



# **Making Connections: Community Development That Works**

**June 21, 2007**

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# Making Connections:

## Board leadership and support

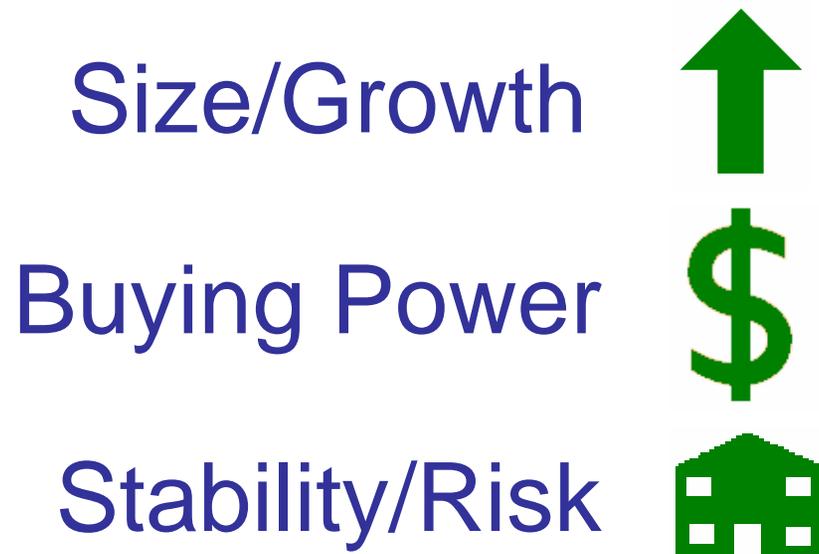


Faithworks, Inc.



# Capturing Urban Market Potential

The **Social Compact DrillDown** analysis  
measures core market drivers:



Using more **accurate, timely** data from  
**30+ public and proprietary** sources

# Capturing Urban Market Potential

Bridging Public and Proprietary Data Through Technology...

## Public Data

Tax Assessment Data

Business License Registrations

Construction Permits

School Enrollment

Utility Usage & Bill Payments

## Proprietary Data

First American Real Estate Solutions

InfoUSA

Acxiom

Equifax

Experian

...and Alliances with Strategic Leaders for Enhanced Analytic Capacity



# Capturing Urban Market Potential

In over 200 *undervalued* neighborhoods across the country, Social Compact has found:

## Larger Markets

- 850,000 More residents
- 250,000 More households

## Greater Buying Power

- \$19.9 billion more aggregate household income (+24%)
- \$10.5 billion by informal economy income

## Less Risk, More Stability

- Falling crime rates
- Booming property market
- High owner occupancy by building

# Why is accurate market data important?

## Capturing the Undercount

Neighborhoods with the highest undercount tend to be poor and predominantly minority communities. It is estimated that these communities average a 10% undercount.

- Los Angeles' Undercount
  - 170, 893 – Los Angeles County; Paul Ong
  - 181, 849 – The City of Los Angeles; NAACP
- Newark
  - Estimates that their undercount averages 19%

80% of private sector investment decisions are derived from the Census.

# Why is accurate market data important?

## Informing Public Policy Decisions

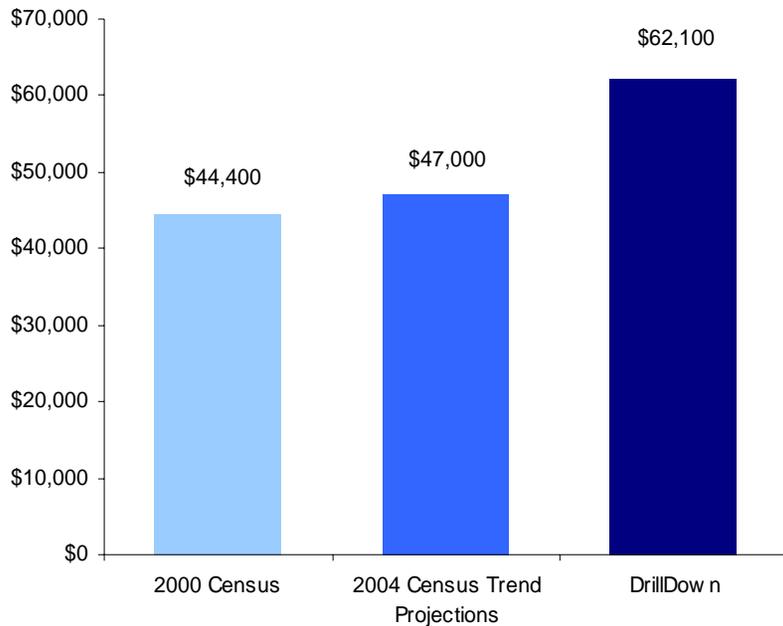
- **Washington, DC** – Rezoning to increase retail development in strategic corridors throughout the city
- **Detroit, MI** – Guiding a business development incentives program in the Downtown district and developing a Detroit Retail Strategy
- **Cincinnati, OH** – Developed Shop52, a community-based retail development initiative that ties siting and incentives to better data
- **Philadelphia, PA** – Attracting grocery stores to inner-city neighborhoods through a healthy foods initiative
- **New York, NY** – Measuring the City's departmental successes in business development

