

Detroit Neighborhood Market DrillDown

Catalyzing Business Investment in Inner-City Neighborhoods



October 2007



Dear Colleague:

On behalf of Social Compact's Board of Directors, I am pleased to continue Social Compact's mission to catalyze business investment in America's underserved communities with the release of the Detroit DrillDown.

DrillDown profiles, drawing on business disciplines and community strengths, have a strong track record of stimulating sustainable, private investment, benefiting communities and businesses alike. The Detroit DrillDown is no exception.

Focusing on core market drivers that resonate across industry lines, the DrillDown found substantial cause for optimism and investment in Detroit. Additionally, the partnerships established over the course of the DrillDown give these findings solid grounding and point toward the positive outcomes that can be achieved through innovative approaches to building community strength.

I look forward to seeing these DrillDown findings leveraged for additional private investment and continued successes in the City of Detroit's vibrant neighborhoods.

Sincerely,



Joe Reppert
Chairman, Social Compact
Vice Chairman, First American Real Estate Services Information, Inc

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, and 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.

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Foreword

In continuing to fulfill Social Compact's commitment to underserved and undervalued markets, I am proud to present these initial findings of the Detroit DrillDown.

Building on the strong findings from [Downtown Detroit In Focus](#), which highlighted exciting development activity and renewed energy around Detroit's downtown core, Social Compact, in partnership with the Detroit Economic Growth Corporation (DEGC), expanded its analysis citywide in order to capture additional hidden strengths and opportunities that exist in Detroit's many communities. As part of Mayor Kilpatrick's forward-thinking approach to information-led development, Social Compact and DEGC will use the Detroit DrillDown findings to help guide an appropriate retail attraction strategy for continued revitalization of the city's commercial corridors.

I am particularly encouraged by the spirit of collaboration encountered in Detroit, making this work possible. With Mayor Kwame M. Kilpatrick's support and led by DEGC, the Detroit DrillDown findings have been strengthened by the insights and input of Detroit's Planning and Development Department, Kresge Foundation, Community Foundation for Southeastern Michigan, CityConnect Detroit, DTE Energy, Detroit Renaissance, Southeast Michigan Council of Governments (SEMCOG), United Way, and business and community leaders, effectively increasing the possibilities for considerable cross-programmatic impact. Additionally, integrated into the work of several other initiatives, including the Mayor's Next Detroit Neighborhood Initiative (NDNI), I anticipate that these findings will serve as one way to unify a set of diverse efforts aimed at redeveloping, revitalizing and reinforcing Detroit neighborhoods.

It is the hope that the findings provided herein serve as another fundamental source of information for the City of Detroit and its business and community leaders in their decisions to implement sustainable economic development projects in Detroit communities.

Sincerely,



John Talmage
President and CEO
Social Compact

Acknowledgements

The Detroit DrillDown would not be possible but for the generous contributions of time, treasury, and talent of a broad and exceptional team committed to the City of Detroit and its many, diverse communities.

Social Compact gratefully acknowledges the crucial support of George Jackson and Olga Savic at the Detroit Economic Growth Corporation (DEGC), whose time and commitment to project management and coordination has been instrumental to the completion of the DrillDown project.

Social Compact would like to specially recognize the Kresge Foundation and the Community Foundation for Southeastern Michigan, whose generous financial support has made this work possible. Thanks are also due to First American CoreLogic, SAS Institute Inc., and ESRI for their generous contributions of data, software, and expertise.

Special thanks are in order to Mayor Kwame M. Kilpatrick; Anika Goss-Foster from the Next Detroit Neighborhood Initiative (NDNI); Douglass J. Diggs, John Baran, Alan Levy and Greg Parrish, at the City of Detroit Department of Planning and Development; Marja Winters at the Mayor's Office of Neighborhood Commercial Revitalization; Geneva Williams and Brad Jensen at CityConnect Detroit; Kurt Metzger at United Way; Charter One Bank; Fifth Third Bank; DTE Energy; New Detroit; Detroit Renaissance; and the Southeast Michigan Council of Governments (SEMCOG).

Social Compact would like to especially thank the City of Detroit Department of Planning and Development for providing the necessary municipal data and local insight.

Finally, this work would not have been possible without the continued leadership and support of Social Compact's dedicated Board of Directors.

Background

In recent years, inner-city neighborhoods have come to represent billions of dollars in untapped buying power and retail leakage. The ethnic and cultural diversity of urban residents represent myriad opportunities for local entrepreneurs, niche markets and new markets for financial services, corporate retailers and other commercial investors. Despite this opportunity barriers to private investment in underserved neighborhoods persist. As a result, urban residents lack access to basic goods and services at competitive prices, and retailers and developers are unable to capitalize on the fundamental assets of inner-city, urban communities.

Underserved urban neighborhoods are often negatively stereotyped and defined by deficiencies rather than strengths. The reason for this is manifold. First, deficiency-based depictions are necessitated by funding and policy regulations that require a neighborhood to demonstrate need for federal subsidies and social service programs. While these depictions attest to social need, they do little to highlight neighborhood strengths and economic opportunity. Second, excessive media coverage of undesirable characteristics such as crime, poverty, and blight perpetuate negative perceptions of these inner-city neighborhoods. Finally, lack of dependable business-oriented data on underserved communities expands the information gap on market trends, disabling potential investors from making informed decisions. Combined, these factors contribute to a cycle of missed opportunities in underserved urban markets.

THE DRILLDOWN: BRIDGING THE INFORMATION GAP

Beginning with the premise that a significant reason for inner-city disinvestment is lack of good market information, Social Compact developed the Neighborhood Market DrillDown to address key barriers to private investment in and around inner-city neighborhoods. Social Compact offers its neighborhood market analyses to local governments, community organizations and businesses looking to attract investment or to invest in inner cities. These analyses provide alternative assessments of population, income and housing that do not rely on outdated and potentially inaccurate decennial census data.

The DrillDown was established to provide up-to-date profiles of market strength, stability and opportunity for small, dense, and rapidly changing urban geographies. The DrillDown builds on current, finely sieved market information drawn from a wide spectrum of commercial, proprietary and local government sources (e.g. tax assessor, building permit, and commercial credit companies). Rather than relying on any one information set, DrillDown findings surface from a combined body of data. These findings, tested against supplemental data and the intuitive knowledge of local market leaders, serve as the foundation for an objective, systematic analysis of business attributes.

Project Overview

Working with the City of Detroit's lead business attraction agency, the Detroit Economic Growth Corporation (DEGC), Social Compact is helping to implement information-led retail attraction and retention strategies in Detroit's communities and commercial corridors. DEGC is repositioning its retail attraction efforts to focus on strategic neighborhoods, including those in the greater downtown, and demonstrating existing market strengths in order to encourage high quality retail development in Detroit. As a new information source with which to attract investment to the city, Social Compact's DrillDown can help ensure that these retail investment efforts will appropriately capture market opportunities where conventional analytic tools may have undervalued the strengths of Detroit's neighborhoods.

The DrillDown shows that many Detroit neighborhoods currently possess market potential to support high quality retail. The DrillDown indicators can be used by the city, retailers, real estate brokers, developers, community development agencies, and other stakeholders to better understand investment opportunities in Detroit. The DrillDown market study represents the beginning of a multi-year program designed to equip Detroit with high-quality information illuminating the nature of the market potential and opportunity existing in the City's neighborhoods. As the program unfolds, the information available to investors will improve, becoming richer and more nuanced.

DrillDown Geography

The DrillDown includes analysis of economic indicators of market size, strength and stability for 54 neighborhoods in the City of Detroit. This report provides highlights from the analysis, depicting those neighborhoods with evidence of significant market potential.

