1) Meaning of: Purchasing Power for Retail Sector

The purchasing power for retail sector refers to the part of disposable income of the population of a given area that is available for spending on retail (**at the place of residence**).

In this case, retail is used in the narrower sense: without retail of motor vehicles, automotive accessories, fuels, petrol station but it includes the sales of the food production sector (bakeries, pastry shops, butcheries). The total retail purchasing power is consistent with the sum of the stationary retail turnover plus the sum of turnover achieved by mail order. Private sales, direct purchases from farmers and expenditure abroad are not included.

Those spending that are attributed to the retail sector (per income group and spatial unit) make up the purchasing power for the retail sector.

The retail purchasing power in Germany is nowadays about 30% of the total purchasing power. This percentage is slightly higher in the "new" federal states (Brandenburg, Mecklenburg-Vorpommern, Saxony, Saxony-Anhalt, Thuringia). Thus, the following statement following Engels' law is confirmed: The higher the income the lower percentage amount of income spent on retail. Or in other words: A household with an income of 50000 € p.a. spends indeed more on retail but in now ways twice than a household with an income of 25000€ p.a.

2) Meaning of: Retail Turnover

The retail turnover instead is the turnover of (local) retail trade **at the place of expenditure**. It includes the total turnover of the stationary retail plus the turnover of the food production sector

3) Meaning of: Purchasing Power Binding for Retail Sector = centrality index

The centrality index is defined as the retail turnover in a given area in relation to the local retail purchasing power. If the local retail turnover is higher than the retail purchasing power of the local population, more purchasing power is accrued than drained off. Thus, the centrality index is a measurement for the ability of a given area to accumulate purchasing power.

The centrality index is marked as a per capita index (national average =100) and shows the amenity or magnetic effect of an area to its environs.

4) Why do we see negative values for Purchasing Power Binding for Retail Sector at the federal states and country levels?

A centrality index of 100 implies that there is neither influx nor drain of retail purchasing power. If an area shows an index of 200 this means that there the retail turnover is twice the retail purchasing power. Thus, this area has a magnetic effect and outside retail purchasing power accrues. On the contrary an index of 50 means that only half of the populations purchasing power is bound by retail. Since consumers often don't go shopping at their place of residence negative values occur when they make their purchases somewhere else.