# Financial Services Provision

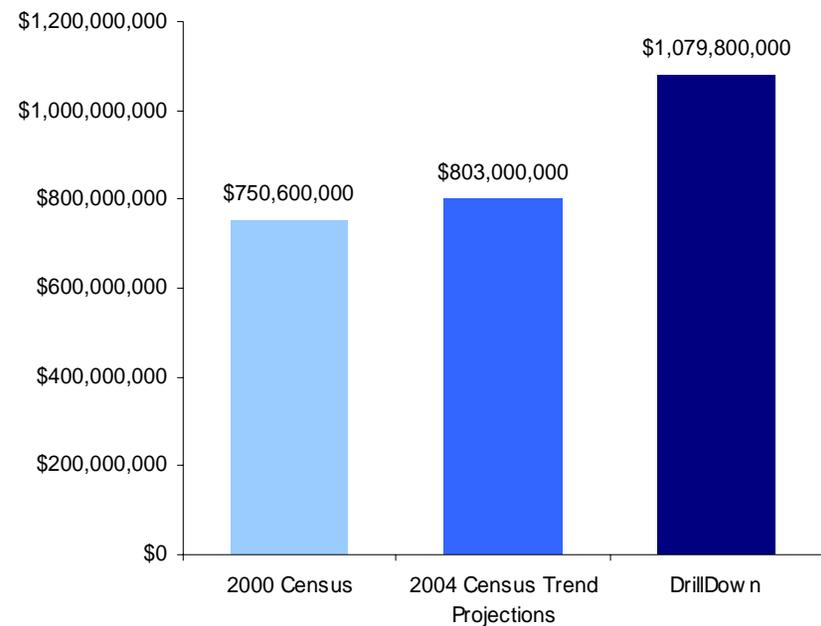
## 2006 Santa Ana DrillDown

**Larger Buying Power = Greater Purchasing Potential**

**Average Household Income**



**Aggregate Neighborhood Income**



# Financial Services Provision

## 2006 Santa Ana DrillDown

### The Market Anomaly:

- 69% of households are underbanked and/or do not have a documented credit history

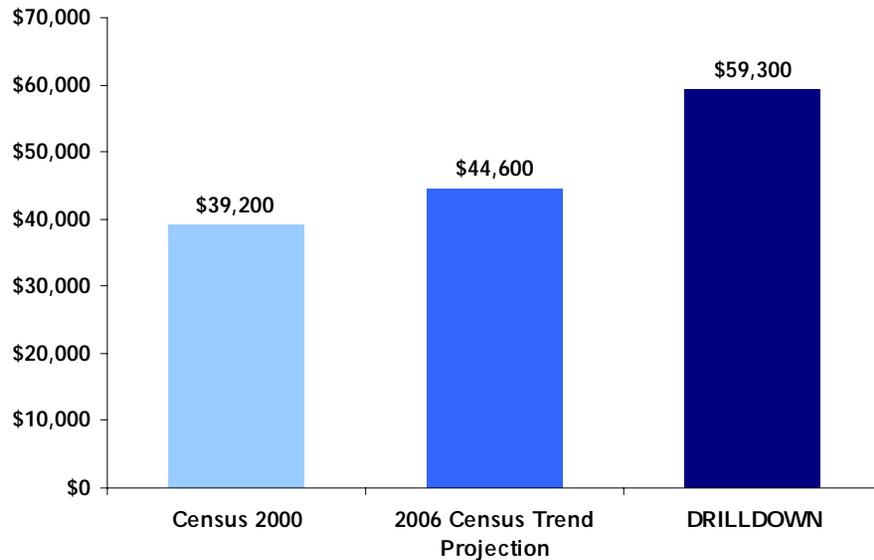
### BUT

- Average household income is \$62,100
- Aggregate buying power of \$1.1 billion is 44% larger than Census 2000
- 52% of households live in owner-occupied housing that have a median home value of \$420,000
- At the time of the analysis, there was only one bank branch in the study area