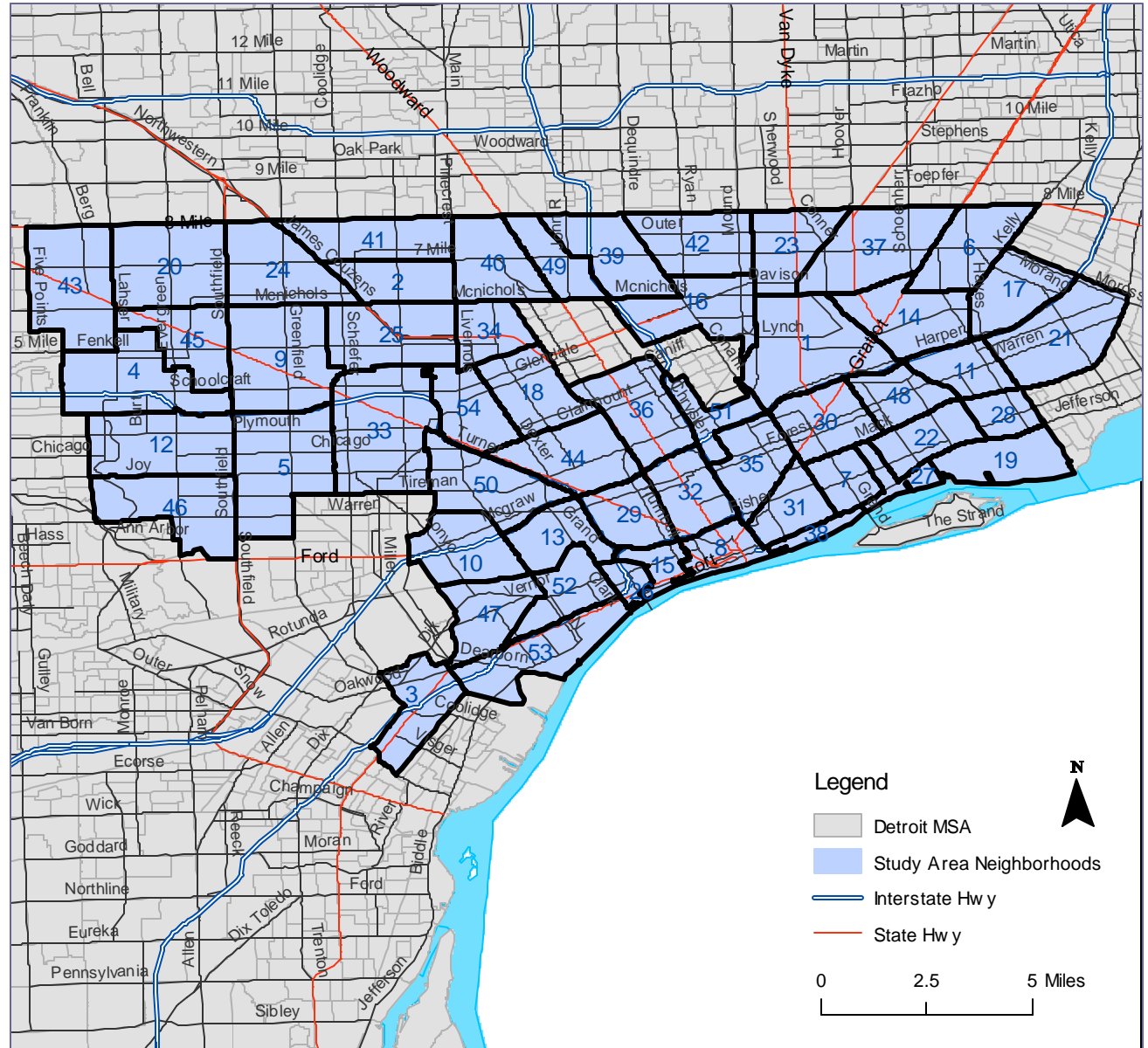
The 54 Detroit neighborhood boundaries (see page 7) are defined by the 2004 Master Plan, developed to recognize established community boundaries and service areas of various community organizations. In some cases, these boundaries may vary from those commonly known. For example, Lower Woodward is commonly known as Midtown; Cerveney-Grandmont as Grandmont; East Riverside as the Jefferson-Chalmers community; and Finney includes well-known neighborhoods like Morningside and East English Village. Middle Woodward encompasses a number of neighborhoods such as New Center, Boston Edison, and Arden Park. Indian Village includes other neighborhoods, including East and West Villages, the Berry Subdivision, and the nearby Jefferson Riverfront properties, in addition to Indian Village itself.

The context map on the next page serves as a reference for the neighborhood boundaries used in the DrillDown analysis. The City of Detroit DrillDown study area neighborhoods, and greater Detroit metro area communities are defined at the census blockgroup level, and may therefore vary slightly from other definitions. Current estimates for the Detroit-Warren-Livonia Metropolitan Statistical Area (MSA) and several surrounding communities are provided to give context for particular indicators.

Included in this report are highlights from the DrillDown analysis for the following study area neighborhoods:

- | | |
|------------------------------|--------------------------|
| 1. Airport | 28. Jefferson/ Mack |
| 2. Bagley | 29. Jeffries |
| 3. Boynton | 30. Kettering |
| 4. Brightmoor | 31. Lower East Central |
| 5. Brooks | 32. Lower Woodward |
| 6. Burbank | 33. Mackenzie |
| 7. Butzel | 34. McNichols |
| 8. Central Business District | 35. Middle East Central |
| 9. Cerveny/ Grandmont | 36. Middle Woodward |
| 10. Chadsey | 37. Mt Olivet |
| 11. Chandler Park | 38. Near East Riverfront |
| 12. Cody | 39. Nolan |
| 13. Condon | 40. Palmer Park |
| 14. Conner | 41. Pembroke |
| 15. Corktown | 42. Pershing |
| 16. Davison | 43. Redford |
| 17. Denby | 44. Rosa Parks |
| 18. Durfee | 45. Rosedale |
| 19. East Riverside | 46. Rouge |
| 20. Evergreen | 47. Springwells |
| 21. Finney | 48. St Jean |
| 22. Foch | 49. State Fair |
| 23. Grant | 50. Tireman |
| 24. Greenfield | 51. Upper East Central |
| 25. Harmony Village | 52. Vernor/ Junction |
| 26. Hubbard Richard | 53. West Riverfront |
| 27. Indian Village | 54. Winterhalter |

2007 Detroit DrillDown Study Area Neighborhoods



Key Observations — City of Detroit

Detroit neighborhoods are home to larger markets than previously understood...

- **Based on a careful analysis of multiple municipal and proprietary datasets, the DrillDown estimates the current population to be 933,043, nearly 62,000 above the 2006 Census estimates.** This analysis provides evidence that Detroit's predicted population decline is not as dramatic as previously thought. The Census estimates that Detroit's population fell from 951,270 in 2000 to 871,121 in 2006.
- **Detroit has higher density markets when compared to the Detroit MSA as a whole.** Population density in the City is six times higher than the MSA. Population density also compares favorably with communities such as Grosse Pointe, Royal Oak and Ferndale, where population densities are slightly lower.

Greater income density signals greater buying power in the City and translates into investment potential...

- **The DrillDown estimates that the City's average household income is 17% higher than the Census 2000 estimate.** The DrillDown estimates the current average household income to be \$47,962. New home buyers in Detroit had an average income of \$48,500 between 2003 and 2005. Similarly, the average median household income is 12% higher than the Census 2000 estimate.
- **The DrillDown estimates income density in the city to be \$179,696 per acre, a 15% increase from the Census 2000 estimate.** This density is three times higher than that of the Detroit MSA, and is similar to densities in Dearborn and Southgate.
- **Despite projections of population decline, the DrillDown aggregate neighborhood income estimates exceed Census 2000 numbers by 15%, an increase of over \$2 billion dollars.**
- **The DrillDown estimates the informal economy in the City of Detroit to be worth \$803 million dollars.**
- **An aggregate household income of \$15.8 billion translates into an estimated \$4.6 billion in retail spending. Nearly \$1.7 billion in retail spending is estimated to leave the City.**

Key Observations — Study Area Neighborhoods...

Detroit neighborhoods are home to larger markets than previously understood...

- **The DrillDown estimates exceeded Census 2000 population counts in several study area neighborhoods, most notably Hubbard Richard, Corktown, and Near East Riverfront, where the DrillDown estimate was more than 20% higher than Census 2000 numbers.** Other neighborhoods where the DrillDown population estimate is significantly higher than the census include Middle East Central, Butzel, State Fair, and West Riverfront.
- **Study area neighborhoods are higher density markets—the DrillDown estimates over half of these neighborhoods to have more than the city average of 10.6 persons per acre.** More specifically, the DrillDown estimates Denby, Conner, Vernor/Junction, Bagley, Chadsey, and Burbank at 15 or more persons per acre. These numbers compare favorably to greater metro areas, such as Ferndale, with 8.7 persons per acre, Grosse Pointe at 7.9 persons per acre, or Royal Oak, 7.7 persons per acre, respectively.

Higher incomes signal greater buying power in study area neighborhoods...

- **Nearly half of study area neighborhoods boast income densities above the city average.** The DrillDown estimates income density as highest in Indian Village, at \$444,000 per acre, more than double the city average and exceeding income densities of surrounding areas such as Birmingham, estimated at \$425,000 per acre, and Grosse Pointe, estimated at \$442,000 per acre. Income density in Bagley is roughly twice the city average. Rosedale, Denby, and Lower East Central each demonstrate income densities above \$300,000 per acre, well above that of suburban neighborhoods such as Dearborn, Farmington, and Ferndale.
- **The DrillDown aggregate neighborhood income estimates far exceed Census 2000 numbers in many study area neighborhoods.** The DrillDown estimates for aggregate neighborhood income exceeded Census 2000 figures by 20% or more in 14 study area neighborhoods. The greatest increases occurred in the Central Business District, where the DrillDown aggregate neighborhood income is estimated at 75% above Census 2000 figures, followed by State Fair, Near East Riverfront and Lower Woodward, where the DrillDown estimates were 40% to 47% higher than Census 2000 figures.
- **DrillDown average household income estimates exceeded Census 2000 figures in nearly half of the study area neighborhoods;** in fifteen of those neighborhoods, the DrillDown estimate was at least 20% higher than Census 2000 figures. Neighborhoods in which the DrillDown estimate most differed from Census 2000 were Lower Woodward, where the DrillDown average household income is estimated to be 66% higher from Census 2000 estimates, the Central Business District, 51% higher, and Indian Village, 49% higher. The percent increase in new home owners' average household income in study area neighborhoods compares favorably to the greater Detroit metro area. Particularly, Lower Woodward, Central Business District, Jefferson/Mack, Butzel, and Jeffries new home buyer average income have seen increases above 100% from Census 2000 average household incomes.
- **Roughly one third of study area neighborhoods saw a significant increase from Census 2000 median household incomes.** The DrillDown's median household income estimates exceeded Census 2000 numbers by 15% or more in 15 study area neighborhoods. Most notably, Corktown, Central Business District, West Riverfront, Boynton, Middle Woodward, Springwells and State Fair where the DrillDown estimate exceeded Census 2000 figures by 20% or more.
- **The change in IRS adjusted gross income has increased in seven study area neighborhoods,** most notably in Lower Woodward, up 21%, Burbank, up 3.6%, and Jefferson/Mack and Mt. Olivet, both at an increase of roughly 2%. In contrast, IRS adjusted gross income in greater metro area neighborhoods such as Dearborn, Birmingham and Grosse Pointe, have decreased by more than 10%.
- **The DrillDown estimates the informal economy to be worth roughly \$800 million citywide.** The informal economy is estimated at just over 13% of the total neighborhood economy in Corktown, West Riverfront, and Hubbard Richard. The informal economy is estimated as between 10% and 12% of the total neighborhood economy in Vernor/Junction; Central Business District; Jefferson/Mack; Condon; Butzel; Springwells; Chadsey; and Upper East Central.

