.2% |
| 2003 | \$71,506,540 | \$156,838,556 | \$85,332,016 | 119.3% |
| 2004 | \$73,889,205 | \$166,743,739 | \$92,854,534 | 125.7% |
| 2005 | \$77,034,343 | \$174,784,416 | \$97,750,073 | 126.9% |
| 2006 | \$80,541,337 | \$192,350,195 | \$111,808,858 | 138.8% |
| 2007 | \$81,767,366 | \$198,272,323 | \$116,504,957 | 142.5% |
| 2008 | \$82,765,438 | \$204,941,997 | \$122,176,559 | 147.6% |
| 2009 | \$67,361,092 | \$185,409,022 | \$118,047,930 | 175.2% |
| 2010 | \$70,632,299 | \$196,301,508 | \$125,669,209 | 177.9% |
| 2011 | \$77,172,753 | \$204,184,563 | \$127,011,810 | 164.6% |
| 2012 | \$77,361,149 | \$210,483,805 | \$133,122,656 | 172.1% |
| 2013 | \$82,331,630 | \$213,613,404 | \$131,281,774 | 159.5% |

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 Salem is 0.867, which indicates that the local per capita income* is below the downstate average by 13.3 percent. In 2013, potential sales were \$82,331,630 and actual sales were \$213,613,404, resulting in a surplus of \$131,281,774. 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, the 1999 personal income data was used from the 2000 Census.

Retail Trade Summary: Salem, Illinois

County Retail Trade Summary: Marion 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, 2001-2013

| | | | | | | Marion County | |
|---------------|--------------------|---------------------|----------------------------------|-------------|----------------------------|-------------------------------|--|
| Calendar Year | Total Retail Sales | Retail Sales Growth | Number of Sales Tax Paying Firms | Pull Factor | Potential Sales (millions) | Surplus or Leakage (millions) | |
| 2001 | \$277,941,386 | -- | 1,448 | 0.66 | \$368 | -\$89.7 | |
| 2002 | \$274,901,713 | -1.1% | 1,473 | 0.66 | \$370 | -\$95.1 | |
| 2003 | \$274,356,804 | -0.2% | 1,544 | 0.67 | \$383 | -\$95.6 | |
| 2004 | \$289,125,913 | 5.4% | 1,509 | 0.69 | \$398 | -\$94.1 | |
| 2005 | \$308,186,346 | 6.6% | 1,570 | 0.68 | \$417 | -\$90.0 | |
| 2006 | \$318,564,922 | 3.4% | 1,576 | 0.71 | \$436 | -\$98.0 | |
| 2007 | \$347,312,738 | 9.0% | 1,536 | 0.70 | \$443 | -\$89.1 | |
| 2008 | \$351,265,538 | 1.1% | 1,298 | 0.73 | \$448 | -\$91.5 | |
| 2009 | \$367,836,712 | 4.7% | 1,228 | 0.71 | \$392 | -\$80.1 | |
| 2010 | \$328,676,993 | -10.6% | 1,224 | 0.74 | \$401 | -\$63.2 | |
| 2011 | \$352,165,169 | 7.1% | 1,243 | 0.74 | \$425 | -\$49.0 | |
| 2012 | \$367,533,466 | 4.4% | 1,285 | 0.74 | \$426 | -\$57.5 | |
| 2013 | \$366,292,303 | -0.3% | 1,310 | 0.74 | \$441 | -\$59.6 | |

Between 2001 and 2013, total retail sales in Marion County increased 31.8 percent, Salem increased 48.6 percent. As noted earlier, the Illinois' total retail sales increased by 26 percent and downstate Illinois increased by 36.8 percent. The number of firms in Marion County decreased by 9.5 percent compared to 6.3 percent decrease in Salem. The Marion County pull factor was 0.74, which indicates sales lost to competing counties.

Table 6. County Retail Sales by Category, 2001-2013*

| Category | 2000 | | | 2012 | | |
|---------------------------------|--------------|------------------------|-------------|---------------|------------------------|-------------|
| | Actual Sales | Percent of Total Sales | Pull Factor | Actual Sales | Percent of Total Sales | Pull Factor |
| General Merchandise | \$23,877,643 | 8.6% | 0.38 | \$54,320,686 | 14.8% | 0.77 |
| Food | \$45,291,069 | 16.3% | 0.79 | \$47,010,035 | 12.8% | 0.77 |
| Drinking and Eating Places | \$29,899,946 | 10.8% | 0.81 | \$36,672,272 | 10.0% | 0.78 |
| Apparel | \$2,672,577 | 1.0% | 0.38 | \$2,430,498 | 0.7% | 0.28 |
| Furniture, Household, and Radio | \$5,986,000 | 2.2% | 0.35 | \$2,729,897 | 0.7% | 0.20 |
| Lumber, Building, and Hardware | \$13,936,593 | 5.0% | 0.55 | \$11,142,613 | 3.0% | 0.38 |
| Automotive and Filling Stations | \$82,453,714 | 29.7% | 0.80 | \$110,782,157 | 30.1% | 0.92 |
| Drugs and Miscellaneous Retail | \$29,462,007 | 10.6% | 0.68 | \$53,299,301 | 14.5% | 0.80 |
| Manufacturers | \$8,246,160 | 3.0% | 0.82 | \$6,160,256 | 1.7% | 0.58 |
| Agriculture and All Other | \$33,076,004 | 11.9% | 0.66 | \$46,014,726 | 12.5% | 0.68 |

