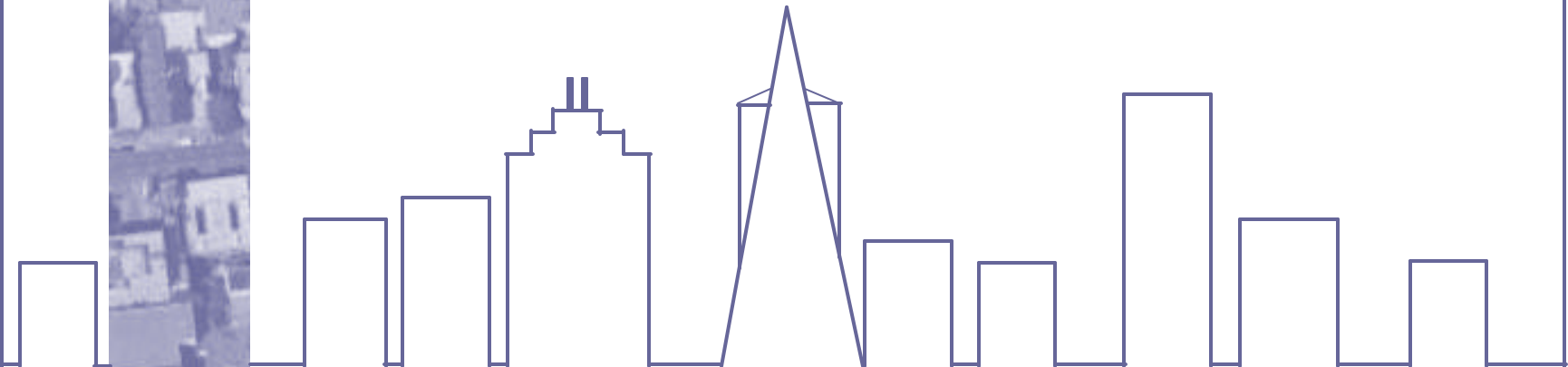




# San Francisco Neighborhood Market DrillDown

Catalyzing Business Investment in Inner City Neighborhoods



March 2008



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 San Francisco 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 San Francisco DrillDown is no exception.

Focusing on core market drivers that resonate across industry lines, the DrillDown found substantial cause for optimism and investment in San Francisco. 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 San Francisco'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 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 continuance of Social Compact's commitment to stimulating investment in underserved and undervalued urban communities, I am proud to present the findings of the San Francisco DrillDown.


Working closely with the San Francisco Mayor's Office of Community Development (MOCD) and Mayor's Office of Economic and Workforce Development (MOEWD), the San Francisco DrillDown marks a nuanced approach to both support and measure the success of a range of initiatives in twelve San Francisco neighborhoods. By reorienting traditional economic indicators, the DrillDown findings are able to shift the lens through which these communities are commonly viewed and bring to light market strengths and investment opportunities that may have previously been overlooked by conventional market analyses.

With the support from Mayor Gavin Newsom and his staff at MOCD and MOEWD, it has been a great pleasure working with the leadership team during the development of the San Francisco DrillDown findings, strengthened in no small part by their local market insights and expertise. Furthermore, I am confident that the strong collaboration of locally focused institutions such as Bank of America, the Evelyn and Walter Haas, Jr. Fund, the Bay Area Council Family of Funds, Affinity Bank, the PMI Group, Inc., and Union Bank of California and the many other community and business leaders in the City, will lead to significant impact in these communities.

Additionally, it is my hope that the DrillDown findings will be integrated into other city-wide initiatives, such as the joint efforts of Mayor Newsom, Treasurer José Cisneros, and the Federal Reserve Bank to bring San Francisco's underbanked residents into the financial mainstream through the Bank on San Francisco program currently underway.

I anticipate that the San Francisco DrillDown findings will serve as one way to unify the diverse efforts of San Francisco's leadership to implement sustainable community and economic development projects that will reenergize and reinforce San Francisco's vibrant neighborhoods.

Sincerely,



John Talmage  
President and CEO  
Social Compact

## Acknowledgements

The San Francisco 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 San Francisco and its many, diverse communities.

Social Compact gratefully acknowledges the crucial support of Fred Blackwell and Trina Villanueva at the Mayor's Office of Community Development (MOCD) for acting as the principal partner in the San Francisco DrillDown project and managing all phases of the study with skill and determination that proved instrumental to the project's success. Additional thanks go to Dwayne Jones and Melange Matthews (MOCD); Jesse Blout and Amy Cohen of the Mayor's Office of Economic and Workforce Development (MOEWD); and to Dino Nartea, Shanahan Lim, and Liz Ferguson from the Bay Area Council.

Social Compact would like to recognize Bank of America, the lead sponsor of the San Francisco DrillDown, and the following sponsors whose generous financial support made this work possible: Affinity Bank; Evelyn and Walter Haas, Jr. Fund; the Federal Home Loan Banks; the Mayor's Office of Communities of Opportunity, the MOCD and MOEWD; PMI Foundation; and Union Bank of California. Thanks are also due to First American CoreLogic., SAS Institute Inc., and ESRI for their generous contributions of data, software, and expertise.

Additionally, Social Compact would like to thank the following municipal offices for providing the necessary data and local insight: MOCD, the MOEWD, City of San Francisco Treasurer's Office, and the San Francisco Police Department.

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.

Based on this data, Social Compact has developed the following indicators of market size, strength and stability.

## DrillDown Overview

Working in close partnership with the San Francisco Mayor's Offices of Community Development (MOCD) and Economic and Workforce Development (MOEWD), the San Francisco DrillDown aimed to strengthen a range of ongoing community and economic development programs underway in twelve San Francisco neighborhoods selected in collaboration with MOCD and MOEWD. With a focus on surfacing existing neighborhood assets and positive trends in neighborhood change, the DrillDown provides a unique lens for examining investment opportunities and gauging community stability in San Francisco's undervalued and underserved neighborhoods.

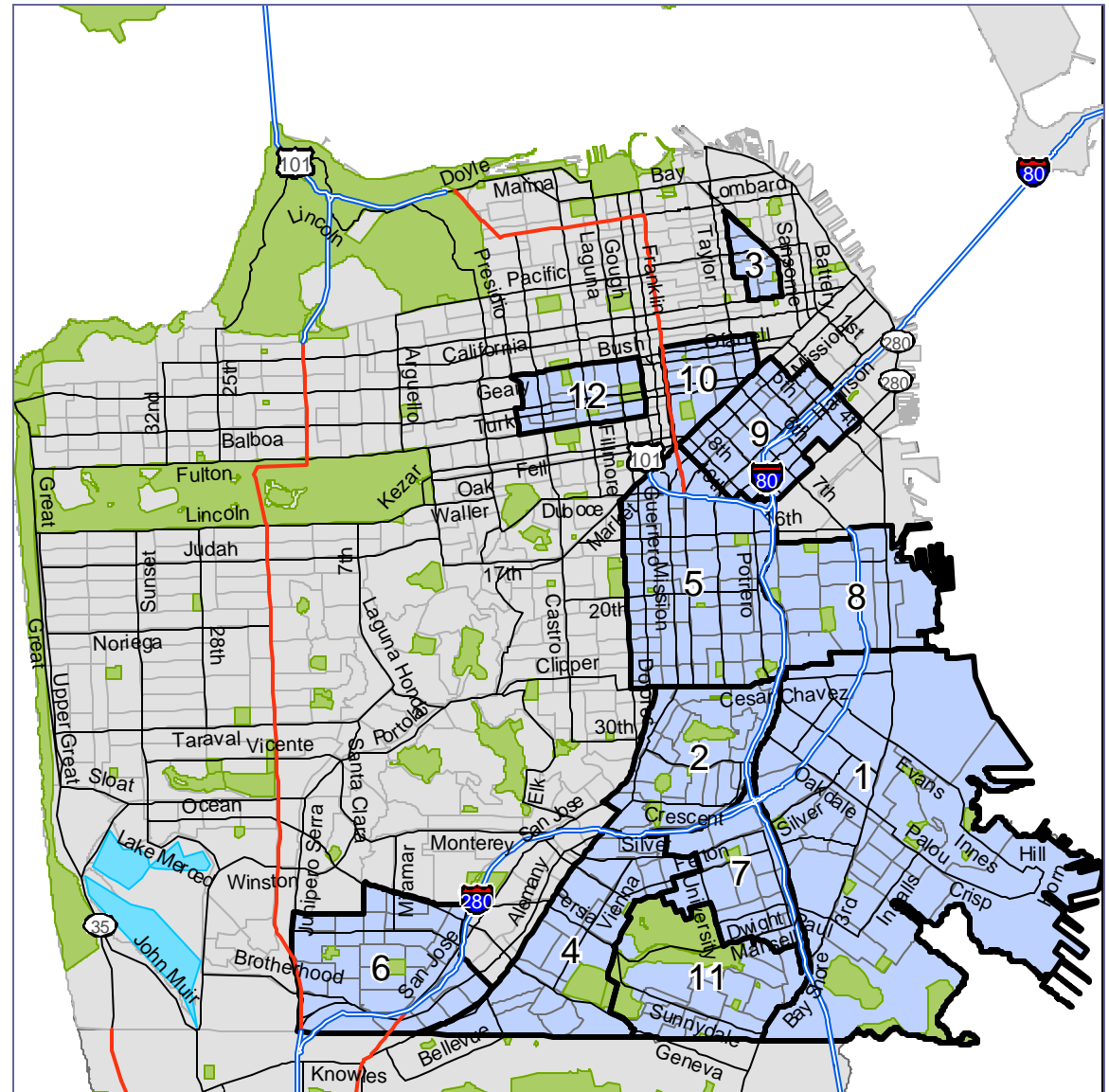
In addition to detailed, business-oriented market profiles of the twelve study area neighborhoods, Social Compact developed a database of citywide economic indicators, adding greater context and flexibility to the neighborhood-level analysis. Going forward, this database will be leveraged by MOCD and MOEWD to inform community economic development initiatives.