Upward trends in homeownership and residential investment indicate greater market stability...

- **The value of single family homes in study area neighborhoods has increased substantially from Census 2000 values.** Median home sale values in fourteen study area neighborhoods have increased by over 100% from Census 2000 values. Home sale values have risen most in the Central Business District, West Riverfront, Corktown, Condon and Kettering.
- **Many study area neighborhoods have seen significant new residential construction.** A considerable number of new residential units have been permitted between 2000 and 2006 in Jeffries, Lower Woodward, Grant, Middle Woodward, and East Riverside.

The DrillDown demonstrates market opportunity in study area neighborhoods...

- **The DrillDown estimates demonstrate substantial underbanked populations in five study area neighborhoods.** For example, 30% or more of residents in Lower Woodward, West Riverfront, State Fair, Hubbard Richard, Corktown, Near East Riverfront, Middle East Central and the Central Business District are without documented credit histories, compared with only 12% of residents citywide.
- **Fourteen study area neighborhoods are without a traditional financial service institution.** Residents in Condon, Tireman, Indian Village and Boynton travel the farthest (over one mile) to access the nearest bank branch or credit union.
- **The DrillDown documented the greatest number of nontraditional financial institutions (pawnshops, payday lenders and check cashers) in Corktown, Near East Riverfront, Vernor/Junction and Airport.** Nine study area neighborhoods have twice the city average number (2.5 for every 10,000 households) of nontraditional financial service institutions.

The DrillDown demonstrates cause for optimism with respect to population and income growth in the City of Detroit. Contrary to recent Census estimates, the DrillDown portrays an increase in population and income in a number of Detroit neighborhoods, contributing to higher population densities and greater buying power, making these neighborhoods competitive markets for the greater Detroit metro area. In addition, new home owners in Detroit boast higher incomes than the Census 2000 average household income and rising home sale values indicate increasing neighborhood stability. With the construction of new residential units and high rates of permit activity throughout the city, the DrillDown documents significant residential investment throughout study area neighborhoods, signaling positive revitalization in many areas.

MARKET SIZE figures indicate a neighborhood's population of residential consumers, effectively describing neighborhood mass and density. Market size is commonly underestimated in inner-city neighborhoods because measurements at the neighborhood level are often outdated or inaccurate. Research has shown that the decennial census is susceptible to undercounting particular areas due to incorrect information; unreturned and incomplete surveys; and missed households and individuals. Population undercounts are more likely to occur in low-income, predominantly minority, urban neighborhoods, where a larger proportion of residents may have language barriers, live in overcrowded housing, and have greater mistrust of government. Accurate measurements of market size underpin assessments of investment and business potential in neighborhoods. To enhance accuracy, Social Compact's Drill-Down uses data sources compiled on an annual basis to build its profiles.

HOUSING UNITS, POPULATION, HOUSEHOLDS: The DrillDown assembles a list of residential addresses from municipal and proprietary tax assessment records, municipal building permit records, utility hookups, and credit bureau records. Households, or occupied units, are determined by multiplying the total number of residential addresses by the vacancy rate, determined through analysis of utility usage records, at the block group level. Total population is calculated by multiplying the number of households by the average household size and adding this number to the population in group quarters. Average household size and population in group quarters is provided at the block group level by Claritas, 2006.

City of Detroit Population & Household Estimates

	Census 2000	Census 2006 Est.	DrillDown 2007 Est.
Population	951,270	871,121	933,043
Households	336,428	-	330,303

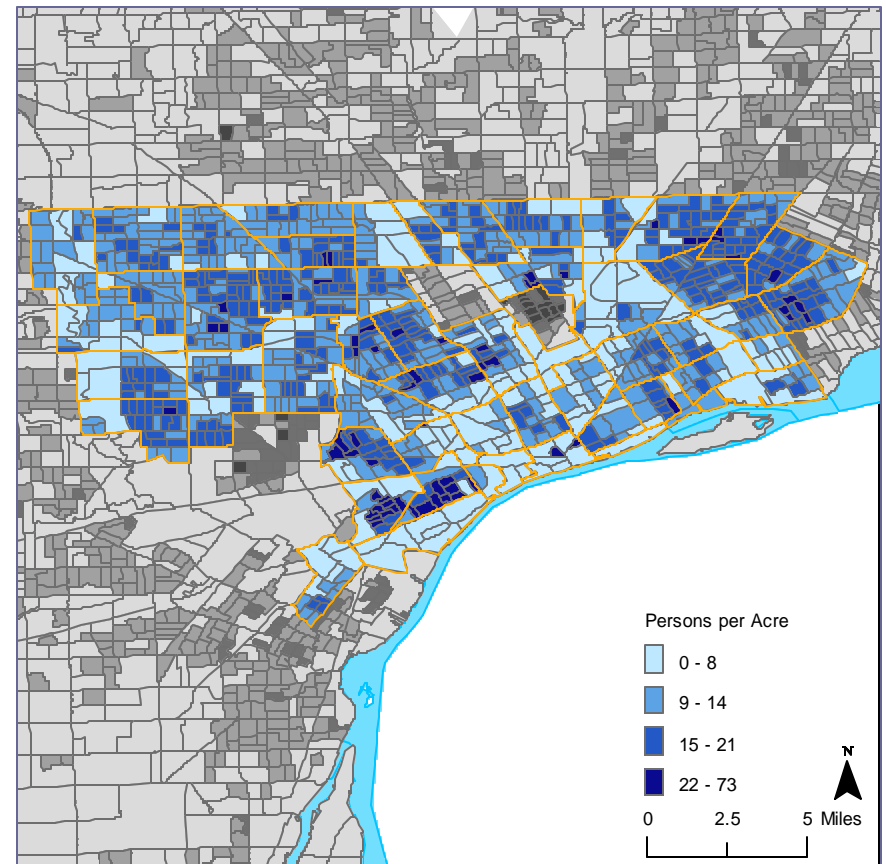
Depicted below are those neighborhoods in which the DrillDown estimate demonstrates a notable increase from Census 2000 estimates.

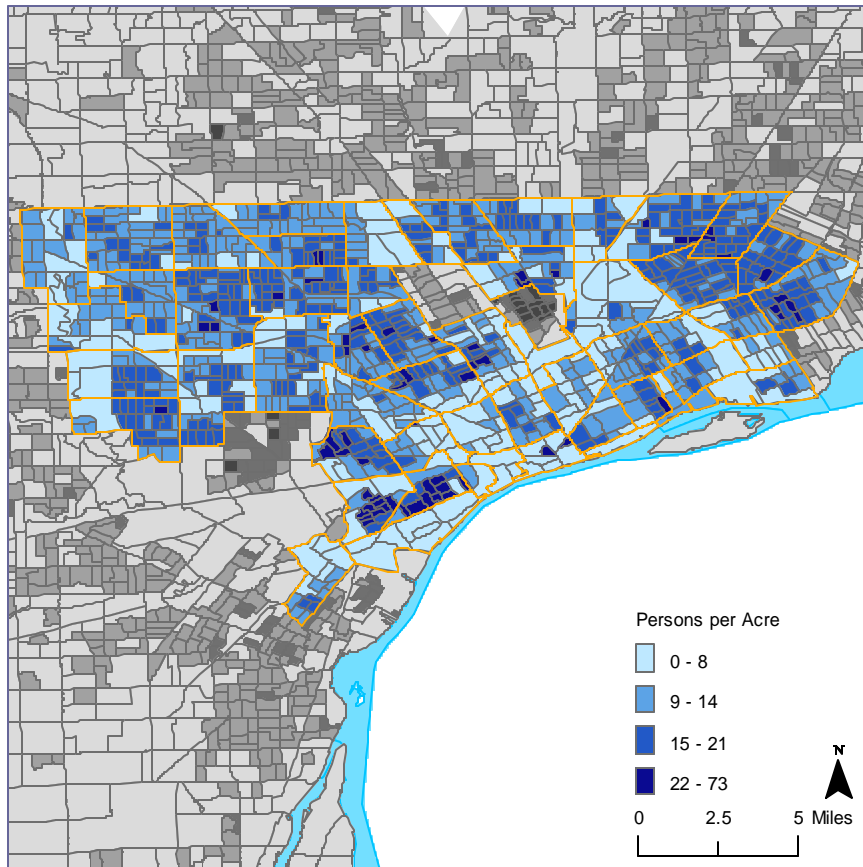
DrillDown Population by Neighborhood % Above Census 2000