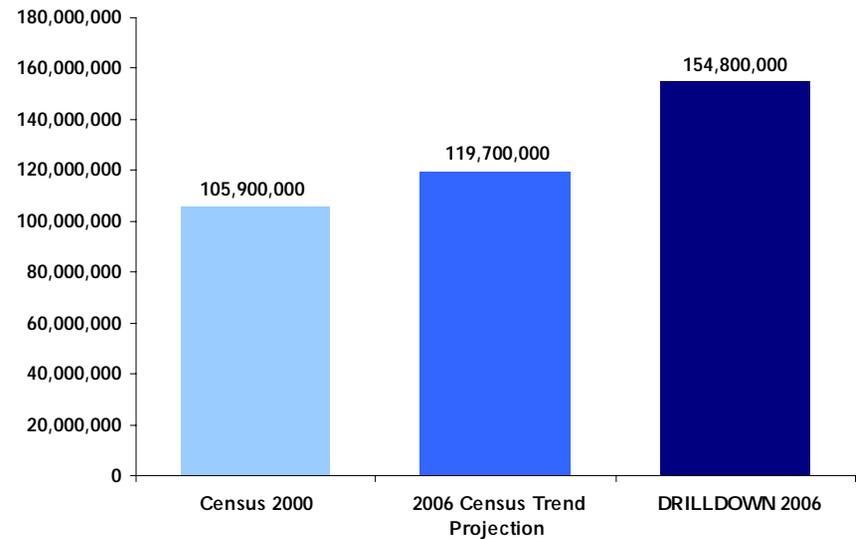
# 2006 Detroit DrillDown Findings

**Larger Buying Power = Greater Purchasing Potential**

Average Household Income



Aggregate Neighborhood Income



# 2006 Detroit DrillDown Findings

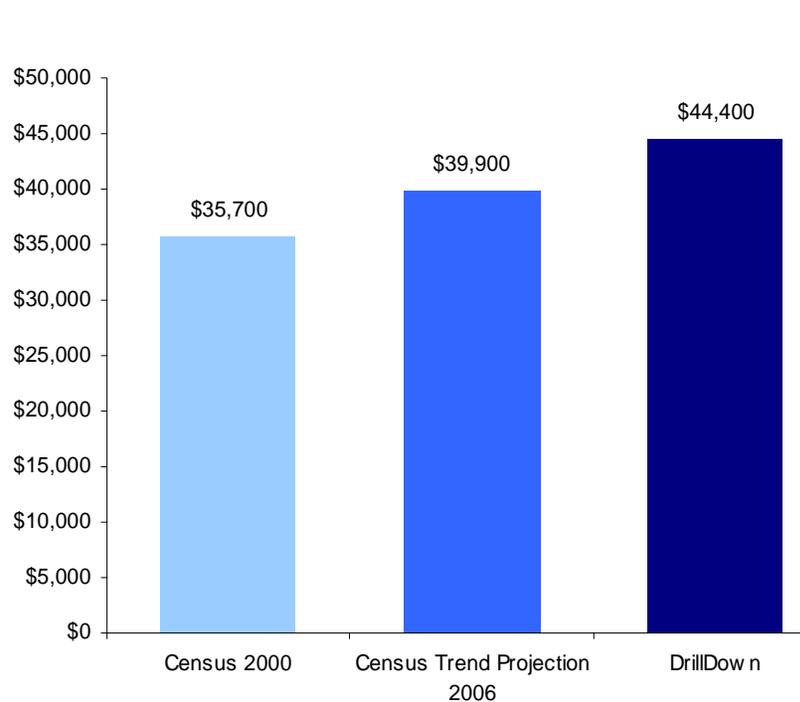
## The Market Anomaly:

- **Grocery stores in the study area exceeded the ICSC national sales average of \$355 per sq. ft.; grocery stores in Greater Downtown average sales of \$855 per sq. ft.**
- **The DrillDown determined there was a \$55.7 million demand and 136,000 sq. ft. potential for grocery stores**