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

1. Bayview Hunter's Point (BHP)
2. Bernal Heights
3. Chinatown
4. Excelsior
5. Mission
6. Oceanview Merced Ingleside (OMI)
7. Portola
8. Potrero Hill
9. South of Market (SOMA)
10. Tenderloin
11. Visitacion Valley
12. Western Addition

Please note that study area neighborhood boundaries have been drawn in relation to Census block group divisions for purposes of analysis.

## City of San Francisco 2007 DrillDown Study Area Neighborhoods



## Key Observations — Study Area Neighborhoods...

### San Francisco neighborhoods are home to larger markets than previously understood

- **The DrillDown estimates the study area population at 333,600, nearly 30,000 more people than reported by Census 2000. Furthermore, DrillDown population estimates exceeded Census 2000 counts by more than 10% in five study area neighborhoods:** in Western Addition and South of Market, where the DrillDown population count was 36% and 26% higher, respectively, than Census 2000 numbers; and in Bayview/Hunter's Point, Mission, and Potrero Hill.
- **Study area neighborhoods are higher density markets when compared to the city as a whole.** Population density is more than double the city average of 29 persons per acre in Tenderloin (122), Chinatown (104), Western Addition (77) and Mission (59). Additionally, Excelsior, Bernal Heights, Oceanview Merced Ingleside, South of Market and Portola all have more residents per acre than the city average.

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

- **Four study area neighborhoods boast income densities above the city average.** Income per acre is more than double the city average of \$1.4 million per acre in three study area neighborhoods—Tenderloin and Western Addition both with an estimated income per acre of \$3.6 million, followed by Chinatown at \$3.2 million per acre. Mission also boasts an income density above the city average with \$1.8 million per acre.
- **The DrillDown aggregate neighborhood income estimates far exceed Census 2000 numbers in all study area neighborhoods.** Most notably South of Market, Western Addition, and Tenderloin, each with an increase of over 100%. Chinatown, Mission, and Bayview/ Hunter's Point also saw increases from Census 2000 figures above 50%. Overall, the DrillDown estimates aggregate income in the study area at \$10.1 million, 30% above Census 2000 figures.
- **Average household income estimates exceeded Census 2000 figures in all study area neighborhoods.** Most notably, Chinatown, with an increase of 100% above Census 2000 numbers, and South of Market, Tenderloin and Western Addition, each with average household incomes that exceeded Census 2000 numbers by more than 50%. The DrillDown estimates the average household income for the study area at \$83,293, a 46% increase from the Census 2000 average.
- **All study area neighborhoods saw an increase from Census 2000 median household incomes.** The DrillDown median household income estimates are more than 50% higher than Census 2000 numbers in Western Addition, Chinatown, South of Market, Tenderloin, Mission and Excelsior. The remaining study area neighborhoods saw increases from Census 2000 figures up 30% or more. Median household income for the study area is estimated at \$73,541.
- **Average household incomes of new home owners have increased significantly in study area neighborhoods between 2000 and 2005.** Most notably, the 2005 average household income of individuals who purchased homes in Chinatown in 2005 is more than ten times the average income of home buyers in 2000. Homeowner incomes were nearly quadruple the Census 2000 figures in Tenderloin, and more than twice 2000 average household incomes in South of Market. Overall, ten of the twelve study area neighborhoods saw homeowner incomes more than double from Census 2000 figures.
- **IRS adjusted gross incomes increased more than 10% between 1998 and 2004 in five study area neighborhoods.** Incomes increased in Potrero Hill by 69%; in South of Market by 37%; in Mission by 16%; in Chinatown by 15%; and in Bernal Heights by 13%.
- **The DrillDown estimates the informal economy to be worth roughly \$845 million in study area neighborhoods alone,** comprising just over 9% of the total study area economy. The neighborhood with the largest informal economy is Chinatown, at 14%, followed by Tenderloin at 12%. In South of Market, Mission and Visitacion Valley, the DrillDown estimates the informal economy in to be around 10%.

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

- **The DrillDown estimates 63% of residential buildings are owner occupied in the study area. Furthermore, six neighborhoods demonstrate rates of owner occupancy by building above the city average of 60%.** Most notably, Excelsior, Oceanview Merced Ingleside, Portola and Visitacion Valley each have rates of owner occupancy by building above 75%. Bernal Heights and Bayview/ Hunter's Point follow with roughly 68% owner occupancy by building. By measuring homeownership at the building level, the Drill-Down reveals a greater presence of homeowners in each of the study area neighborhoods when compared to Census 2000 which measures homeownership by unit.
- **The value of single family homes in study area neighborhoods has increased substantially from Census 2000 values.** Median home sale values in seven study area neighborhoods have increased by over 100% from Census 2000, according to DrillDown estimates; sale values citywide increased by 68%. Most notably Visitacion Valley and Bayview/ Hunter's Point which saw increases above 150%.
- **Five study area neighborhoods demonstrated rates of new residential construction that far exceeded the city average.** For the period between 2001 and 2006, South of Market saw a rate of 219 new units per 1,000 households, followed by Tenderloin at 112, Potrero Hill at 88, Bayview/ Hunter's Point at 73 and Mission at 50, compared to a citywide average of 44 new residential units per 1,000 households. Over 6,000 new residential units were built in the study area between 2002 and 2006.