Neighborhood	%	Tot. Pop.	Neighborhood	%	Tot. Pop.
1 Hubbard Richard	29%	2,595	6 State Fair	12%	9,912
2 Corktown	25%	1,627	7 West Riverfront	11%	4,635
3 Near East Riverfront	23%	1,847	8 Central Business District	9%	6,678
4 Middle East Central	14%	10,122	9 Middle Woodward	7%	18,876
5 Butzel	13%	11,097	10 Nolan	5%	22,432

DrillDown Total Number of Households by Neighborhood % Above Census 2000

Neighborhood	%	Tot. HHs	Neighborhood	%	Tot. HHs
1 Near East Riverfront	23%	1,154	6 Lower Woodward	2%	8,635
2 Middle East Central	19%	3,656	7 Jeffries	2%	3,052
3 Central Business District	15%	3,115	8 Chadsey	2%	7,790
4 Butzel	12%	4,049	9 Airport	2%	4,313
5 West Riverfront	12%	1,561	10 Vernor/Junction	2%	5,622
6 State Fair	11%	3,184	11 Davison	2%	5,861
7 Middle Woodward	9%	7,617	12 Grant	2%	4,320
8 Nolan	5%	7,830	13 Harmony Village	1%	11,303





Neighborhoods with Population Density Greater than the City Average			
1 Denby	16.6	16 Lower Woodward	12.5
2 Conner	16.0	17 Evergreen	12.3
3 Vernor/Junction	15.7	18 Rosedale	12.0
4 Bagley	15.5	19 Foch	11.6
5 Chadsey	15.5	20 Greenfield	11.6
6 Burbank	15.4	21 Rouge	11.6
7 Harmony Village	14.8	22 Pershing	11.5
8 Durfee	14.8	23 Springwells	11.4
9 Cerveney/Grandmont	14.7	24 Lower East Central	11.4
10 Finney	13.7	25 Mackenzie	11.4
11 Winterhalter	13.5	26 McNichols	11.2
12 Butzel	13.1	27 Pembroke	11.2
13 Nolan	13.0	28 Brooks	11.1
14 Mt Olivet	12.9	29 Detroit	10.6
15 Rosa Parks	12.6		

**Greater Metro Comparison
Population Density (per Acre)**

Detroit MSA	1.8
Birmingham	6.4
Dearborn	6.0
Farmington	5.8
Ferndale	8.7
Grosse Pointe	7.9
Royal Oak	7.7
Southgate	6.8

Source: Claritas 2006

MARKET STRENGTH/BUYING POWER figures address the population's consumer potential, gauging purchasing power by estimating aggregate income and income density and adjusting these figures to account for the estimated monetary value of unregulated economic activity (or the informal economy) within a neighborhood. Income estimates provided by the census, and census derived projections, are now outdated and prone to well-understood inaccuracies resulting from self reported income. In contrast, the DrillDown analysis incorporates the most recent income estimates from the three major credit bureaus. When aggregated to the neighborhood level, higher average household incomes result in concentrated buying power greater than previously understood. Moreover, higher population density in inner-city neighborhoods translates into concentrated buying power that supersedes their suburban counterparts, even in cases where average household incomes are comparatively lower.

Traditional market analysis models used by retailers and financial institutions overlook the significant buying power generated by the local informal economy and therefore misinform private sector investment decisions. Information gaps and poor market data can drastically influence the economic prospects of neighborhoods, particularly in low income areas where traditional demographic data does not accurately capture market potential. Accurate measurements of a community's total economic activity may attract new investment and assist policy makers in identifying those barriers that prevent small and medium enterprises from entering the formal market. Increased information on small businesses operating in under-regulated environments might encourage the engagement of mainstream small business lenders.

INCOME: Unadjusted household income estimates are derived in a series of calculations. First, a count is made of the number of individuals per income bracket, as determined by the three credit bureau income estimates. Then, the average income at the block group level is calculated by applying the Bureau of Labor and Statistics Consumer Expenditure Survey's estimated average income for individuals within a particular income range (projected from 2004 to 2006) to the income distribution determined. The third calculation adjusts the income estimate to account for informal economic activity. By weighting the following eight proxies, the DrillDown estimates the monetary value of unregulated economic activity: household with income below \$30,000; difference between household income and household expenditures; the percentage of households with no credit record; the percentage of utility payments made in cash; the number of nontraditional financial service providers per household and per acre; the difference between estimated housing costs and real home values; and the percent foreign born population. Median of the income distribution is averaged from the three income ranges provided by the credit bureau data.

City of Detroit Median & Average Household Income Estimates		
	DrillDown 2007 Est.	% Increase from Census 2000
Median Income	\$34,512	12%
Average Income	\$47,962	17%

Listed below are those neighborhoods in which the DrillDown income estimates were significantly higher than Census 2000 .

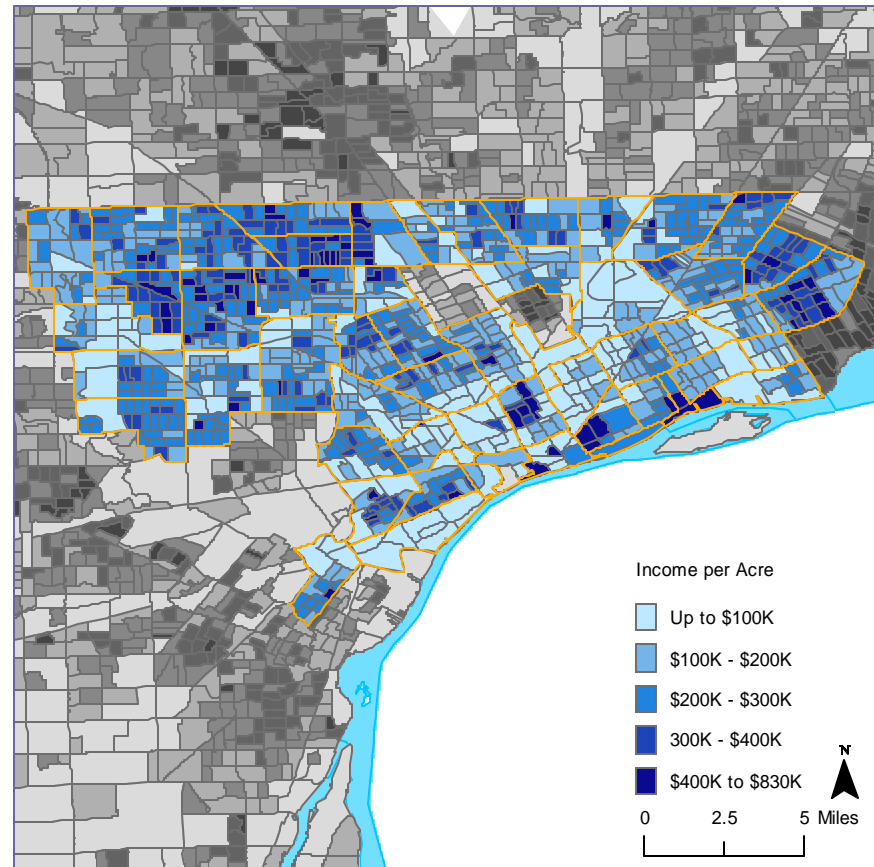
DrillDown Median Household Income % Above Census 2000					
Neighborhood	%	HHInc	Neighborhood	%	HHInc
1 Corktown	243%	\$27,632	10 Conner	17%	\$32,080
2 Central Business District	148%	\$54,529	11 Brooks	16%	\$31,999
3 West Riverfront	46%	\$20,666	12 Davison	16%	\$26,628
4 Boynton	30%	\$35,103	13 Cody	16%	\$40,829
5 Middle Woodward	25%	\$28,324	14 Near East Riverfront	15%	\$55,000
6 Springwells	23%	\$29,470	15 Lower East Central	15%	\$29,330
7 State Fair	20%	\$24,016	16 Cerveney/Grandmont	14%	\$43,287
8 Indian Village	19%	\$66,106	17 Greenfield	14%	\$43,287
9 Tireman	17%	\$25,430	18 Rouge	14%	\$40,991