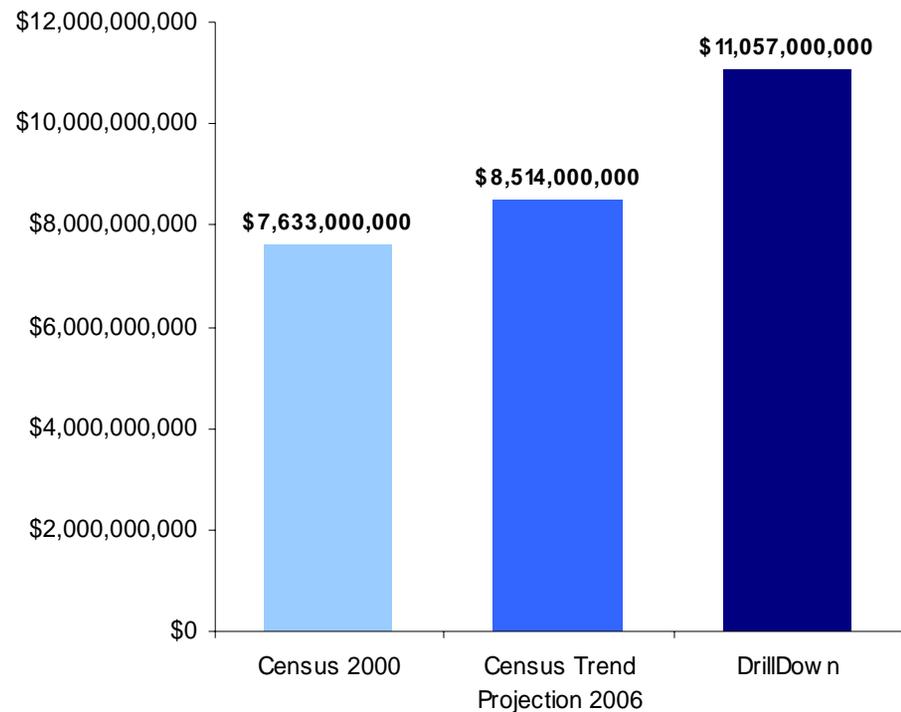
# 2007 Houston DrillDown Findings

**Larger Buying Power = Greater Purchasing Potential**

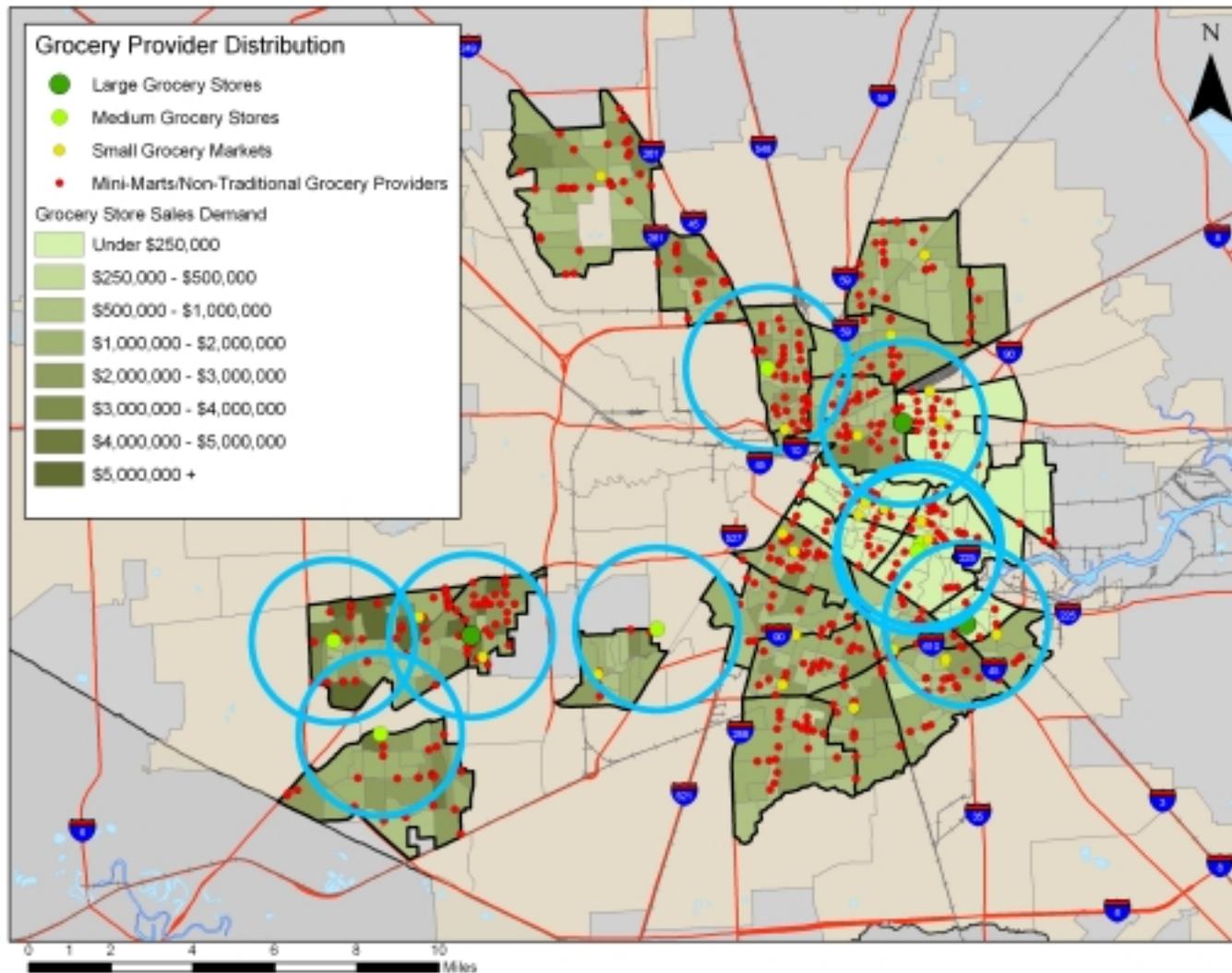