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

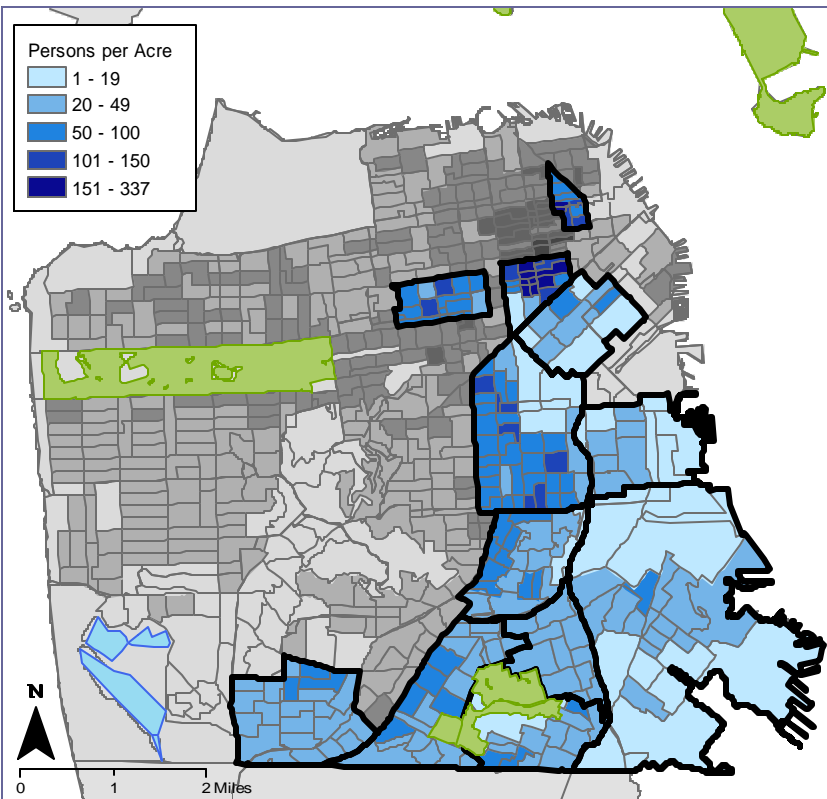
- **According to the DrillDown analysis, a disproportionate number of residents appear to be underbanked in five study area neighborhoods.** For example, over half of residents in Tenderloin, Western Addition, and Chinatown are without documented credit histories, compared with only 33% of residents citywide. In addition, the DrillDown estimates 44% of residents are underbanked in Mission and 43% in South of Market.
- **Residents in five study area neighborhoods travel farther to a bank than residents city-wide, particularly in Oceanview Merced Ingleside,** where residents travel 0.7 miles and in Potrero Hill where residents travel .61 miles, compared to the city average of .39 miles.
- **The DrillDown documented the greatest number of nontraditional financial institutions (pawnshops, payday lenders and check cashers) in South of Market and Mission,** where there are 8.8 and 8.6 nontraditional financial institutions, respectively, more than twice the city average of 3.2.
- **Two study area neighborhoods are without full service grocery stores - Tenderloin and Visitacion Valley.** Furthermore, residents in Visitacion Valley, Bayview/Hunter's Point and Tenderloin travel the farthest distance to a full service grocer. The DrillDown estimates roughly \$179 million in unmet demand for full service grocers throughout the study area.

The City of San Francisco is home to many dynamic, historic and diverse neighborhoods. Following national trends in urban regeneration, many San Francisco neighborhoods have stronger neighborhood markets than what is documented by Census 2000 and census trend projections. Greater market potential is reflected by higher household and neighborhood incomes, while high rates of homeownership and new residential construction signal positive neighborhood revitalization in many areas. Overall, the DrillDown analysis finds study area neighborhoods to be higher density markets with sizable purchasing power and unmet demand for retail, grocery and banking services, indicating these neighborhoods as prime areas for investment.



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 the most recent census trend projections.



Total Population % Above Census 2000			
1 Western Addition	36%	6 San Francisco	11%
2 South of Market	26%	7 Bernal Heights	9%
3 Mission	19%	8 Tenderloin	7%
4 Potrero Hill	17%	9 Oceanview Merced Ingleside	3%
5 Bayview/Hunters Point	13%	10 Visitacion Valley	3%

Total Number of Households % Above Census 2000			
1 Western Addition	35%	7 Bernal Heights	9%
2 South of Market	31%	8 Tenderloin	7%
3 Potrero Hill	19%	9 Oceanview Merced Ingleside	3%
4 Mission	18%	10 Visitacion Valley	2%
5 Bayview/Hunters Point	14%	11 Portola	0%
6 San Francisco	13%		

Study Area Neighborhoods with Population Density Greater than City Average			
1 Tenderloin	122.4	6 Bernal Heights	39.4
2 Chinatown	104.3	7 Oceanview Merced Ingleside	35.8
3 Western Addition	77.3	8 South of Market	31.0
4 Mission	59.5	9 Portola	29.4
5 Excelsior	42.2	10 San Francisco	28.9

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 averaged from the three income ranges provided by the credit bureau data.

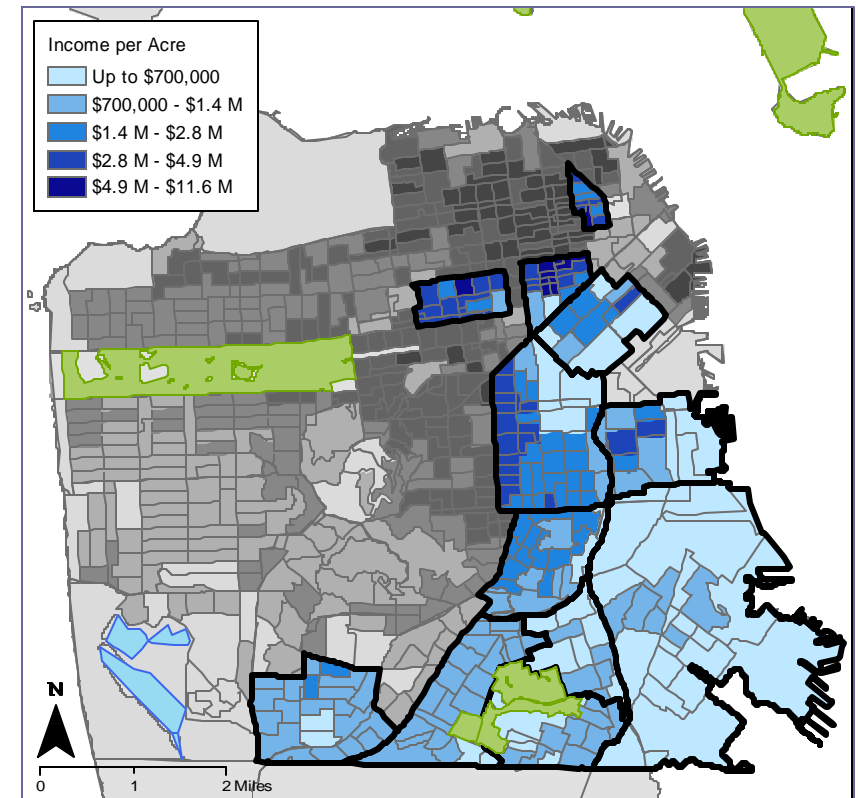
<b>Median Household Income % Above Census 2000</b>			
1 Western Addition	91%	8 Potrero Hill	46%
2 Chinatown	90%	9 Oceanview Merced Ingleside	45%
3 South of Market	84%	10 Portola	42%
4 Tenderloin	68%	11 Bayview/Hunters Point	39%
5 Mission	54%	12 Visitacion Valley	39%
6 Excelsior	52%	13 Bernal Heights	37%
7 San Francisco	49%		

<b>Average Household Income % Above Census 2000</b>			
1 Chinatown	101%	8 Mission	38%
2 South of Market	92%	9 San Francisco	38%
3 Tenderloin	89%	10 Portola	34%
4 Western Addition	70%	11 Bayview/Hunters Point	31%
5 Visitacion Valley	43%	12 Bernal Heights	27%
6 Oceanview Merced Ingleside	40%	13 Potrero Hill	13%
7 Excelsior	39%		

% Informal Economy			
1 Chinatown	14.1%	8 Excelsior	8.7%
2 Tenderloin	12.9%	9 Portola	7.4%
3 South of Market	10.5%	10 Bernal Heights	7.0%
4 Mission	10.2%	11 San Francisco	7.0%
5 Visitacion Valley	10.1%	12 Oceanview Merced Ingleside	6.6%
6 Bayview/Hunters Point	9.6%	13 Potrero Hill	4.3%
7 Western Addition	9.3%		