DrillDown Average Household Income % Above Census 2000					
Neighborhood	%	HHInc	Neighborhood	%	HHInc
1 Lower Woodward	66%	\$35,107	13 Winterhalter	20%	\$38,438
2 Central Business District	51%	\$53,900	14 Brightmoor	20%	\$38,548
3 Indian Village	49%	\$72,648	15 Grant	20%	\$48,345
4 State Fair	32%	\$36,098	16 Kettering	19%	\$34,445
5 Jefferson/Mack	27%	\$34,333	17 Davison	19%	\$36,061
6 Springwells	25%	\$37,553	18 Rosedale	19%	\$77,817
7 St Jean	23%	\$31,387	19 Rouge	18%	\$46,863
8 Foch	23%	\$34,627	20 Near East Riverfront	18%	\$63,626
9 Cerveney/Grandmont	22%	\$54,543	21 Middle Woodward	18%	\$37,206
10 Redford	22%	\$51,464	22 Bagley	18%	\$61,543
11 Palmer Park	20%	\$82,375	23 Mt Olivet	18%	\$46,289
12 Greenfield	20%	\$56,419			

City of Detroit DrillDown Aggregate Income		
Aggregate Income	\$15.8 Billion	(15% Above Census 2000)
% Informal Economy	5.5%	

DrillDown % Informal Economy			
1 Corktown	13.5%	7 Jefferson/Mack	11.0%
2 West Riverfront	13.4%	8 Butzel	10.9%
3 Hubbard Richard	13.3%	9 Springwells	10.6%
4 Vernor/Junction	12.5%	10 Chadsey	10.1%
5 Central Business District	11.7%	11 Upper East Central	10.0%
6 Condon	11.2%		

Neighborhoods with Income Density Greater than the City Average			
1 Indian Village	\$444,342	15 Evergreen	\$228,870
2 Bagley	\$360,976	16 Durfee	\$228,153
3 Rosedale	\$328,289	17 Winterhalter	\$217,406
4 Denby	\$308,283	18 Pershing	\$212,846
5 Lower East Central	\$292,609	19 Conner	\$210,313
6 Cerveney/Grandmont	\$287,479	20 Vernor/Junction	\$208,347
7 Finney	\$278,983	21 Central Business District	\$206,397
8 Pembroke	\$259,712	22 Rouge	\$203,825
9 Lower Woodward	\$250,330	23 Butzel	\$188,747
10 Greenfield	\$248,698	24 Chadsey	\$187,838
11 Near East Riverfront	\$242,311	25 Nolan	\$186,516
12 Burbank	\$236,181	26 Mt Olivet	\$185,101
13 Palmer Park	\$234,369	27 Detroit	\$179,696
14 Harmony Village	\$233,645		



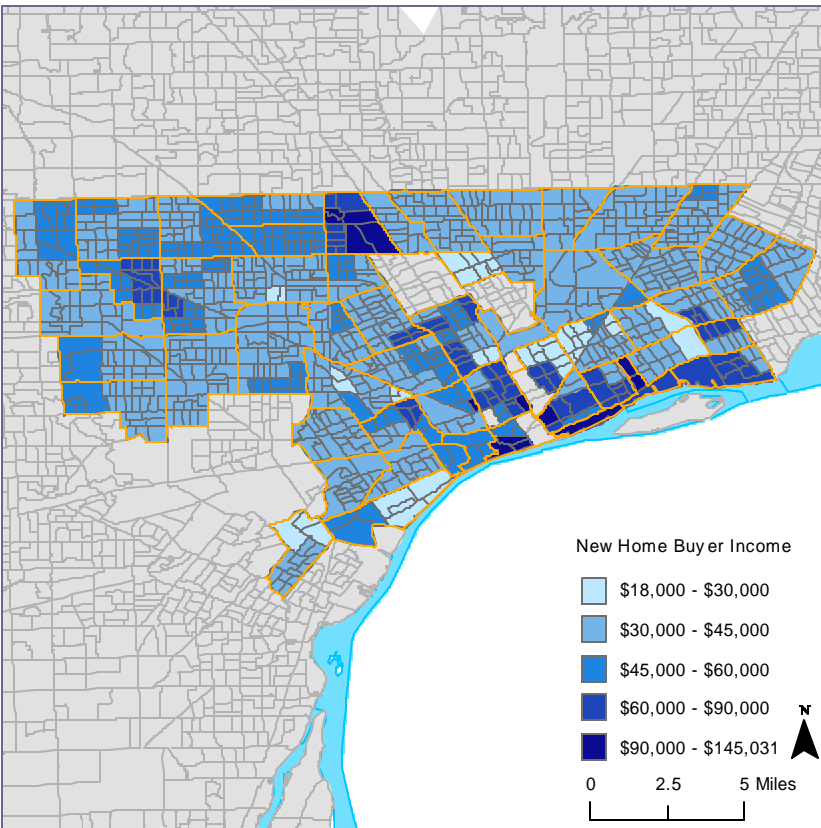
Greater Metro Comparison Income Density (per Acre)	
Detroit MSA	\$50,303
Birmingham	\$425,305
Dearborn	\$145,707
Farmington	\$212,040
Ferndale	\$244,626
Grosse Pointe	\$442,286
Royal Oak	\$279,969
Southgate	\$183,046

Source: Claritas 2006

DrillDown Aggregate Neighborhood Income % Above Census 2000					
Neighborhood	%	HHInc	Neighborhood	%	HHInc
1 Central Business District	75%	\$167.9M	8 Middle Woodward	29%	\$283.4M
2 Lower Woodward	71%	\$303.2M	9 Springwells	23%	\$202.8M
3 State Fair	47%	\$115.0M	10 Davison	22%	\$211.4M
4 Near East Riverfront	46%	\$73.4M	11 Jefferson/Mack	22%	\$67.2M
5 Butzel	31%	\$143.7M	12 Grant	22%	\$208.8M
6 Corktown	31%	\$30.6M	13 Cerveney/Grandmont	20%	\$783.3M
7 Indian Village	31%	\$219.1M	14 Foch	20%	\$104.4M

IRS ADJUSTED GROSS INCOME: The change in IRS adjusted gross income serves as an indicator of neighborhood income change. The percent change in adjusted gross income reported for each neighborhood is extrapolated from 1998 and 2004 zip code level data available from the Internal Revenue Service (IRS). The 1998 values are adjusted for inflation to 2004 dollars. The zip code level data is adjusted to different geographies by weighting the number of returns to the Census 2000 households at the block-group level.

NEW HOMEOWNERS AVERAGE HOUSEHOLD INCOME: The average income of new home buyers compared to Census 2000 average household income is an additional indicator of neighborhood change. New homeowners average income is derived from tract-level home loan data provided by Home Mortgage Disclosure Act (HMDA), 2003-2005. Average incomes are from all home purchase loans for 1-4 unit structures for owner-occupancy (not rental or second home) between 2003 and 2005.



City of Detroit Neighborhood Income Change	
% Change in Adjusted IRS Gross Income	-4.6%
% Change New Home Owner Avg HH Inc	10.0%

IRS Adjusted Gross Income % Increase 1998 to 2004			
1 Lower Woodward	20.9%	5 East Riverside	1.7%
2 Burbank	3.6%	6 Indian Village	0.1%
3 Jefferson/Mack	1.9%	7 Foch	0.1%
4 Mt Olivet	1.9%		

New Homeowners Average Household Income, 2003 - 2005 % Above Census 2000					
Neighborhood	%	HHInc	Neighborhood	%	HHInc
1 Lower Woodward	271%	\$85,212	11 Condon	50%	\$49,565
2 Central Business District	153%	\$100,676	12 St Jean	50%	\$41,505
3 Jefferson/Mack	144%	\$73,000	13 Durfee	49%	\$53,804
4 Butzel	119%	\$73,566	14 Middle East Central	48%	\$46,346
5 Jeffries	117%	\$63,159	15 Rosa Parks	47%	\$48,908
6 Indian Village	88%	\$95,954	16 Foch	46%	\$43,717
7 Middle Woodward	87%	\$62,543	17 Winterhalter	45%	\$49,608
8 Near East Riverfront	87%	\$106,218	18 Palmer Park	44%	\$101,965
9 Lower East Central	69%	\$69,258	19 Chandler Park	43%	\$47,081
10 East Riverside	52%	\$70,041	20 State Fair	35%	\$40,370

