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## **Detroit Ready for Investment**

*Social Compact releases DrillDown Report for Detroit, MI as part of the City's focus on information-led development for retail attraction and neighborhood revitalization.*

(DETROIT, MI, October 1) – [Social Compact](#) released the “Detroit DrillDown” report as part of a multi-phase program conducted in partnership with the Detroit Economic Growth Corporation and the Office of Mayor Kwame M. Kilpatrick to develop a city-wide baseline of economic indicators to best inform an appropriate retail attraction strategy for Detroit. The report showcased market strengths and opportunities in neighborhoods across the city. Many of these communities were previously considered undervalued and are consequently underserved. The report, based on analysis using business intelligence software from [SAS](#), found that the city’s predicted population decline is not as dramatic as previously thought.

- The DrillDown estimates the current population to be nearly 62,000 above the recent 2006 Census estimates.
- 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.
- The DrillDown estimates that the city’s average household income is 17% higher than the Census 2000 estimate.
- The DrillDown estimates that aggregate income in the city, \$15.8 billion, is \$2.0 billion more than Census 2000 estimates
- The DrillDown estimates that at least \$1.7 billion in resident retail spending is taking place beyond Detroit city limits.

“These findings are a powerful indication that the city has areas that are prepared for capital investment and business development,” said Detroit Mayor Kwame M. Kilpatrick. “With this data we are ready to continue our commitment to information-led development that will help

guide an effective retail attraction strategy and continue our city's transformation in the NEXT Detroit.”

George Jackson, the President and CEO of the Detroit Economic Growth Corporation (DEGC) and Chief Development Officer for the City of Detroit, affirmed, “The DrillDown provides us with a new tool that we can actively use to leverage investments and approach retailers who previously undervalued opportunities in our city”.

The study was made possible thanks to the generous support from Kresge Foundation and the Community Foundation for Southeastern Michigan, the lead sponsors of the analysis. Additional contributions of data, software, and expertise were provided by First American CoreLogic, SAS Institute Inc., and ESRI.

“For almost 10 years, DrillDown analyses have been identifying the hidden power of urban neighborhoods in cities across the United States,” said Joseph Reppert, Social Compact chairman and vice chairman of First American Real Estate Information Services, Inc. “This research picks up the strength and potential of inner-city neighborhoods through a rich mosaic of localized data not available through the lens of more conventional analyses.”

Social Compact's DrillDown methodology reveals the hidden strengths of traditionally undervalued neighborhoods, adapting to their unique geography and demography to identify hidden populations, economies, and micro-market opportunities that traditional market information sources miss. Instead of relying on census and census-derived data, the DrillDown builds on data assembled from diverse, real-time market sources, such as local tax assessment, building permit, auto registration, consumer credit bureau and utility bill payment data. The resulting DrillDown profiles are sharply focused on neighborhood strengths and opportunities rather than deficiency data and negative perceptions that encourage disinvestment.

“Social Compact's asset-based approach has a demonstrated track record for illuminating the possibilities in America's urban neighborhoods where too often opportunity is overshadowed by negative statistics and deficiency data,” said Clayton Adams, Vice President, Community Development, State Farm Fire and Casualty Company. “These DrillDown findings are an important part of filling the information gap that otherwise would persist with regard to the vitality of Detroit's urban communities.”

Social Compact President & CEO, John Talmage, noted that, “though Detroit has experienced economic hardships over the years, we are delighted to find that the exciting development activity and renewed energy around the city's downtown core is spreading to neighborhoods. The results of our analysis in Detroit challenge commonly accepted negative perceptions and highlights hidden strengths in Detroit's communities.”

The full report can be found on <http://www.socialcompact.org>.

Highlights from the research findings in the Detroit DrillDown report:

**I. Market size:**

- **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 Census 2006 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.
- **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 estimates are significantly higher than the census include Middle East Central, Butzel, State Fair, and West Riverfront.

## II. Buying power:

- **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 at almost \$48,000. 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.
- **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 Detroit.**
- **The DrillDown estimates income density in the city to be \$179,700 per acre, a 15% increase from the Census 2000 estimate.** This density is three times higher than that of the Detroit MSA.

### 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.