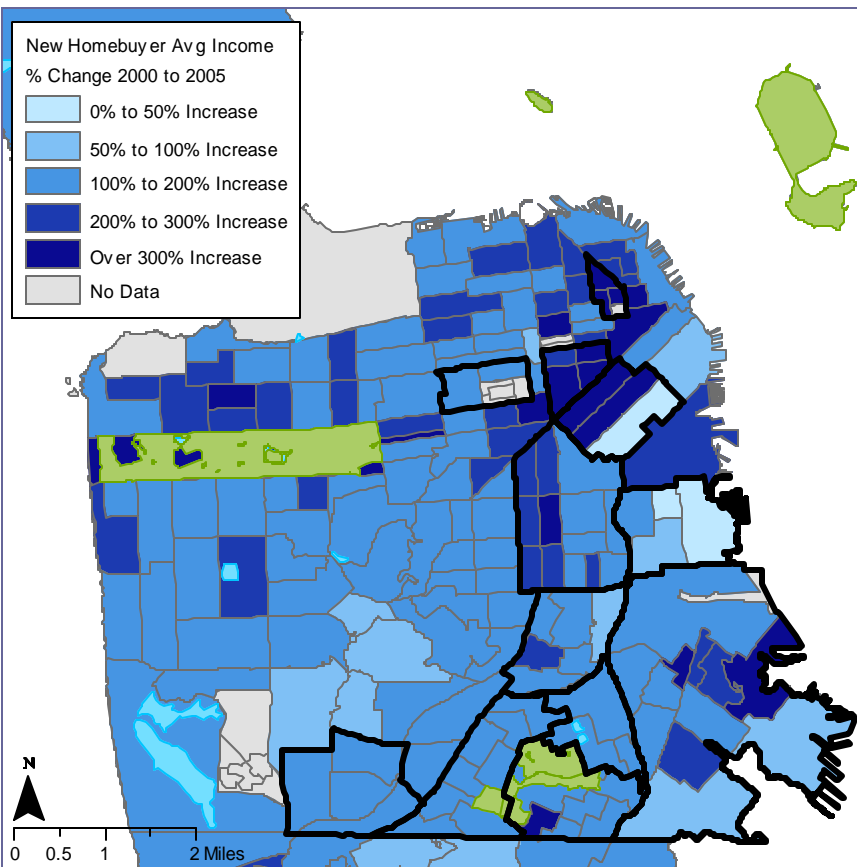
Aggregate Neighborhood Income % Above Census 2000			
1 South of Market	152%	8 Visitacion Valley	46%
2 Western Addition	129%	9 Oceanview Merced Ingleside	45%
3 Tenderloin	101%	10 Bernal Heights	39%
4 Chinatown	65%	11 Excelsior	37%
5 Mission	64%	12 Potrero Hill	35%
6 San Francisco	56%	13 Portola	34%
7 Bayview/Hunters Point	50%		

Study Area Neighborhoods with Aggregate Income per Acre Greater than the City Average			
1 Tenderloin	\$3.6M	4 Mission	\$1.8M
2 Western Addition	\$3.6M	5 San Francisco	\$1.4M
3 Chinatown	\$3.2M		



**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.

**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.



1 Potrero Hill	69%	8 San Francisco	7%
2 South of Market	37%	9 Excelsior	5%
3 Mission	16%	10 Western Addition	3%
4 Chinatown	15%	11 Bayview/Hunters Point	2%
5 Bernal Heights	13%	12 Oceanview Merced Ingleside	2%
6 Visitacion Valley	8%	13 Tenderloin	-1%
7 Portola	8%		

1 Chinatown	1011%	8 Visitacion Valley	138%
2 Tenderloin	395%	9 Bernal Heights	129%
3 South of Market	256%	10 Portola	124%
4 Western Addition	187%	11 Excelsior	116%
5 Mission	178%	12 Oceanview Merced Ingleside	96%
6 Bayview/Hunters Point	166%	13 Potrero Hill	56%
7 San Francisco	150%	.	.

1 Chinatown	\$348,321	(67)	8 Excelsior	\$147,304	(1559)
2 San Francisco	\$200,618	(35411)	9 Portola	\$144,384	(558)
3 Potrero Hill	\$175,885	(1262)	10 Tenderloin	\$140,329	(188)
4 Bernal Heights	\$172,504	(1311)	11 OMI	\$136,048	(1944)
5 Mission	\$171,543	(2168)	12 BHP	\$134,737	(1655)
6 Western Addition	\$158,315	(448)	13 Visitacion Valley	\$134,721	(697)
7 South of Market	\$157,196	(1638)			

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%.

HOMEOWNERSHIP/OWNER OCCUPANCY: An estimate of the percentage of residential units or buildings where the unit or building owner is a resident. Matching the mailing and physical addresses provided by municipal tax assessor records indicates owner occupancy.

## DrillDown % Owner Occupied Buildings

1 Excelsior	79.9%	8 Potrero Hill	55.6%
2 Oceanview Merced Ingleside	78.5%	9 Mission	33.0%
3 Portola	78.2%	10 Western Addition	27.7%
4 Visitacion Valley	77.1%	11 South of Market	16.8%
5 Bernal Heights	68.1%	12 Chinatown	12.6%
6 Bayview/Hunters Point	67.8%	13 Tenderloin	3.1%
7 San Francisco	60.0%		

## DrillDown % Owner Occupied Units

1 Oceanview Merced Ingleside	70.1%	8 San Francisco	26.5%
2 Excelsior	70.1%	9 Mission	11.2%
3 Portola	67.1%	10 Western Addition	4.0%
4 Visitacion Valley	59.2%	11 South of Market	3.9%
5 Bernal Heights	46.4%	12 Chinatown	2.7%
6 Bayview/Hunters Point	44.9%	13 Tenderloin	0.3%
7 Potrero Hill	29.4%		

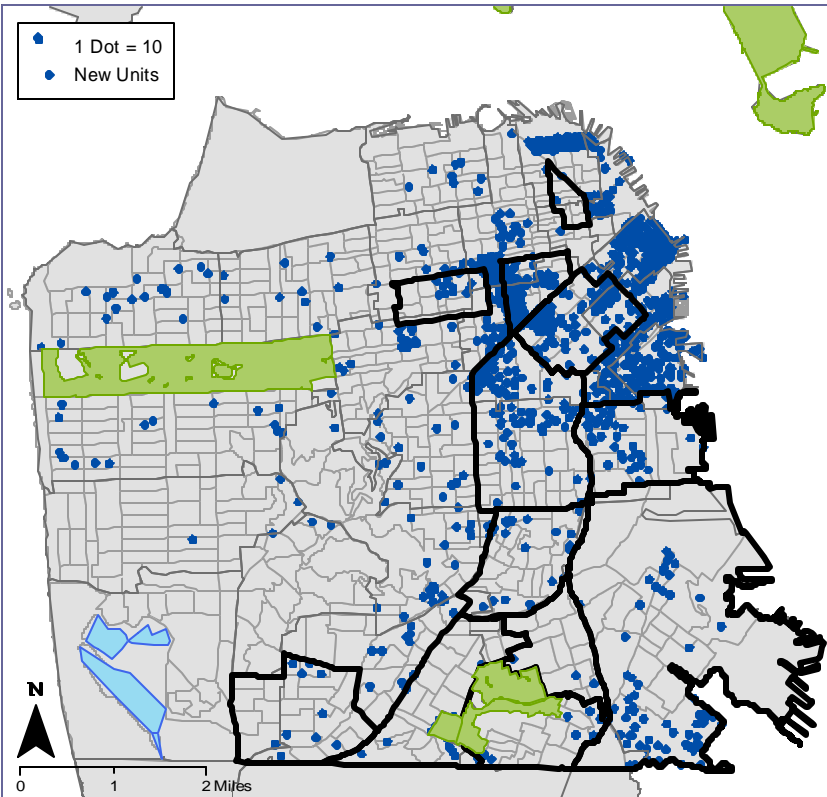
## Census 2000 % Owner Occupied Units

1 Excelsior	70.9%	8 San Francisco	35.0%
2 Oceanview Merced Ingleside	70.9%	9 Mission	18.1%
3 Portola	69.3%	10 Western Addition	15.2%
4 Visitacion Valley	59.4%	11 South of Market	12.7%
5 Bernal Heights	52.8%	12 Chinatown	5.7%
6 Bayview/Hunters Point	52.5%	13 Tenderloin	1.7%
7 Potrero Hill	43.0%		