Greater Metro Comparison

IRS Adjusted Gross Inc. % Change '98 - '04

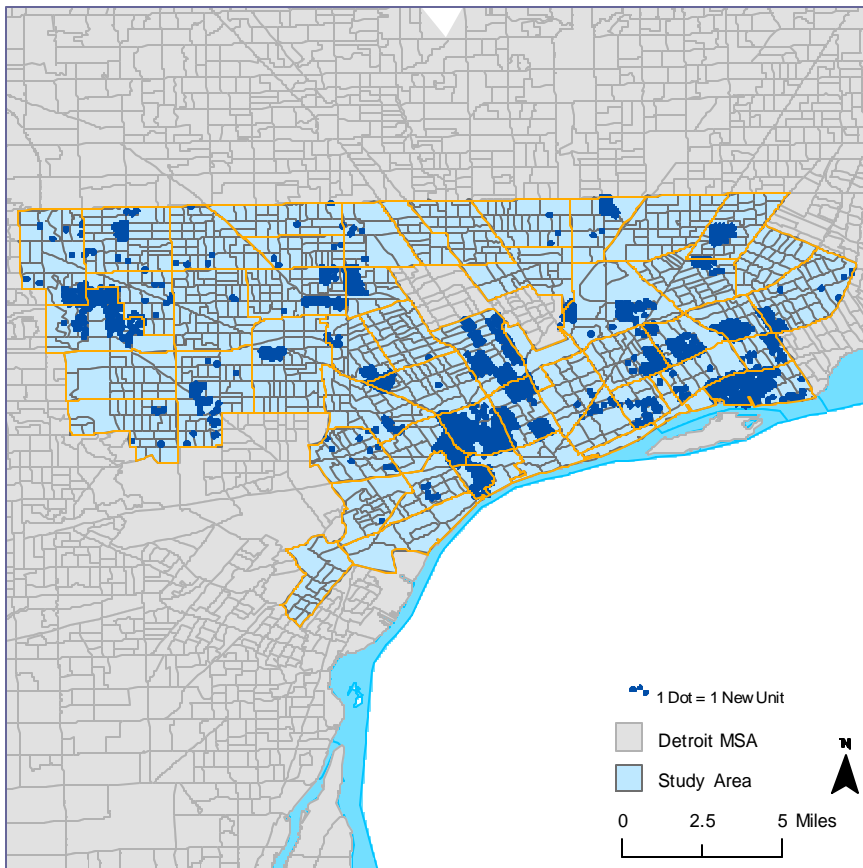
Detroit MSA	-6.6%
Birmingham	17.1%
Dearborn	-22.1%
Farmington	-1.8%
Ferndale	2.3%
Grosse Pointe	-12.0%
Royal Oak	-1.1%
Southgate	-9.0%

% Change New Home Buyer Avg. HH Inc.

Detroit MSA	20.2%
Birmingham	51.1%
Dearborn	15.5%
Farmington	5.1%
Ferndale	15.0%
Grosse Pointe	16.7%
Royal Oak	20.4%
Southgate	6.3%

MARKET STABILITY/RISK indicators further gauge the viability of business investment in a neighborhood; assessing the presence of community stakeholders and demonstrating trends in real estate property values and crime. Through an estimation of owner occupied units and buildings, the DrillDown assesses homeownership, a factor widely thought to increase individual investment in a community. Since a greater proportion of urban housing stock is multi-unit or multi-family, when compared to suburban housing, Social Compact assesses owner occupancy by building and in so doing reveals a greater number of neighborhood stakeholders. For example, a resident who owns a three-unit building may live in one unit while renting out the other two; owner occupancy measured by unit is 33%; whereas occupancy by building is 100%.

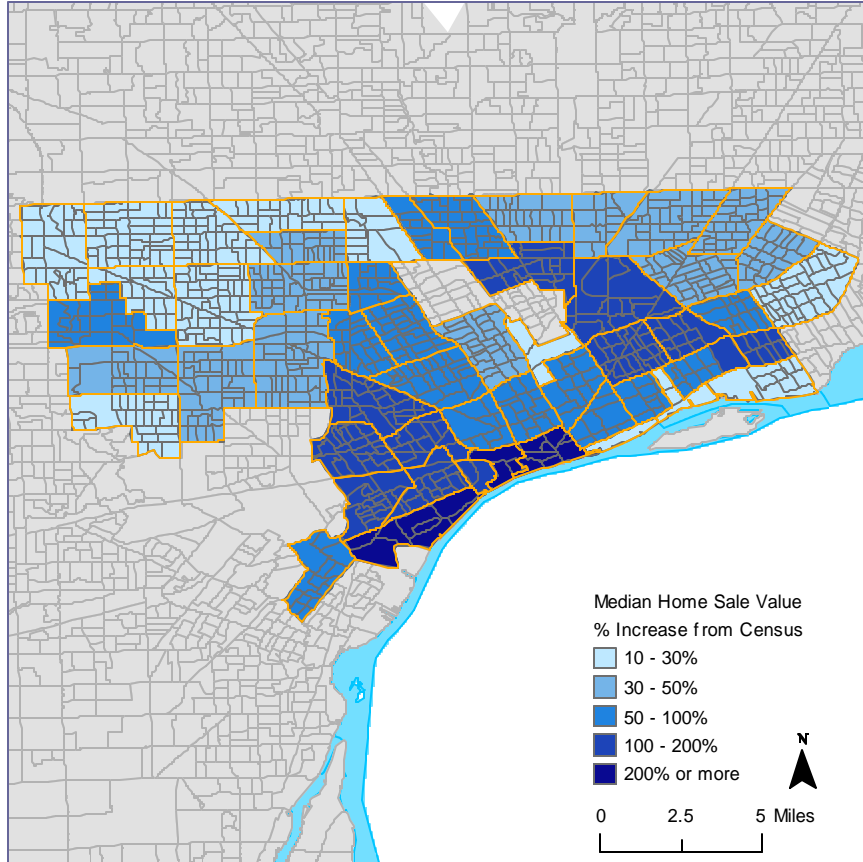
BUILDING RECORDS: New construction and rehabilitation (additions, alterations, repairs) is assessed using municipal building permit records for the stated period of time. The DrillDown analyzes building permit activity over time, to potentially capture upward trends in residential construction and renovation, which would indicate property investment and a vibrant housing market.



Total Number of Permitted New Units 2000 - 2006			
1 Detroit	3,817	14 McNichols	72
2 Jeffries	966	15 Hubbard Richard	69
3 Lower Woodward	468	16 Harmony Village	66
4 Grant	339	17 Rosa Parks	58
5 Middle Woodward	304	18 Burbank	57
6 East Riverside	205	19 Conner	48
7 Brightmoor	145	20 Winterhalter	44
8 Airport	142	21 Redford	43
9 Chandler Park	135	22 Butzel	38
10 Kettering	116	23 Mackenzie	38
11 Condon	106	24 Brooks	37
12 Finney	80	25 Evergreen	35
13 St Jean	74	26 Jefferson/Mack	31

Total Number of Rehabilitation Permits (per 1,000 Households) 2000 - 2006			
1 Upper East Central	500	16 Chandler Park	121
2 Rosedale	206	17 Conner	119
3 Hubbard Richard	193	18 Vernor/Junction	118
4 Corktown	163	19 Pershing	118
5 Bagley	157	20 Middle Woodward	114
6 Finney	150	21 Mt Olivet	114
7 Boynton	149	22 McNichols	110
8 Pembroke	149	23 Butzel	110
9 Evergreen	133	24 St Jean	109
10 Cerveny/Grandmont	132	25 Palmer Park	108
11 East Riverside	132	26 Kettering	107
12 Mackenzie	132	27 Burbank	106
13 Greenfield	130	28 Durfee	106
14 Harmony Village	124	29 Grant	106
15 Denby	122	30 Detroit	106

MEDIAN HOME SALE VALUE: Median home sale value is calculated using property transaction data from property sales and proprietary and municipal real estate data over an 18 month period.



Median Home Sale Value % Above Census 2000		
Neighborhood	%	Value
1 Central Business District	639%	\$168,625
2 West Riverfront	293%	\$67,000
3 Corktown	256%	\$85,100
4 Condon	170%	\$78,000
5 Kettering	145%	\$69,000
6 Springwells	143%	\$78,000
7 Hubbard Richard	142%	\$110,000
8 Jefferson/Mack	141%	\$69,000
9 Vernor/Junction	140%	\$85,000
10 St Jean	126%	\$63,000
11 Tireman	122%	\$69,000
12 Chadsey	115%	\$83,000
13 Airport	108%	\$65,000
14 Davison	105%	\$64,000
15 Middle East Central	97%	\$40,000
16 Butzel	93%	\$121,749
17 State Fair	91%	\$73,000
18 Lower Woodward	88%	\$219,103
19 Rosa Parks	87%	\$78,000
20 Chandler Park	80%	\$77,000
21 Jeffries	76%	\$96,000
22 Nolan	74%	\$74,000
23 Boynton	67%	\$71,750
24 McNichols	61%	\$75,000
25 Brightmoor	61%	\$73,000
26 Winterhalter	61%	\$83,000
27 Foch	53%	\$53,000
28 Durfee	52%	\$84,500
29 Lower East Central	51%	\$130,000
30 Detroit	50%	\$88,998

