



GOLDEN URBAN RENEWAL AUTHORITY

Memorandum

To: GURA Board of Commissioners
From: Mark Heller
Date: May 2, 2007
RE: GIS and psychographics demonstration project

As part of her studies, GURA intern Kristin VanValkenburg will present a powerpoint demonstrating how GIS can be used to spatially display traditional demographics as well as a newer concept called psychographics. This technique could be used either by GURA to better understand the feasibility of projects requesting assistance or by prospective businesses seeking to understand whether Golden would be a good market.

OVERVIEW AND BACKGROUND

This project attempts to analyze the retail trade area surrounding Downtown Golden. The project uses demographic and spatial data. The demographic data includes both Census data and data from Demographics Now, which were provided by the Jefferson County Business Resource Center. Demographics Now is a company that provides detailed consumer expenditure data. It is possible to use these data to predict the average amount a household will spend per year on food and beverages, for example. The database that Demographics Now utilizes is based on a wide variety of sources that include Census data, Bureau of Labor Statistics data, Internal Revenue Service statistics, and United State Postal Service delivery statistics. A detailed description of these sources is available on the Demographics Now web site at <http://www.demographicsnow.com>.

METHODOLOGY

Initial Processing

There were three initial processing steps to this project:

- 1.) A demographic analysis of the Census tracts in Jefferson County;
- 2.) A consumer expenditure analysis;
- 3.) Finally, a distance analysis of neighborhoods within a 1-mile, 3-mile, 5-mile, and 10-mile drive from Downtown Golden. This step was done to estimate a trade area based on travel time to Downtown. The distance analysis measured distance using the road network rather

than simple radius distances. Convenience-based stores are most affected by travel distance, as consumers are not as willing to travel longer distance for these types of goods.

Secondary Processing

Once the initial processing steps were completed, the analysis moved to finding areas with favorable demographics that are also within the trade area. Census tracts that met certain criteria and are within a 10-mile drive are highlighted. In theory, these areas of where there is overlap between favorable demographics and distance constitute the target market for Downtown Golden.

This step also utilized the concept of Psychographics, which is a marketing technique that uses variables related to lifestyle, values, attitudes and interests. Retailers could tailor this analysis to their needs, depending on their products, services, and the distance a typical customer would be likely to travel.

RESULTS:

The results of the analysis are included in the attached PowerPoint presentation. Additionally, the data table on the following page summarizes a few examples of consumer expenditures in the Golden area as compared to other geographies.

Date: 04/05/07

CEX - All Summary Report

	80401 Golden	Jefferson County	Colorado	Entire US
2006 Household Demographics				
Total Households	15,503	205,455	1,940,591	111,826,380
Average Household Income	\$98,376	\$80,287	\$69,315	\$63,629
Median Household Income	\$65,999	\$66,422	\$54,531	\$48,271
2006 Consumer Expenditures (Average Household Annual) Totals				
Total Household Expenditure	\$69,030.01	\$60,031.11	\$54,032.64	\$50,897.59
Non-Retail Expenditure	\$38,832.78	\$33,770.27	\$30,304.50	\$28,504.12
Retail Expenditure	\$30,197.23	\$26,260.84	\$23,728.14	\$22,393.47
2011 Household Demographics				
Total Households	15,510	205,481	2,166,473	117,033,680
Average Household Income	\$104,831	\$86,466	\$74,954	\$68,881
Median Household Income	\$72,093	\$72,638	\$59,651	\$52,633
2011 Consumer Expenditures (Average Household Annual) Totals				
Total Household Expenditure	\$72,235.59	\$63,312.79	\$57,041.28	\$53,771.92
Non-Retail Expenditure	\$40,652.93	\$35,636.01	\$32,021.70	\$30,152.87
Retail Expenditure	\$31,582.66	\$27,676.78	\$25,019.58	\$23,619.05