## Average Household Income



## Aggregate Neighborhood Income



# 2007 Houston DrillDown Findings

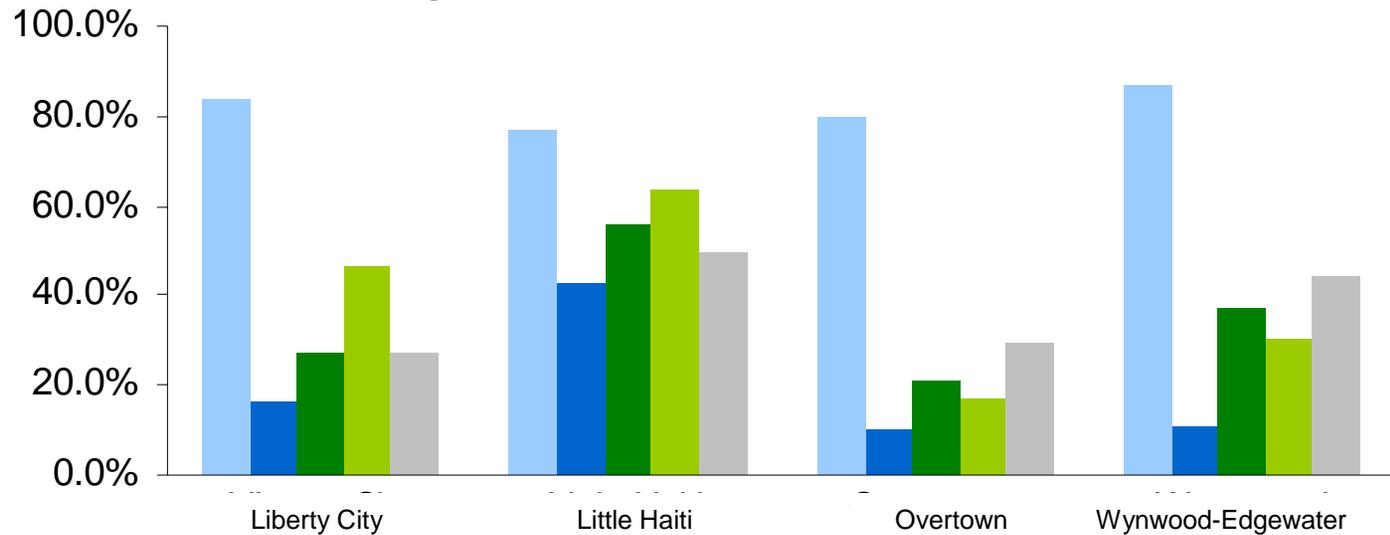


Distribution of grocery providers overlaid with grocery store sales demand with.