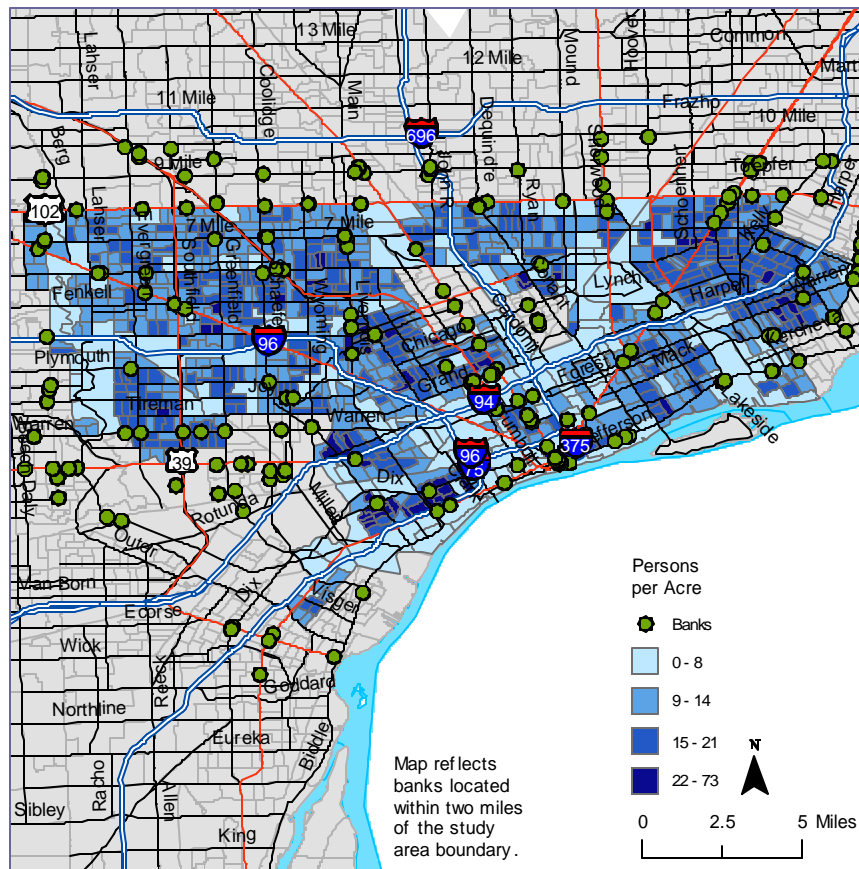
MARKET POTENTIAL is characterized by market anomalies such as high incomes coupled with inadequate financial services and unmet retail demand. While these anomalies may be known intuitively by business leaders in a community, Social Compact DrillDown data provides a more accurate foundation for devising business attraction strategies. Access to traditional financial services and fresh food are essential components of comprehensive community development, yet many mainstream financial institutions and supermarkets tend not to invest in the inner city as they are largely unaware of the economic potential. As a result, many inner city neighborhoods have fewer traditional financial institutions and grocery stores per capita when compared to suburban neighborhoods.

TRADITIONAL FINANCIAL INSTITUTIONS include banks and credit unions; based on listings provided by the Federal Deposit Insurance Corporation (FDIC), 2007. The DrillDown provides information on the presence of traditional and nontraditional financial institutions in order to determine the degree of access neighborhood residents have to these services. The DrillDown measurement of the number of institutions per 10,000 households is used for comparative purposes and as a frame of reference for understanding this indicator.

Number of Traditional Financial Institutions					
	per 10K HH	Total		per 10K HH	Total
1 Airport	0.0	0.0	18 Pershing	1.4	1.0
2 Boynton	0.0	0.0	19 Brightmoor	1.5	1.0
3 Butzel	0.0	0.0	20 Cody	1.6	1.0
4 Chandler Park	0.0	0.0	21 Mackenzie	1.6	2.0
5 Condon	0.0	0.0	22 Davison	1.7	1.0
6 Conner	0.0	0.0	23 Harmony Village	1.8	2.0
7 Denby	0.0	0.0	24 Springwells	1.9	1.0
8 Foch	0.0	0.0	25 Evergreen	1.9	2.0
9 Hubbard Richard	0.0	0.0	26 McNichols	2.4	1.0
10 Jefferson/Mack	0.0	0.0	27 Nolan	2.6	2.0
11 Rosa Parks	0.0	0.0	28 Pembroke	2.6	2.0
12 Rouge	0.0	0.0	29 Brooks	2.8	3.0
13 State Fair	0.0	0.0	30 Mt Olivet	3.2	3.0
14 Tireman	0.0	0.0	31 Greenfield	3.3	3.0
15 Cerveny/Grandmont	0.7	1.0	32 Redford	3.5	3.0
16 Durfee	1.1	1.0	33 Detroit	3.8	126.0
17 Bagley	1.4	1.0			

Average Distance to Traditional Financial Institution (in miles)			
1 Condon	1.3	14 Nolan	0.9
2 Tireman	1.3	15 Airport	0.8
3 Indian Village	1.1	16 West Riverfront	0.8
4 Boynton	1.1	17 Upper East Central	0.7
5 Conner	1.0	18 Pershing	0.7
6 Butzel	1.0	19 Foch	0.7
7 St Jean	1.0	20 Middle East Central	0.7
8 McNichols	0.9	21 Harmony Village	0.7
9 Cerveny/Grandmont	0.9	22 Jeffries	0.7
10 Chandler Park	0.9	23 Mackenzie	0.7
11 Mt Olivet	0.9	24 Durfee	0.7
12 Brooks	0.9	25 Cody	0.7
13 Brightmoor	0.9	26 Detroit	0.7

AVERAGE DISTANCE is reported by neighborhood and represents the averages of the distance in miles from each census block group centroid to the closest institution within one mile of the Detroit city boundary. In the case that a traditional financial service institution is located on or just beyond the neighborhood boundaries used in the DrillDown analysis, this indicator serves as a more accurate determinant of residents' access to these services.



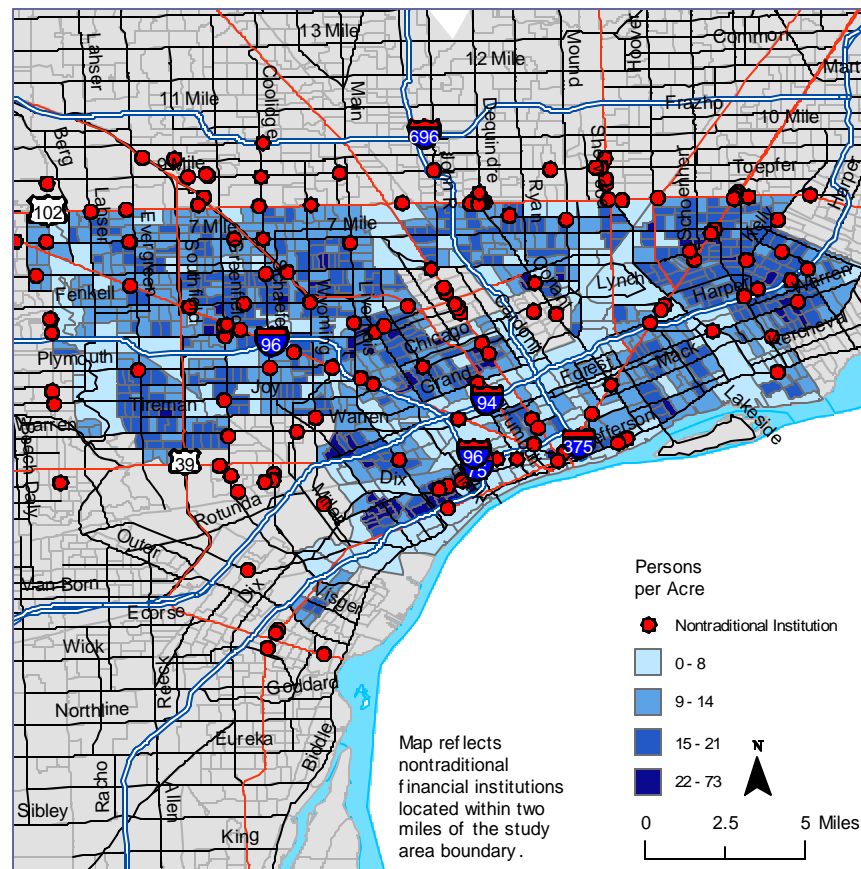
Limited access to traditional banking and financial services has long been a barrier to wealth creation in marginalized communities. This lack of access often translates to higher costs for basic financial transactions (1). Communities faced with a high presence of check cashing institutions, pay-day loan centers and other predatory financial services providers fall victim to higher transactional fees; a recent study found that “borrowers pay \$4.2 billion every year in excessive payday lending fees (2).”

% of Households without Credit Records			
1 Lower Woodward	40%	18 Chadsey	18%
2 West Riverfront	36%	19 Condon	18%
3 State Fair	33%	20 Nolan	17%
4 Hubbard Richard	32%	21 Kettering	17%
5 Corktown	31%	22 Springwells	16%
6 Near East Riverfront	31%	23 Lower East Central	16%
7 Middle East Central	31%	24 Rosa Parks	16%
8 Central Business District	30%	25 Brightmoor	15%
9 Upper East Central	29%	26 Winterhalter	15%
10 Jefferson/Mack	26%	27 Palmer Park	14%
11 Middle Woodward	26%	28 Jeffries	13%
12 Foch	25%	29 McNichols	13%
13 Airport	25%	30 St Jean	13%
14 Butzel	24%	31 Durfee	13%
15 Vernor/Junction	21%	32 Conner	13%
16 Indian Village	21%	33 Harmony Village	13%
17 Davison	20%	34 Detroit	12%

Number of Nontraditional Financial Institutions					
	per 10K HH	Total		per 10K HH	Total
1 Corktown	28.2	2.0	15 Jeffries	3.3	1.0
2 Near East Riverfront	8.7	1.0	16 St Jean	3.3	1.0
3 Vernor/Junction	7.1	4.0	17 Mt Olivet	3.2	3.0
4 Airport	7.0	3.0	18 Mackenzie	3.1	4.0
5 Central Business District	6.4	2.0	19 East Riverside	3.0	1.0
6 West Riverfront	6.4	1.0	20 Chandler Park	2.9	1.0
7 Middle East Central	5.5	2.0	21 Evergreen	2.8	3.0
8 Pershing	5.4	4.0	22 Finney	2.7	3.0
9 Winterhalter	5.4	4.0	23 Harmony Village	2.7	3.0
10 Denby	4.9	4.0	24 Burbank	2.6	2.0
11 Cerveny/Grandmont	4.2	6.0	25 Middle Woodward	2.6	2.0
12 Lower Woodward	3.5	3.0	26 Nolan	2.6	2.0
13 Redford	3.5	3.0	27 Detroit	2.4	80.0
14 Condon	3.3	1.0			

HOUSEHOLDS WITHOUT CREDIT RECORDS: A proxy for underbanked households, a percentage of households without any associated record in any of the three credit bureaus.

