Greetings,

Did you ever notice that all of the days around Thanksgiving now have their own retail names? Black Friday. Small Business Saturday. Cyber Monday. It's a great way to grab that segment of the population that is ready to go to extremes for a good deal. As the retail, grocery and restaurant infrastructure continues to grow in Harford County, there will be more and more businesses taking advantage of these sale days.

This month, EDAB e-News takes a look at the local retail industry and the customers that drive it. If recent news reports and confidence indexes are any indication, area retailers, grocers and restauranteurs will have a good month. As you'll read in our main article, Harford County residents have the buying power to sustain a healthy retail economy. Don't miss Fast Facts on consumer spending potential. Business Spotlight highlights one grocery chain that's rooted in Harford County history but has reaped the benefits of the County's growth.

For more information on EDAB and its role in advocating for positive economic growth in the County, or to become involved in EDAB, visit www.harfordbusiness.org.

Best regards,

Eric McLauchlin
Chairman
EDAB

Harford County residents will enjoy frequenting a variety of retailers, grocers and restaurants this holiday, as the shopping season moves into full swing. Both established and new businesses are optimistic for the fourth quarter, and consumers are showing more confidence.
According to the Conference Board's *Consumer Confidence Index*, consumer confidence rose to its highest level in four years to 72.2 in October 2012, up from 68.4 in September. In addition, the Deloitte Consumer Spending Index, which monitors consumer cash flow as an indicator of future spending, moved up significantly in October to 4.02 from 3.54 in September.

Harford County shoppers have a strong retail community for shopping this year, with many new additions. The County's overall retail vacancy rate, at 4.4 percent, outperforms most other Maryland markets. Harford Mall has completed its remodeling and is leased to capacity, JC Penney opened its doors earlier this fall in the Boulevard at Box Hill, and several new restaurant chains are reporting that their Harford County location is showing the highest gross sales per square foot of all their locations. Grocery stores Mars and Redners have expanded in the County over the past few years, and Wegman's celebrated its first anniversary in Abingdon.

The Office of Economic Development and the Economic Development Advisory Board continue to work to attract retailers, grocers and restaurants that will support a healthy business infrastructure. Seven major retail centers throughout the County have added tenants and still have room for positive growth. Among them is Aumar Village in Fallston, signing new businesses including Texas Roadhouse and expansions like APGFCU and CVS.

A look at the spending habits of Harford County residents shows both a healthy per capita spending by household and a strong spending potential. According to data from ESRI, a geographic business analysis database tracking consumer spending potential index (SPI), local residents show an SPI well above the national average for the majority of retail goods and services. For example, in the "Food at Home" category, residents are spending an average of about $500 million annually on groceries (food only), which is 25 percent above the average SPI. The SPI is also higher than the national average in categories like "Food Away from Home," household furnishings and equipment, household textiles and computer and electronics products.

Correlate these to new business potential, and it would make sense for grocers, restauranteurs and household products retailers to look twice at Harford County. An average disposable income (after-tax income) of over $65,000 a year, coupled with the high spending potential index positions Harford County as a promising package for retailers of all types.

**Business Spotlight: Klein's ShopRite of Maryland**

From the 1978 opening of its first full service supermarket location in Forest Hill to the ribbon cutting of its eighth location in 2012, Klein's ShopRite grocery stores are interwoven in the fabric of Harford County. The company attributes its success to both persistence and local ownership. "Success is more than just remaining viable," said owner Howard Klein. "Rarely are you successful out of the gate. It takes persistence, a lot of hard work and constant attention to detail." He noted that living in Harford County allows the family to stay close to the marketplace and their employees. "Not every retailer lives within 15 miles of its stores. We have a collaborative relationship with our associates, they are well-prepared for their jobs, and they care about the company," he said. Klein's ShopRite employs 1,000 people in the County.

When prospecting a new store site, Klein's ShopRite examines population density, traffic count and demographic information as well as valuable site development and market studies offered by the Wakefern Food Corp., a retailer-owned cooperative of which Klein's became a member in 2008.
"We are a member of the largest retail cooperative in the country, which helps us to better meet consumer needs and expectations," Klein said. For example, with the help of Wakefern’s warehousing and distribution systems, Klein’s ShopRite was able to accurately forecast turkey needs "almost to the turkey" this Thanksgiving. Klein says he anticipates brisk sales in the fourth quarter, with stores offering the right mix of prices, goods and services necessary for consumers.

Klein’s ShopRite continues to give back to the community through direct support of community organizations, various activities and partnerships with local businesses. The company even offers its online personal shopping service, ShopRite from Home, to local businesses as well as local residents. "We want to say thanks to other businesses in Harford County for their help in working to strengthen and support our communities," Klein said.

Fast Facts

- Harford County has over 1.8 million square feet of retail space in seven major retail centers. More than 95 percent of it is occupied.
- In demographic studies of local residents’ retail goods and services expenditures, 11.3 percent of the households are identified as "Up and Coming Families," 11 percent are "In Style," and of 10.1 percent are "Exurbanites." The segments of "Sophisticated Squires" and "Wealthy Seaboard Suburbs" make up 8.4 and 6.1 percent, respectively.
- The median household income in Harford County is projected to increase from $73,053 in 2011 to $82,885 in 2016.
- Local residents’ spending potential index is 27 percent higher than the national average for fruits and vegetables and 25 percent higher for bakery and cereal products, meats, poultry, fish and eggs, and other snacks.
- County residents spend $171.2 million on snacks at home and $87.3 million on fruits and vegetables.

Sources: Harford County Office of Economic Development Retail Newsletter; ESRI Disposable Income Profile for Harford County, ESRI Retail Goods and Services Expenditures Report for Harford County