# San Francisco DrillDown

**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.

**BUILDING RECORDS:** New units (new residential 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.



Median Home Sale Value % Above Census 2000 Reported Home Values					
1	Visitacion Valley	164%	8	Western Addition	77%
2	Bayview/Hunters Point	162%	9	San Francisco	68%
3	Oceanview Merced Ingleside	123%	10	Mission	53%
4	Excelsior	121%	11	South of Market	52%
5	Chinatown	121%	12	Potrero Hill	32%
6	Portola	115%	13	Tenderloin	13%
7	Bernal Heights	110%			

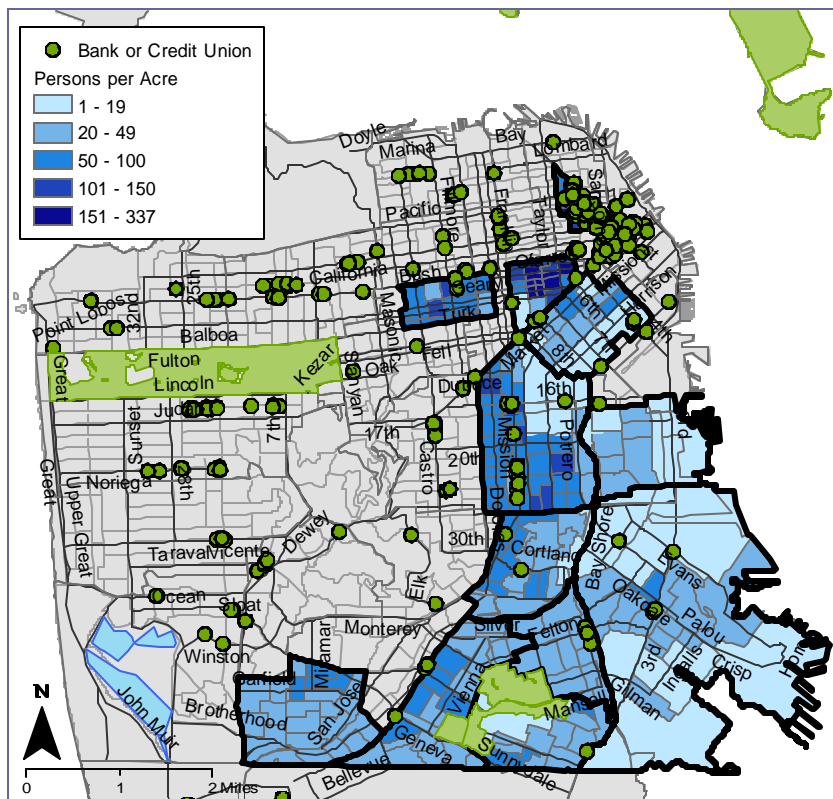
Total Number of Permitted New Units (2001 - 2005)					
1	San Francisco	14,412	8	Excelsior	146
2	Tenderloin	1,823	9	Visitacion Valley	133
3	South of Market	1,324	10	Western Addition	129
4	Mission	1,075	11	Oceanview Merced Ingleside	92
5	Bayview/Hunters Point	715	12	Portola	46
6	Potrero Hill	450	13	Chinatown	9
7	Bernal Heights	210			

% of Buildings with Rehab Permit Activity (Additions, Alterations, Repairs, 2001 - 2005)					
1	Tenderloin	84%	8	Bernal Heights	37%
2	Chinatown	60%	9	Oceanview Merced Ingleside	26%
3	South of Market	57%	10	Excelsior	26%
4	Western Addition	50%	11	Bayview/Hunters Point	26%
5	Mission	48%	12	Portola	23%
6	Potrero Hill	44%	13	Visitacion Valley	19%
7	San Francisco	38%			

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 simply to provide a frame of reference for understanding this indicator.

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 San Francisco 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.



**Total Number of Traditional Financial Institutions per 10,000 Households  
(Banks and Credit Unions)**

1 Chinatown	39	8 Tenderloin	2.9
2 San Francisco	7.1	9 Western Addition	2.8
3 Portola	6.9	10 Bernal Heights	2
4 South of Market	6.3	11 Oceanview Merced Ingleside	1.2
5 Mission	5.5	12 Excelsior*	0
6 Bayview/Hunters Point	5.4	13 Potrero Hill*	0
7 Visitacion Valley	4.3		

**Average Distance to Bank  
(in miles)**

1 Oceanview Merced Ingleside	0.70	8 Bernal Heights	0.30
2 Potrero Hill	0.61	9 Mission	0.26
3 Visitacion Valley	0.56	10 South of Market	0.25
4 Bayview/Hunters Point	0.47	11 Western Addition	0.24
5 Excelsior	0.46	12 Tenderloin	0.23
6 Portola	0.39	13 Chinatown	0.06
7 San Francisco	0.39		

\*Note: Both the Excelsior and Potrero Hill neighborhoods have traditional financial institutions at the neighborhood boundary, as shown above.

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).”

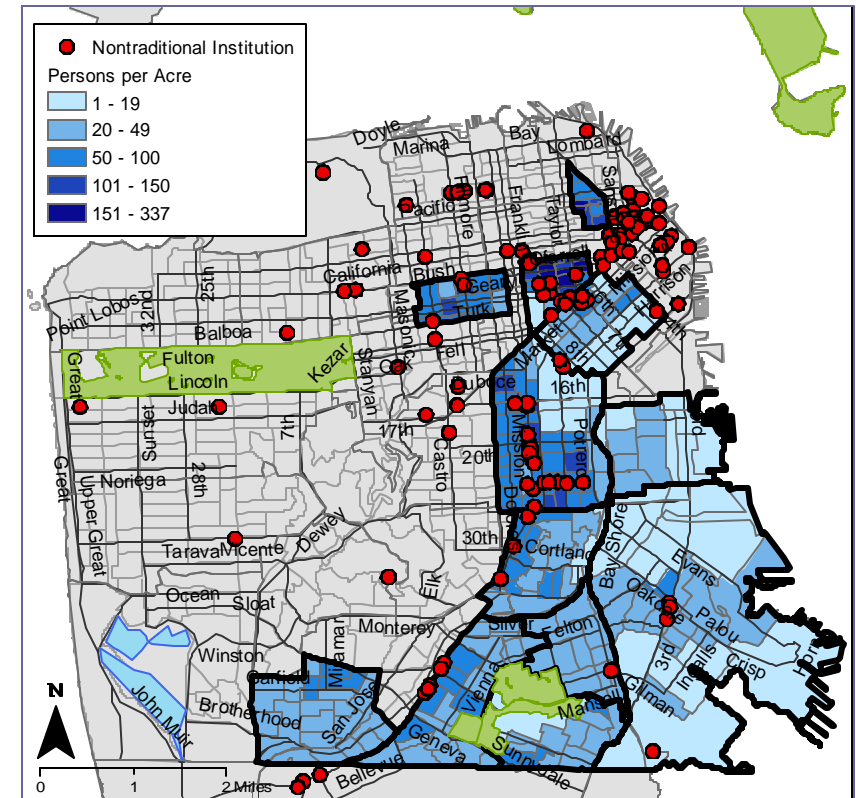
% of Households without Credit Histories			
1 Tenderloin	58%	8 Potrero Hill	30%
2 Western Addition	54%	9 Bernal Heights	27%
3 Chinatown	53%	10 Visitacion Valley	24%
4 Mission	44%	11 Portola	12%
5 South of Market	43%	12 Excelsior	11%
6 San Francisco	33%	13 Oceanview Merced Ingleside	10%
7 Bayview/Hunters Point	32%		

Total Number of Nontraditional Financial Institutions per 10,000 Households (Pawnshops, Payday Lenders, and Check Cashers)			
1 South of Market	8.8	8 Western Addition	2.8
2 Mission	8.6	9 Portola	2.3
3 Tenderloin	5.2	10 Chinatown	0
4 Excelsior	5.1	11 Oceanview Merced Ingleside	0
5 Bayview/Hunters Point	3.6	12 Visitacion Valley	0
6 San Francisco	3.2	13 Potrero Hill	0
7 Bernal Heights	3.1		

Average Distance to Nontraditional Financial Institution (in miles)			
1 Visitacion Valley	0.88	8 Bernal Heights	0.35
2 Potrero Hill	0.83	9 Chinatown	0.34
3 Oceanview Merced Ingleside	0.72	10 South of Market	0.23
4 San Francisco	0.54	11 Western Addition	0.21
5 Excelsior	0.49	12 Mission	0.20
6 Bayview/Hunters Point	0.48	13 Tenderloin	0.10
7 Portola	0.43		

HOUSEHOLDS WITH NO 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.