# 2007 Miami DrillDown Findings

## Financial Services Provision

### Survey Results: Consumer Purchasing Patterns Bill Payment Methods

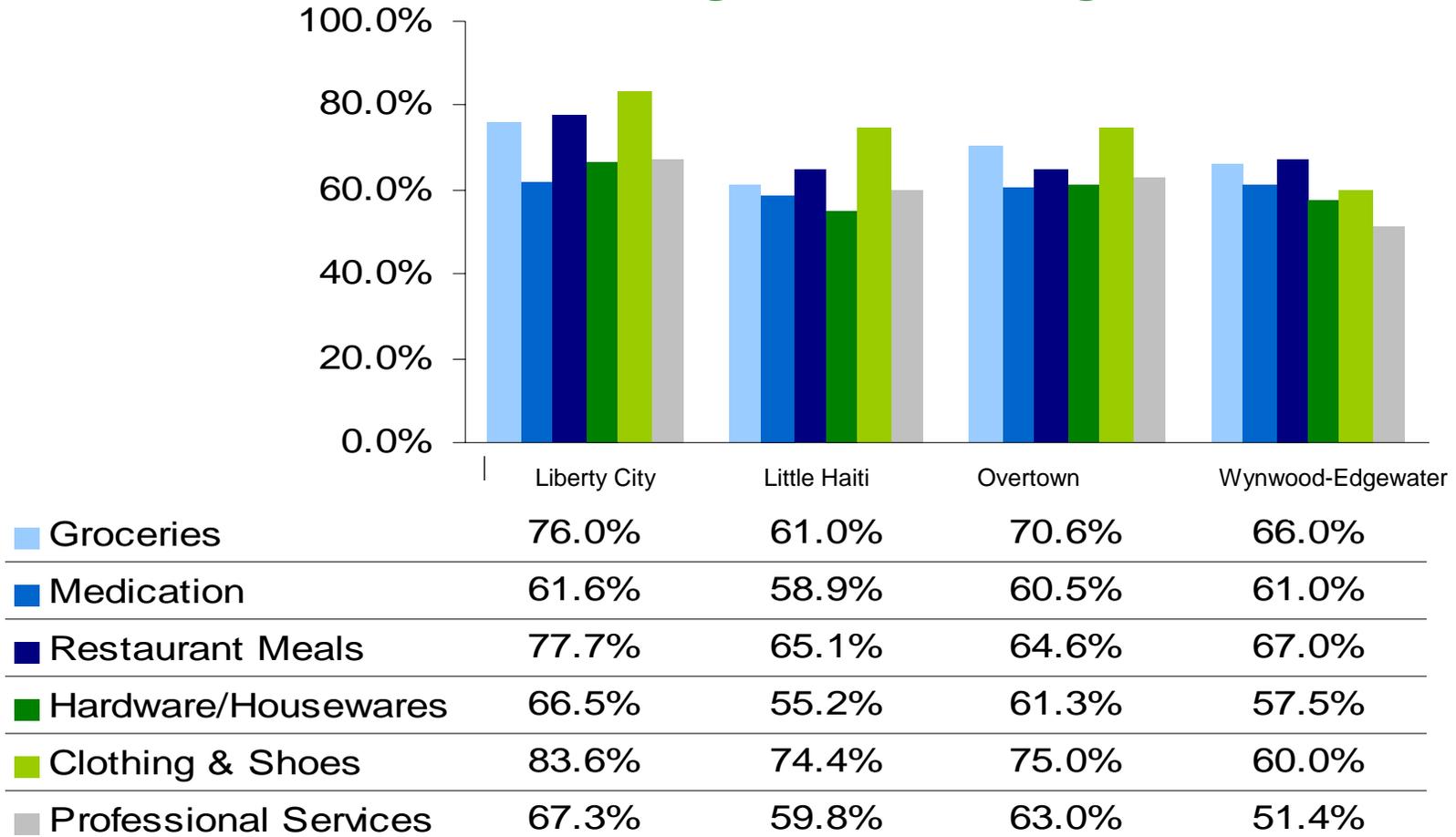


	Liberty City	Little Haiti	Overtown	Wynwood-Edgewater
Cash	83.5%	76.6%	79.9%	87.0%
Pay Day Loans	16.6%	42.9%	9.8%	10.8%
Credit Cards	27.0%	56.2%	20.9%	37.3%
Check cashing facilities	46.3%	63.2%	16.7%	29.9%
Personal Checks	26.8%	50.0%	29.8%	43.9%

# 2007 Miami DrillDown Findings

## Retail Leakage

### Survey Results: Consumer Purchasing Patterns Households Purchasing Outside of Neighborhood



# 2007 Miami DrillDown Findings

## Small Business Development

### Exploring Comparative Business Performance Metrics

Retail/Services Category	Number of Establishments	Ave. No. of Employees	Ave Year Established	Newest Established	Oldest Established	Ave Annual Sales Volume (1000)	Min Annual Sales Volume (1000)	Max Annual Sales Volume	Ave Square Footage	Min Square Footage	Max Square Footage	Ave Sales/SF	Min Sales/SF	Max Sales/SF
Furniture Stores	44	4.0	2000.4773	2005	2000	1191.45	306	3366	19642.86	6250	25000	61.02	37	135
Supermarkets & Other Grocery Stores	95	10.5	2000.5053	2006	2000	2593.46	120	61750	4559.60	2499	6250	378.59	48	2371
Convenience Stores	33	3.0	2000.4848	2005	2000	643.85	224	1792	2628.34	2499	6250	254.38	64	717
Fruit & Vegetable Markets	49	3.9	2000.7143	2006	2000	869.88	222	3108	3057.66	2499	6250	274.34	89	497
Women's Clothing Stores	48	3.2	2000.1042	2006	1985	510.58	158	1106	4582.78	2499	6250	113.49	39	177
Art Dealers	38	2.5	2001.0526	2006	2000	701.66	0	1172	3107.27	2499	6250	249.70	0	352
Child Day Care Svcs	53	8.2	1999.5849	2006	1968	347.60	42	1203	5714.14	2499	6250	57.76	17	192
Limited-Service Restaurants	177	9.8	2000.6497	2006	1955	395.66	40	2560	4777.21	2499	6250	73.34	16	410
General Automotive Repair	91	2.5	2000.3736	2006	1969	281.20	115	864	2543.13	2499	6250	109.86	46	276
Automotive Body & Interior Repair	70	3.1	1998.7	2006	1947	355.59	113	1955	6136.33	2499	6250	61.36	18	313
Barber Shops	38	2.2	2001.8421	2006	2000	128.21	58	348	2499.00	2499	2499	52.13	23	139
Beauty Salons	121	2.6	2001.314	2006	2000	140.91	55	330	2499.00	2499	2499	55.31	22	132

**Next Steps In Quantifying  
Strength and Opportunity  
in America's Communities?**

# Capturing Urban Market Potential

## Understanding Micro-Market Economies

### Creating A New Vernacular for Urban Development

- Leveraging data and technology partners
- Establishing appropriate metrics
- New tool development

### Local Community Expenditure Surveys

- Gauge spending behavior in underserved markets
- Advance ways of assessing informal economic activity
- Examine shopping location patterns

### Collaboration

- Explore practical application in partnership with  
urban development professionals

# Capturing Urban Market Potential

Embarking on new initiative to establish strategic urban laboratories for practical research organized around:

**Focused Research Agendas**

**Industry Associations**

**Municipal Capacity**

**Local Community Development Network**

Combining best practices with pioneering market analyses to develop applied solutions for sustainable community development:

- 1. Informal Economy/Underbanked**
- 2. Retail Attraction**
- 3. Small/Minority Business Development**
- 4. Grocery Store Attraction/Retention**
- 5. Creative Industries**

# Capturing Urban Market Potential



## The Social Compact – Citi Partnership for America's Communities



### Market Potential Predictor

- **Refining** the field's leading urban analysis model for greater efficiency
- **Convert market strength** indicators to predictors of market potential
- **Moving to Scale:** Transferring the knowledge, building industry capacity
- **Democratizing the Data:** Creating "user-friendly" tool to meet needs of development practitioners and private investors alike



