



# Catalyzing Investment in America's Communities

[www.socialcompact.org](http://www.socialcompact.org)

**Social Compact Believes**  
**Accurate Market Analytics**  
**should be used to**  
**Attract**  
**Private Sector Investment**  
**and**  
**Guide**  
**Public Sector Decisions**

**“It is difficult to overstate the importance of adequate and accurate information for attracting capital.” “... improving the measurement of inputs and outcomes is critical to better development policy.”**  
**- Federal Reserve Board Chairman Ben S. Bernanke**

*\*Federal Reserve Board Chairman Ben S. Bernanke, April 20, 2006 at the Greenlining Institute's 13<sup>th</sup> Annual Economic Development Summit, Los Angeles, CA.*

# Market Analytics Addresses the Concerns of Private Investment

## 1. Crime/Perceived Crime

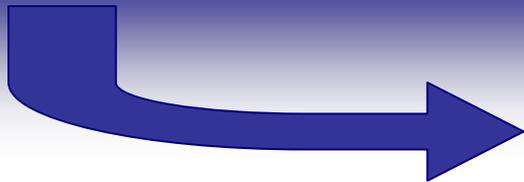
93% “Very Significant” or “Somewhat Significant”

## 2. Insufficient Concentration of Target Customer

88% “Very Significant” or “Somewhat Significant”

## 3. Lack of Consumer Purchasing Power

86% “Very Significant” or “Somewhat Significant”



**Then Provides Accurate  
Answers to Correct  
Misconceptions**

*Source: ICSC Research Quarterly V. 8, No. 4-Winter 2001-02 in ICSC and Business for Social Responsibility, (2002) “Development in Underserved Retail Markets”.*

# **Market Analytics Addresses the Concerns of Public Investment**

- 1. Equitable Public Investment**
- 2. Identifying Under-stored (Under-retailed, Under-banked and other) Needs of Communities**
- 3. Tying Incentives to Opportunities**



**Then Provides  
Data  
to Drive Decisions**

# Capturing True Urban Market Potential

The Social Compact “DrillDown” analysis  
measures core market drivers:

Size/Growth



Buying Power



Risk/Stability



Using more **accurate, timely**  
data from **30+** sources

# A Tale of Two Neighborhoods.....

## Neighborhood A

### **Market Size**

Population: 52,624

Households: 16,576

### **Market Buying Power**

Agg. Neighborhood Income: \$840MM

Agg. Income per Acre: \$326,595

Average Household Income: \$50,682

### **Market Stability/Risk**

Median Home Value: \$253,399

Owner Occupancy by Unit: 63.5%

Crime: frequent media stories

## Neighborhood B

### **Market Size**

Population: 62,163

Households: 19,918

### **Market Buying Power**

Agg. Neighborhood Income: \$1.1B

Agg. Income per Acre: \$421,442

Average Household Income: \$54,428

### **Market Stability/Risk**

Median Home Value: \$315,000

Owner Occupancy by Building: 74.6%

Crime: Down 10.4% in 2004 over 2001

# ... Actually the *Same* Neighborhood; A Different Lens Through Different Data Makes all the Difference

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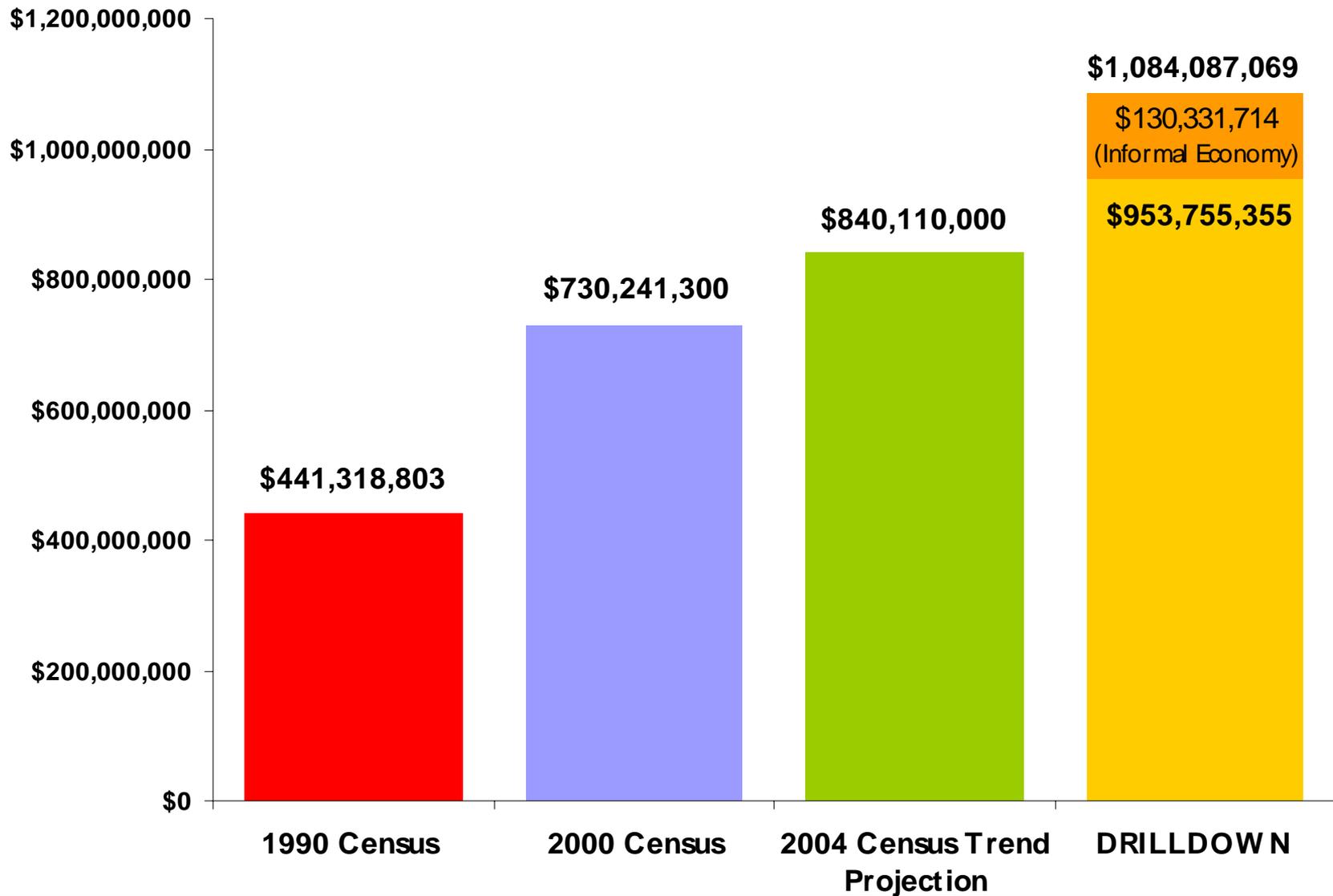
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# East Oakland DRILLDOWN Market

## Aggregate Neighborhood Income In 2004



# East Oakland DRILLDOWN Market

## Aggregate Household Retail Spending In 2004



Only one supermarket was operating in East Oakland at the time of the report's publication.

## **In Santa Ana, Social Compact found the following:**

- **69% of 17,392 households do not have a banking relationship**

### **But...**

- **Average Household income is \$62,084**  
(compared with Census results of \$44,441 and Claritas of \$47,006)
- **52.4% of households live in owner-occupied housing that have a median home value of \$420,000**

# **In 101 underserved neighborhoods across the country, Social Compact has found:**

## **Larger Markets**

**More residents**

**More households**

## **Greater Buying Power**

**More aggregate household income (+23%)**

**\$4.4 billion by informal economy income**

## **Less Risk, More Stability**

**Falling crime (-17%)**

**Booming property market**

**High owner occupancy by building**

# Market Knowledge Drives Success in Underserved Markets

## Houston, TX:

- The 2001 DrillDown found 354,000 residents living in Houston's DrillDown neighborhoods, 27% higher than Census 2000 reports.

## Harlem, NY:

- The 2001 Harlem DrillDown uncovered an aggregate income of \$6 billion (24% higher than census upgrade projections), \$1 billion of which was not captured using traditional market analysis.

## Washington, DC:

- Social Compact's 2002 Washington, DC DrillDown found significant untapped retail demand; \$597 million was being spent by residents outside of their neighborhoods, signaling huge opportunities for retailers.

## Cleveland, OH:

- DrillDown found 588,362 people living in Cleveland, 28.8% more than census trend projections

# The Future

## Innovative Tools and Innovative Partnerships:

- Social Compact – Citigroup Partnership for America's Communities
- SAS – Market Potential Predictor Model
- ICSC – Underserved Markets Initiative
- Brookings-Urban Markets Initiative
- Federal Urban Entrepreneur Partnership

# Our “Industry’s” Tool Kit

- Tools to bolster retail investments such as market predictors and other asset based approaches to understand neighborhood markets – UMI, Social Compact
- Alternative credit scoring methods – PERC
- Web based site selection tools – UMI, Social Compact
- Financial Innovation Laboratory to facilitate capital access – Milken Institute



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