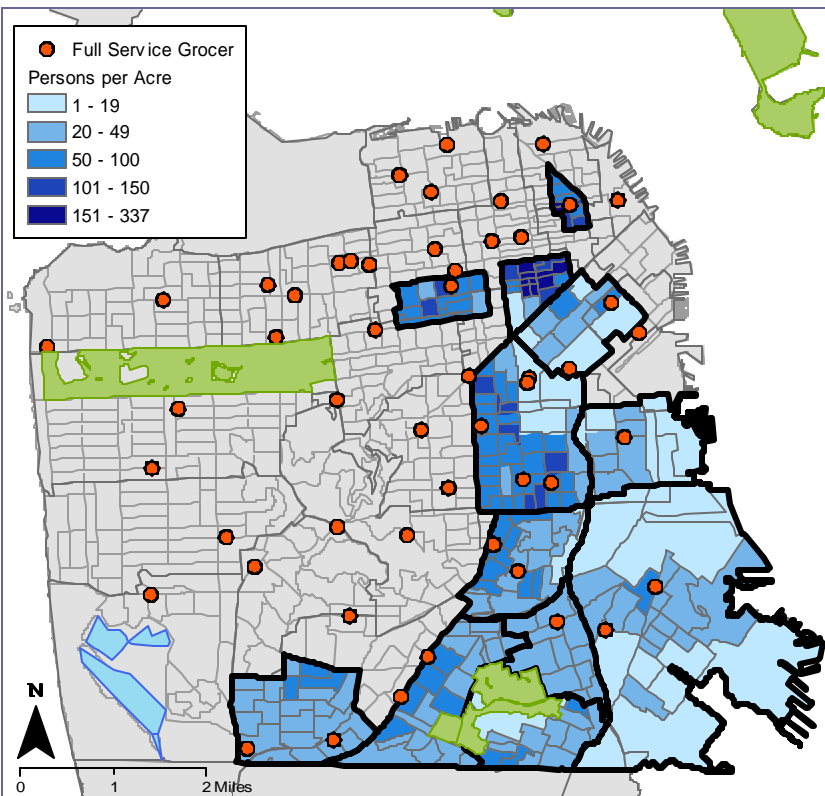


An absence of affordable, quality food does not necessarily result from lack of market demand and can lead to demonstrable health complications such as obesity, diabetes and hypertension (3). Understanding the demand for groceries in communities is essential to development professionals and legislators as many urban areas have begun crafting incentives for grocers to locate in their communities. The DrillDown quantifies unmet market demand as the difference between grocery store revenue and estimated expenditures. This calculation, coupled with buying power and aggregate income estimates, demonstrates and promotes opportunities for both full service grocery stores and financial services development in underserved neighborhoods.

**GROCERY ANALYSIS:** The DrillDown analysis of grocery providers includes establishments from the following three categories: (1) national/regional chain grocers; (2) smaller grocers, including local, independent, fresh vegetable markets, ethnic markets; and (3) all grocers, including establishments identified as grocery stores and supermarkets according to NAICS; derived from business-level proprietary data. The DrillDown measurement of the number of full service grocers per 10,000 households is used simply to provide a frame of reference for understanding this indicator. **FULL SERVICE GROCERS** are those establishments from any of the aforementioned categories with a store size of 10,000 square feet or more and 20 or more employees.

**AVERAGE DISTANCE:** Distances are calculated from the blockgroup center to the nearest establishment within city limits.

**GROCERY LEAKAGE** identifies the gap between available grocery retail within the neighborhood and the retail spending of residents themselves.



(3) Gallagher, M. (2006). Examining the Impact of Food Deserts on Public Health in Chicago. Research and Consulting Group.

Total Number of Full Service Grocers per 10,000 Households			
1 Portola	2.3	8 South of Market	1.3
2 Bernal Heights	2.0	9 Oceanview Merced Ingleside	1.2
3 Mission	2.0	10 Excelsior	1.0
4 Chinatown	1.9	11 Western Addition	0.9
5 Bayview/Hunters Point	1.8	12 Visitacion Valley	0.0
6 Potrero Hill	1.6	13 Tenderloin	0.0
7 San Francisco	1.3		

Average Distance to Full Service Grocer (in miles)			
1 Visitacion Valley	1.19	8 South of Market	0.37
2 Bayview/Hunters Point	0.62	9 Potrero Hill	0.36
3 Tenderloin	0.53	10 Bernal Heights	0.32
4 San Francisco	0.46	11 Western Addition	0.30
5 Excelsior	0.46	12 Mission	0.27
6 Oceanview Merced Ingleside	0.44	13 Chinatown	0.16
7 Portola	0.43		

Grocery Leakage (= Resident Spending - Full Service Grocer Revenue)			
1 San Francisco	\$606.3M	7 Visitacion Valley	\$17.4M
2 Tenderloin	\$52.0M	8 Mission	\$17.2M
3 Excelsior	\$33.7M	9 Bayview/Hunters Point	\$14.5M
4 South of Market	\$28.2M	10 Chinatown	\$12.5M
5 Oceanview Merced Ingleside	\$23.2M	11 Portola	\$8.4M
6 Potrero Hill	\$21.1M		

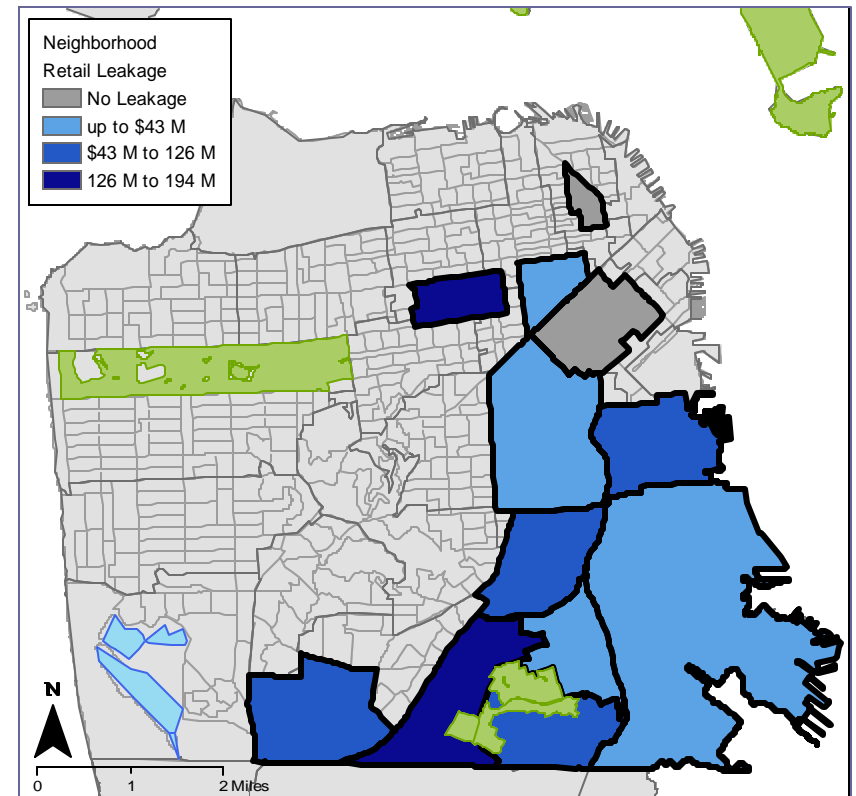
**RETAIL EXPENDITURES:** Through an analysis of average consumer spending by income ranges based on the most recent Consumer Expenditure Survey conducted by the Bureau of Labor and Statistics, Social Compact calculates aggregate consumer expenditures (retail and otherwise). The Consumer Expenditure Survey 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.