# Capturing Urban Market Potential



## Social Compact – ICSC Partnership



- Identify indicators and metrics retailers rely upon to make investment decisions
- Develop efficient, accessible data-reporting tool tailored to retailers' needs
- Disseminate dependable market information to better inform investment decisions in urban markets nationwide

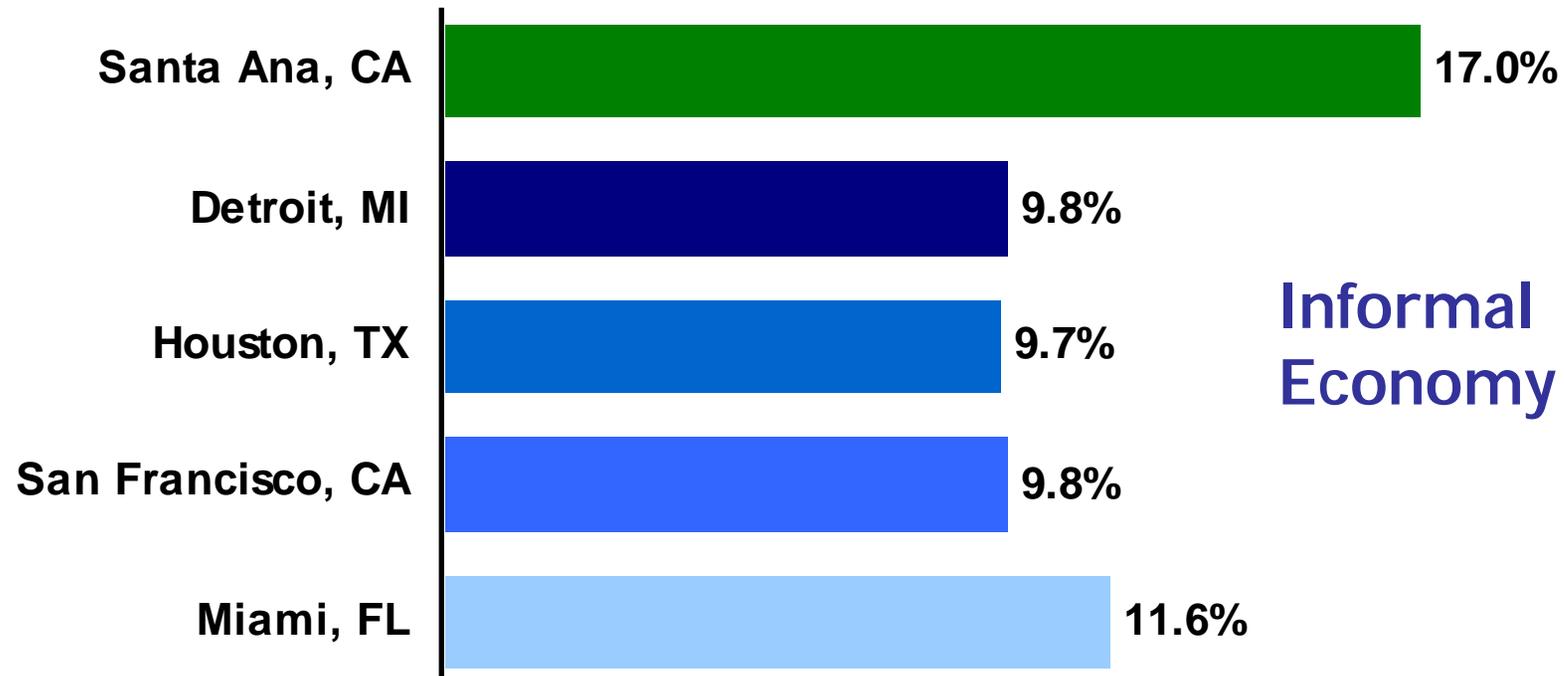


# Capturing Urban Market Potential

## Sharpened Focus on Informal Economy

### Developing 10-City Survey of the Underbanked

Assess financial habits, needs and perceptions of the underbanked



# Capturing Urban Market Potential

The continuum of capital for community economic development with a specific focus on a balanced development plan for small

