



SocialCompact



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PRESS RELEASE

City of Miami “DrillDown Report” Released

Study Demonstrates Miami Neighborhoods Primed for Investment

(MIAMI, October 26) – Mayor Manny Diaz, Social Compact President and CEO John Talmage and representatives from the Citi Foundation and John S. and James L. Knight Foundation, came together for the official release of the DrillDown Report, which uses real-time data to assess economic opportunities to demonstrate that Miami neighborhoods have both the population and spending power to support substantial business investment.

Conducted by national nonprofit Social Compact, the study of 14 of Miami’s poorest neighborhoods found that households were larger and had higher income levels – 29 percent higher in fact – than the 2000 Census reported.

The study, funded by the Citi Foundation and the John S. and James L. Knight Foundation, provides concrete data for potential business investors and entrepreneurs to use in determining that these communities have resources and merit investment. It was released at a special press conference held at the Miracle Market Place, a Talisman development.

“I can’t think of a more important message to publicize as I prepare to leave office,” said Mayor Diaz. “This report illustrates what tremendous untapped resources exist in our communities. I would be honored if part of my legacy was to encourage retailers, bankers and grocery stores to invest in our neighborhoods, just as Talisman has done with the Miracle Market Place. This type of research shows the business community that there is real opportunity for them here in Miami.”

The research is based on Social Compact’s signature analytic tool, the Neighborhood Market DrillDown. Rather than relying on outdated census data, “DrillDown” studies utilize diverse, real-time data sources for their analyses, such as local tax assessments, building permits, utility payments and other address-level information to determine accurate population and spending power estimates.

In 2007, the City contracted Social Compact for an initial study of Miami’s Liberty City, Overtown, Wynwood Edgewater, Allapattah, and Little Haiti neighborhoods. The analysis revealed a population 39 percent larger and an average household income 29 percent higher than traditional data sources had illustrated.

The City then asked the Washington DC-based group to follow up and expand the study in 2009 to a total of 14 Miami neighborhoods, including the initial five communities plus Downtown, Coral Way, Flagami, Little Havana, North/East Coconut Grove, South/West Coconut Grove, Upper Eastside, West Flagler and the Wynwood Waterfront. The research provided a more accurate depiction of population and purchasing power. These statistics are also important for local community economic development officials as they work with private-sector decision makers in calculating investment options for retailers, banks and grocery stores.

Key findings from the 2009 report include:

Substantial Market Size

- A 2009 population estimate for the Miami study area of 504,266; 19% higher – approximately 82,000 more people – than the 2008 traditional market estimate of 422,182, and 37% higher – nearly 137,000 more people (or 42,000 households) – than the Census 2000 estimate of 367,426.

Undervalued Market Strength

- Average household income in the Miami study area is estimated at roughly \$51,000 – 4% above the 2008 traditional market estimate and 29% above the average income reported by Census 2000.
- Aggregate income of \$9.1 billion – \$1.3 billion higher than the traditional market estimate of \$7.8 billion and \$3.7 billion more than the Census 2000 reported income. The DrillDown estimate is boosted by an estimated \$772 million in informal economic income, comprising roughly 9% of the total study economy.

Solid Market Stability

- Median home sale value in the Miami area (\$307,000) at 9% above the traditional market estimate of \$282,000 and nearly triple (195%) the Census 2000 reported value of \$104,000.
- Roughly 55% of residential buildings are owner occupied. By measuring homeownership at the building level, the DrillDown reveals a greater presence of neighborhood stakeholders. The DrillDown estimates owner occupancy at the unit level at 34%, still above the 25% estimate provided by the 2008 traditional market estimate and Census 2000.

Considerable Market Potential

- The Miami study area is a retail destination for surrounding neighborhoods, attracting more than one fifth (23% or \$592 million) of its retail revenue from outside the study area.

“These findings can help redefine the opportunities for investors, bring in the shops and stores these underserved communities need, and in the process help revitalize these neighborhoods,” said Dennis Scholl, Miami program director for Knight Foundation.

“This has been a very rewarding initiative for Citi and the Citi Foundation to participate in,” said Barbara Romani, South Regional Director of Global Community Relations for Citi. “The DrillDown findings reveal that there are excellent investment opportunities in underserved communities in the area and we look forward to the development that this investment will generate.”

John Talmage, Social Compact’s CEO noted, “DrillDown profiles have now provided municipalities, retailers, developers, community leaders and others with potent and marketable arguments for investment in more than 350 neighborhoods across the country. We hope that the Miami DrillDown findings will likewise unify the efforts of the City’s leadership under Mayor Diaz to implement sustainable information-led development projects that will reenergize and reinforce the City’s neighborhoods.”

Social Compact would like to gratefully acknowledge the support of its partners and sponsors whose support made this study possible: the City of Miami, the John S. and James L. Knight Foundation, the Citi Foundation, First American CoreLogic, Washington Mutual, SAS Institute Inc., ESRI, Florida Department of Revenue, Miami-Dade Water and Sewer Department (WASD), Public Access System, and the South Florida Workforce.

"Driving investments into low-moderate income communities requires the most up-to-date information that reflects the actual economic potential in our underserved communities. Our partnership with Social Compact focuses on uncovering economic indicators to support the development of small businesses, retail, affordable housing, grocery stores and other important community resources so families can thrive and prosper now and in the long term," said Brandee McHale, Director Programs, Citi Foundation.

The full report can be found on www.socialcompact.org.

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About Social Compact

Social Compact is a national not-for-profit corporation led by a board of business leaders whose mission is to help strengthen neighborhoods by stimulating private market investment in underserved and undervalued communities. Social Compact accomplishes this through its Neighborhood Market DrillDown analytic tool, developed to accurately measure community economic indicators. Through its next-generation GIS and information platform, CityDNA – a recent recipient of the Honorable Mention for Social Responsibility at the 2009 MAX Awards – Social Compact then provides this information as a resource to community organizations, government decision makers and the private sector. Social Compact is at the forefront of identifying the market potential of underserved neighborhoods and believes that a public private partnership that involves community members and leverages private investment is the most sustainable form of community economic development.

Citi Foundation

The Citi Foundation is committed to enhancing economic opportunities for underserved individuals and families in the communities where we work throughout the world. Globally, the Citi Foundation is focusing its giving on Microfinance and Microentrepreneurship, which helps individuals become economically self-sufficient; Small and Growing Businesses, leading to economic expansion and job creation; Education, which prepares young people for personal and professional success; Financial Education, which helps individuals make informed financial decisions; and the Environment with a focus on sustainable enterprises that generate jobs and stimulate economic growth while preserving the environment. Additional information can be found at www.citigroupfoundation.com/.

About the John S. and James L. Knight Foundation

The John S. and James L. Knight Foundation advances journalism in the digital age and invests in the vitality of communities where the Knight brothers owned newspapers. Knight Foundation focuses on projects that promote community engagement and lead to transformational change. For more, visit www.knightfoundation.org.