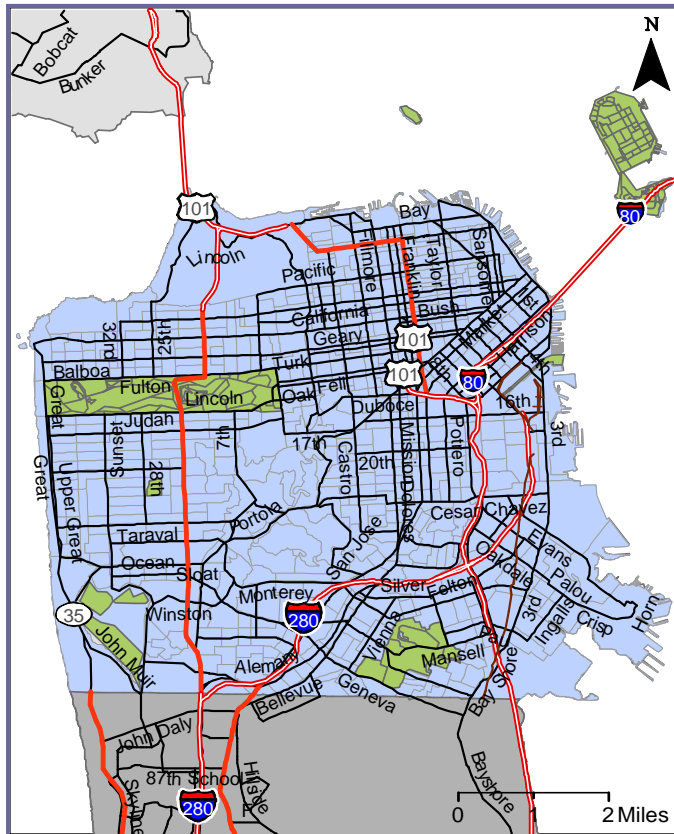
**NEIGHBORHOOD LEAKAGE:** An estimate derived through subtracting annual sales revenue from annual aggregate expenditures; a dollar amount that represents unmet demand within a given geography, estimating the flow of dollars into and out of a particular neighborhood. Unlike retail estimates based on 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 due to the presence of destination shopping malls and other flagship retailers in the area, such as the Westfield Centre at Union Square on Market Street.

Retail Leakage (Number of Retailers)				
1 San Francisco	\$2.5B	(4584)	8 Portola	\$43.2M (38)
2 Western Addition	\$194.1M	(35)	9 Tenderloin	\$32.9M (203)
3 Excelsior	\$141.7M	(82)	10 BHP	\$19.9M (105)
4 OMI	\$126.3M	(35)	11 Mission	\$17.8M (456)
5 Potrero Hill	\$100.1M	(55)	12 Chinatown	-\$116.3M (300)
6 Bernal Heights	\$91.6M	(68)	13 South of Market	-\$380.0M (270)
7 Visitacion Valley	\$73.6M	(17)		

Retail Spending Density (per Acre)			
1 Tenderloin	\$954,537	8 Excelsior	\$236,209
2 Chinatown	\$781,216	9 Oceanview Merced Ingleside	\$216,422
3 Western Addition	\$765,895	10 Potrero Hill	\$206,001
4 Mission	\$414,141	11 Portola	\$167,865
5 Bernal Hts	\$303,026	12 Visitacion Valley	\$111,576
6 San Francisco	\$278,526	13 BHP	\$57,092
7 SoMa	\$265,146		



### DrillDown Market Overview



	2007 DRILLDOWN	2006 Trend Projection	2000 Census	Comparison DrillDown/Trend Proj
<b>MARKET SIZE</b>				
Total Population	864,515	750,596	776,733	15.0%
Population per Acre	28.9	25.1	26.0	-
Total # Households	372,214	318,072	329,700	17.0%
<b>MARKET STRENGTH</b>				
Average Household Income	\$111,207	\$94,966	\$80,404	17.0%
Median Household Income	\$92,771	\$75,556	\$62,240	23.0%
Aggregate Neighborhood Income	\$41,393 Million	\$30,206 Million	\$26,509 Million	37.0%
% Informal Economy	7.0%			
Aggregate Income per Acre	\$1,384,868			
Average Income, New Home Buyers	\$200,618	150% above Census avg inc		
% Change in Adjusted Gross Income	7% ('98-'04)			
<b>MARKET STABILITY</b>				
% Owner Occupancy - Unit	26.5%	34.6%	35.0%	
% Owner Occupancy - Bldg	60.0%			
Median Home Sale Value	\$815,194	\$751,564	\$484,964	8.0%
New Construction Units ('00 -'05)	13,432	36 per 1,000 households		
Residential Rehab Activity	38 % of residential buildings			
Change in Crime ('02 - '05)	-2% (Violent)	1% (Property)	0% (Total)	
Incidents per 1,000 Persons ('05)	7.4 (Violent)	51.5 (Property)	69.2 (Total)	

Working in close partnership with the San Francisco Mayor's Offices of Community Development (MOCD) and Economic and Workforce Development (MOEWD), the San Francisco DrillDown aimed to strengthen a range of ongoing community and economic development programs underway in twelve San Francisco neighborhoods selected in collaboration with MOCD and MOEWD: Bayview Hunter's Point (BHP); Bernal Heights; Chinatown; Excelsior; Mission; Oceanview Merced Ingleside (OMI); Portola; Potrero Hill; South of Market (SOMA); Tenderloin; Visitacion Valley; and Western Addition. With a focus on surfacing existing neighborhood assets and positive trends in neighborhood change, the DrillDown provides a unique lens for examining investment opportunities and gauging community stability in San Francisco's undervalued and underserved neighborhoods.

Social Compact would like to recognize Bank of America, the key sponsor of the San Francisco DrillDown, in addition to the following sponsors whose generous financial support made this work possible: San Francisco Mayor's Office of Communities of Opportunity; the MOCD and MOEWD; Affinity Bank; Evelyn and Walter Haas, Jr. Fund; the Federal Home Loan Banks; the PMI Foundation; and Union Bank of California. Thanks also to the entire Social Compact Board of Directors for their continued support.

## DrillDown Market Overview

BUSINESSES	Total #	Total Revenue	Total # Employees	Employee Annual Spending Potential		
All Businesses	33,395	\$55634.2 Million	381,761	x \$2,787 / yr =	\$1127.7 Million	
Small Business (Empl. 51 - 100)	536	\$6096.3 Million	40,885			
Small Business (Empl. 20 - 50)	2,309	\$10733.0 Million	69,845			
Small Business (Empl. 6 - 19)	7,393	\$12625.5 Million	69,724			
Small Business (Empl. 1 - 5)	22,065	\$10721.2 Million	58,727			

RETAIL DEMAND	Estimated Revenue	Estimated Expenditures	Estimated Leakage	Estimated Sq. Ft. Potential		
Retail	\$5798.9 Million	\$8324.9 Million	\$2526.1 Million			
Apparel	\$909.3 Million	\$1001.5 Million	\$92.2 Million		271,490	
Restaurants	\$1335.1 Million	\$1411.8 Million	\$76.7 Million		328,828	

GROCERY DEMAND	Total #	# per 10K HH	Average Distance	Total Expenditures	Total Leakage	Estimated Sq. Ft. Potential
All Grocers	486	13.1		\$1548.3 Million		
Full Service Grocers Only	47	1.3	0.46mi		\$606.3 Million	1,767,150