Figure 1. Per Capita Sales, 2001-2013

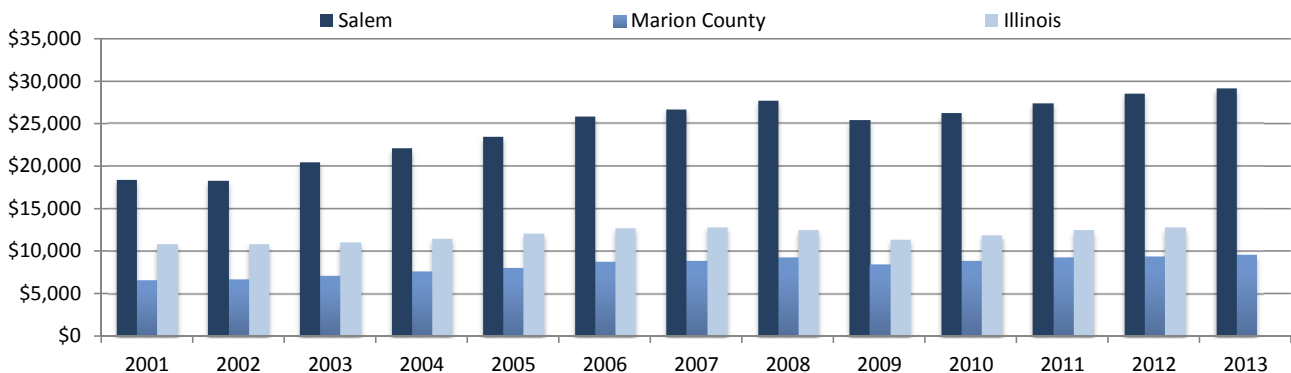


Figure 2. 2013 County Retail Trade Pull Factors Map

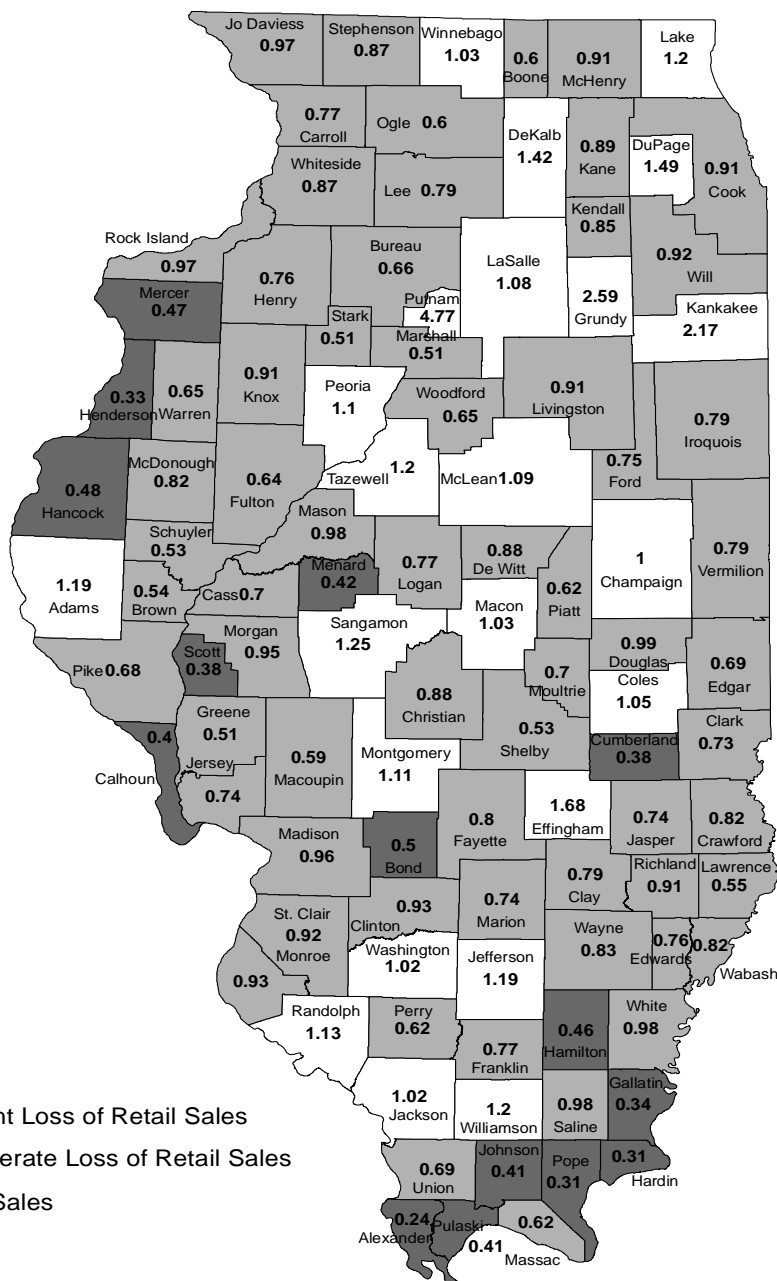
There are 23 counties that showed a gain in customers/sales in Illinois.

At the opposite side of the spectrum, 15 counties showed significant loss of customers/sales, with a pull factor less than 0.5. These counties are usually adjacent to dominant trade centers. The smallest pull factor was 0.24 in Alexander County, followed by 0.31 in Pope and Hardin Counties.


There were 64 counties that had pull factors between 0.5 and 1. There were eight counties with pull factors between 0.95 and 1 (Morgan, Madison, Rock Island, Jo Daviess, Mason, Saline, White and Douglas).

Legend


- Counties with a Significant Loss of Retail Sales
- Counties with a Low/Moderate Loss of Retail Sales
- Counties Gaining Retail Sales



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Illinois Institute for Rural Affairs
518 Stipes, Western Illinois University
One University Circle
Macomb, IL 61455
Phone: (800) 526-9943 Fax: (309) 298-2142
E-mail: LA-Sutton@wiu.edu URL: www.iira.org



WESTERN ILLINOIS UNIVERSITY