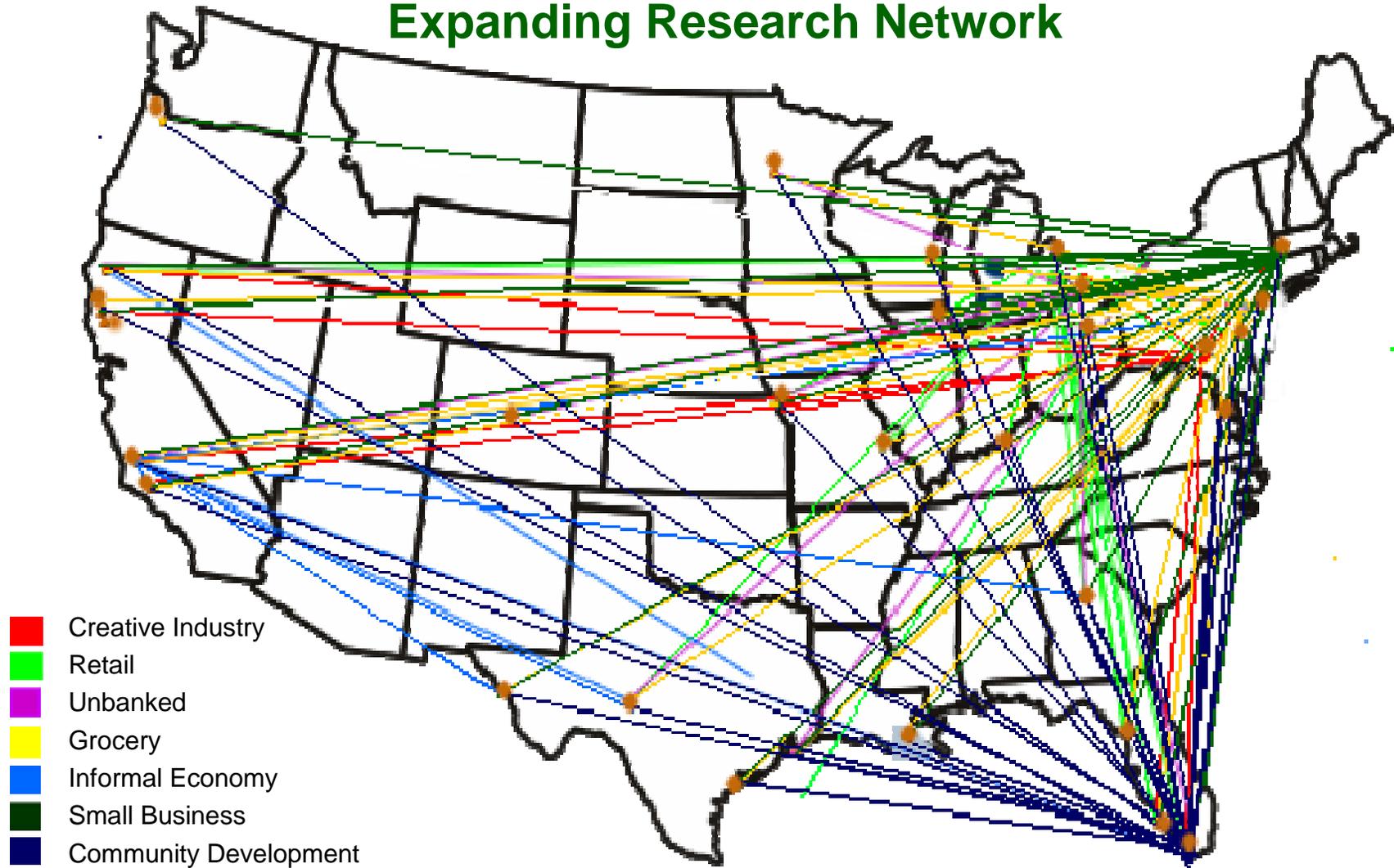
**business**

Micro Lending	Community Lending	Consumer Lending	Underwriting	Secondary
ACCIÓN SEEDCO Grameen Bank	Small Community Banks i.e. Affinity and Quaker Credit Unions Local Government Lending	Regional and National Financial Services	Regional and National Financial Services	CRF, USA

**Open source business intelligence systems to pull performance data as well as other aggregate data that shows how capital performs in underserved markets**

# Capturing Urban Market Potential

## Expanding Research Network



**LEGEND**

# Capturing Urban Market Potential

## Quantifying Strength in America's Communities in 200 Neighborhoods and Beyond ...

### Completed DrillDowns

Chicago, IL  
Cleveland, OH  
Detroit, MI  
Harlem, NY  
Houston, TX  
Jacksonville, FL  
Miami, FL  
Oakland, CA  
Santa Ana, CA  
Washington, DC

### Current DrillDowns

Baltimore, MD  
Cincinnati, OH  
Detroit, MI  
Harlem, NY  
Jacksonville, FL  
Los Angeles, CA  
Miami/North Miami, FL  
Oakland, CA  
Ontario, CA  
Philadelphia, PA  
San Francisco, CA  
Tampa/St. Petersburg, FL  
Washington, DC

### Future DrillDowns

Atlanta, GA  
Chicago, IL  
Cleveland, OH  
Fresno, CA  
Fort Worth, TX  
Louisville, KY  
Kansas City, MO  
Memphis, TN  
Milwaukee, WI  
Minneapolis, MN  
Newark, NJ  
Pittsburgh, PA  
Raleigh, NC  
Richmond, VA  
San Antonio, TX  
St. Louis, MO  
London, United Kingdom



**John Talmage, President & CEO  
Social Compact, Inc.**

[jtalmage@socialcompact.org](mailto:jtalmage@socialcompact.org)

**738 7<sup>th</sup> Street, SE  
Washington, DC 20003**

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**WWW.SOCIALCOMPACT.ORG**