NONTRADITIONAL FINANCIAL INSTITUTIONS include check cashers, pawnshops and payday lenders; based on listings provided by InfoUSA.



(1) Barr, M. (2004). Banking the Poor: Policies to Bring Low-Income Americans Into the Financial Mainstream. Washington, DC: The Brookings Institution.

(2) King, U., Parrish, L. & Tanik, O. (November 2006). Financial Quicksand: Payday lending sinks borrowers in debt with \$4.2 billion in predatory fees every year. Center for Responsible Lending: Durham, NC.

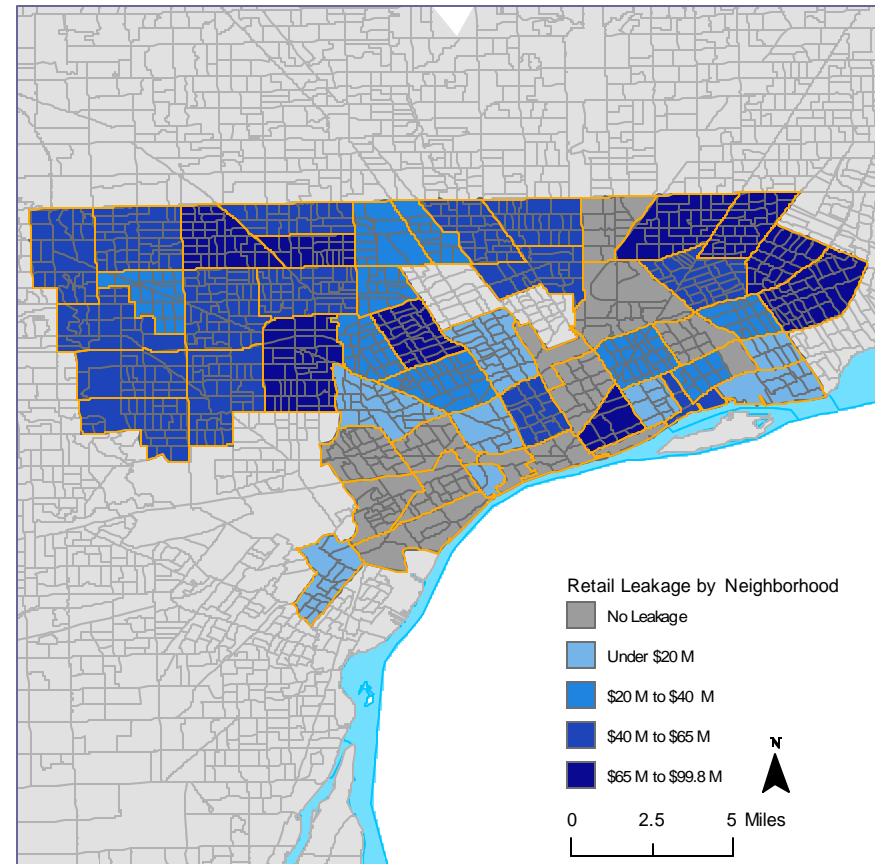
RETAIL EXPENDITURES: Through an analysis of average consumer spending by income ranges based on the most recent Consumer Expenditure Survey conducted by the Bureau of Labor and Statistics, Social Compact calculates aggregate consumer expenditures (retail and otherwise). The Consumer Expenditure Survey categories are then translated into North American Industry Classification System (NAICS) codes.

RETAIL REVENUE: An estimate of annual sales revenue derived through an analysis of business-level proprietary data, characterized for various retail NAICS codes.

NEIGHBORHOOD LEAKAGE: An estimate derived through subtracting annual sales revenue from annual aggregate expenditures; a dollar amount that represents unmet demand within a given geography, estimating the flow of dollars into and out of a particular neighborhood. Unlike retail estimates based on sector-specific trade areas, the DrillDown neighborhood leakage estimate is meant to identify the gap between available retail within the neighborhood and the retail spending of residents themselves. The map below indicates a number of neighborhoods with "No Leakage"; this does not necessarily imply that these neighborhoods are sufficiently retailed, rather that particular demand is not revealed through broad aggregate numbers.

DrillDown Neighborhood Retail Leakage			
1 Detroit	\$1.7B	13 Evergreen	\$55.9M
2 Mackenzie	\$99.9M	14 Brightmoor	\$55.5M
3 Denby	\$92.8M	15 Cerven/Grandmont	\$53.6M
4 Finney	\$86.1M	16 Rouge	\$53.0M
5 Greenfield	\$80.3M	17 Conner	\$51.3M
6 Bagley	\$79.1M	18 Cody	\$50.5M
7 Lower East Central	\$77.9M	19 Redford	\$49.6M
8 Burbank	\$72.3M	20 Pershing	\$48.6M
9 Durfee	\$69.5M	21 Davison	\$45.3M
10 Mt Olivet	\$65.6M	22 Lower Woodward	\$45.2M
11 Nolan	\$63.9M	23 Pembroke	\$44.9M
12 Harmony Village	\$59.2M		

Retail Spending Density (per acre)			
1 Indian Village	\$100,380	16 Conner	\$63,438
2 Bagley	\$93,378	17 Near East Riverfront	\$62,173
3 Lower East Central	\$86,429	18 Rouge	\$60,077
4 Denby	\$85,580	19 Vernor/Junction	\$59,378
5 Rosedale	\$78,422	20 Pershing	\$59,322
6 Cerven/Grandmont	\$78,016	21 Chadsey	\$58,637
7 Lower Woodward	\$77,669	22 Butzel	\$58,504
8 Finney	\$74,953	23 Nolan	\$57,466
9 Durfee	\$70,446	24 Rosa Parks	\$54,805
10 Pembroke	\$69,839	25 Mt Olivet	\$54,439
11 Harmony Village	\$69,109	26 Mackenzie	\$53,651
12 Burbank	\$67,194	27 Palmer Park	\$52,702
13 Greenfield	\$66,946	28 Central Business District	\$52,398
14 Winterhalter	\$66,721	29 Detroit	\$51,753
15 Evergreen	\$63,502		



DrillDown Glossary & Sources

HOUSING UNITS, POPULATION, HOUSEHOLDS: The DrillDown assembles a list of residential addresses from municipal and proprietary tax assessment records, municipal building permit records, utility hookups, and credit bureau records. Households, or occupied units, are determined by multiplying the total number of residential addresses by the vacancy rate, determined through analysis of utility usage records, at the block group level. Total population is calculated by multiplying the number of households by the average household size and adding this number to the population in group quarters. Average household size is provided by the census and population in group quarters is provided at the block group level by Claritas 2006.

INCOME: Unadjusted household income estimates are derived in a series of calculations. First, a count is made of the number of individuals per income bracket, as determined by the three credit bureau income estimates. Then, the average income at the block group level is calculated by applying the Bureau of Labor and Statistics Consumer Expenditure Survey's estimated average income for individuals within a particular income range (projected from 2004 to 2006) to the income distribution determined. The third calculation adjusts the income estimate to account for informal economic activity. By weighting the following eight proxies, the DrillDown estimates the monetary value of unregulated economic activity: household with income below \$30,000; difference between household income and household expenditures; the percentage of households with no credit record; the percentage of utility payments made in cash; the number of nontraditional financial service providers per household and per acre; the difference between estimated housing costs and real home values; and the percent foreign born population. Median of the income distribution averaged from the three income ranges provided by the credit bureau data.

IRS ADJUSTED GROSS INCOME: The change in IRS adjusted gross income serves as an indicator of neighborhood income change. The percent change in adjusted gross income reported for each neighborhood is extrapolated from 1998 and 2004 zip code level data available from the Internal Revenue Service (IRS). The 1998 values are adjusted for inflation to 2004 dollars. The zip code level data is adjusted to different geographies by weighting the number of returns to the Census 2000 households at the blockgroup level.

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SOURCES: Acxiom Corporation, 2007; Claritas, 2006; Bureau of Labor Statistics, Consumer Expenditure Survey 2004; Equifax Corporation, 2007; Experian Corporation, 2007; ESRI Business Analyst; Federal Deposit Insurance Corporation, 2007; First American CoreLogic, 2007; InfoUSA, 2007; Internal Revenue Service (IRS), 1998, 2004; Home Mortgage Disclosure Act (HMDA), 2003—2005; Social Compact Analysis, 2007; U.S. Census Bureau, Census 2000; U.S. Department of Labor, 2004; City of Detroit municipal data.