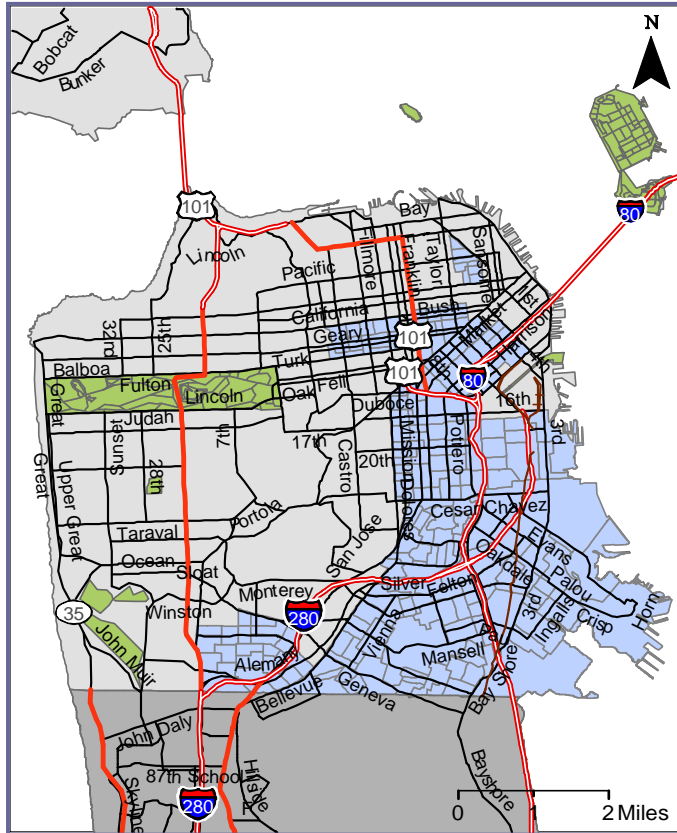
FINANCIAL SERVICES	Total #	# per 10K HH	Average Distance
Banks & Credit Unions	263	7.1	
Banks Only	237	6.4	0.39mi
Pawnshops, Checkcashers, Payday Lenders	120	3.2	0.54mi

% of Households lacking credit histories = 33%

**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 communities. The lack of dependable business-oriented data on inner-city communities expands the information gap on market trends, disabling potential investors from making informed decisions. Established to provide up-to-date profiles of market size, strength, and stability for small, dense, and rapidly changing urban geographies, Social Compact's Neighborhood Market DrillDown addresses key barriers to private investment in and around inner-city neighborhoods - a lack of information and negative stereotyping. The DrillDown uses numerous sources of market data to identify the fundamental business attributes and market characteristics of urban communities and aims to expose market anomalies and opportunities that may have previously been overlooked by traditional market analyses. The DrillDown serves 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.

# MOCD Study Area

## DrillDown Market Overview



	2007 DRILLDOWN	2006 Trend Projection	2000 Census	Comparison DrillDown/Trend Proj
<b>MARKET SIZE</b>				
Total Population	333,600	298,742	303,745	12.0%
Population per Acre	33.1	29.6	30.1	-
Total # Households	121,346	107,300	109,354	13.0%
<b>MARKET STRENGTH</b>				
Average Household Income	\$83,293	\$68,589	\$57,101	21.0%
Median Household Income	\$73,541	\$60,067	\$48,932	22.0%
Aggregate Neighborhood Income	\$10,107 Million	\$7,360 Million	\$6,244 Million	37.0%
% Informal Economy	8.7%			
Aggregate Income per Acre	\$1,002,579			
Average Income, New Home Buyers	\$154,853	171% above Census avg inc		
% Change in Adjusted Gross Income	13% ('98-'04)			
<b>MARKET STABILITY</b>				
% Owner Occupancy - Unit	27.7%	33.4%	34.0%	
% Owner Occupancy - Bldg	63.1%			
Median Home Sale Value	\$668,962	\$621,894	\$358,432	8.0%
New Construction Units ('00 -'05)	5,433	45 per 1,000 households		
Residential Rehab Activity	34 % of residential buildings			
Change in Crime ('02 - '05)	-3% (Violent)	1% (Property)	-2% (Total)	
Incidents per 1,000 Persons ('05)	12.6 (Violent)	57.3 (Property)	83.2 (Total)	

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## DrillDown Market Overview

BUSINESSES	Total #	Total Revenue	Total # Employees	Employee Annual Spending Potential		
All Businesses	11,752	\$20889.1 Million	129,932	x \$2,787 / yr =	\$383.8 Million	
Small Business (Empl. 51 - 100)	182	\$2248.3 Million	13,725			
Small Business (Empl. 20 - 50)	874	\$4346.5 Million	26,690			
Small Business (Empl. 6 - 19)	2,609	\$5014.7 Million	24,653			
Small Business (Empl. 1 - 5)	7,681	\$4065.5 Million	20,406			

RETAIL DEMAND	Estimated Revenue	Estimated Expenditures	Estimated Leakage	Estimated Sq. Ft. Potential		
Retail	\$1958.3 Million	\$2303.2 Million	\$345.0 Million			
Apparel	\$264.6 Million	\$268.4 Million	\$3.7 Million	11,012		
Restaurants	\$391.6 Million	\$386.3 Million	-\$5.3 Million	0		

GROCERY DEMAND	Total #	# per 10K HH	Average Distance	Total Expenditures	Total Leakage	Estimated Sq. Ft. Potential
All Grocers	245	20.2		\$453.8 Million		
Full Service Grocers Only	16	1.3	0.45mi		\$179.4 Million	522,790

FINANCIAL SERVICES	Total #	# per 10K HH	Average Distance
Banks & Credit Unions	62	5.1	
Banks Only	52	4.3	0.39mi
Pawnshops, Checkcashers, Payday Lenders	54	4.5	0.42mi

% of Households lacking credit histories = 37%
------------------------------------------------

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**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 the most recent census trend projections.

**INCOME:** Unadjusted household income estimates are derived in a series of calculations. First, a count is made of the number of individuals per income brackets 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 proxies, the DrillDown estimates the monetary value of unregulated economic activity: households 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.

**IRS ADJUSTED GROSS INCOME:** 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.

**NEW HOMEOWNERS AVERAGE HOUSEHOLD INCOME:** 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 intended for owner-occupancy (not rental or second home) between 2003 and 2005.

**HOMEOWNERSHIP/OWNER OCCUPANCY:** An estimate of the percentage of residential units or buildings where the unit or building owner is a resident. Matching the mailing and physical addresses provided by municipal tax assessor records indicates owner occupancy.

**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.

**BUILDING RECORDS:** New residential units (new construction) and residential rehabilitation (additions, alterations, repairs) is assessed using municipal building permit records for the stated period of time.

**FINANCIAL INSTITUTIONS:** Traditional financial service institutions include banks and credit unions; based on listings provided by the Federal Deposit Insurance Corporation (FDIC), 2007. Nontraditional financial service institutions include check cashers, pawnshops and payday lenders; based on listings provided by InfoUSA.

**HOUSEHOLDS WITH NO CREDIT RECORDS:** A proxy for underbanked households, a percentage of households without an associated record in any of the three credit bureaus.

**AVERAGE DISTANCE** is reported by neighborhood and represents the averages of the distance in miles from each census block group centroid to the closest establishment within two miles of the city boundary. In the case that an establishment 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.

**GROCERY ANALYSIS:** Full service grocers include supermarkets and other grocery providers with a store size of 10,000 square feet or more and 20 or more employees.

**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. An estimate of zero, or negative, leakage does not necessarily imply that a neighborhood is sufficiently retailed, rather that particular demand is not revealed through broad aggregate numbers.

**BUSINESS INFORMATION:** Social Compact obtains its business listings and categories from ESRI's Business Analyst software and InfoUSA. Businesses are categorized according to employment size. Small businesses are considered those establishments employing 100 individuals or less. Worker spending is based on the International Council of Shopping Centers (ICSCC) office worker spending, 2004.

**SOURCES:** Axiom 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; municipal data.