

Using Data to Market Urban Neighborhoods



© March 2012 Center for Urban Policy and the Environment 11-C47
334 North Senate Avenue, Suite 300
Indianapolis, Indiana 46204-1708



Using Data to Market Urban Neighborhoods

March 2012

11-C47

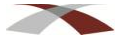
Author

Drew Klacik

List of Tables	ii
List of Figures	ii
List of Maps.....	ii
Introduction	1
Methodology Overview	2
Tier One: Target Zip Code Analysis	3
Summary of the three selected zip codes.....	4
Zip code 46201	4
Zip code 46205	7
Zip code 46218	10
Tier Two: Regional Analysis to Consider the Potential for Attracting the Region’s Largest Household Types to the Selected Zip Codes.....	12
Rustbelt Traditions households	13
Aspiring Young Families households	14
Tier Three: Prospects of Expanding the Household Composition of the Targeted Zip Codes	16
City Dimensions households.....	17
Great Expectations households.....	18
Metropolitans households	19
Prosperous Empty Nesters households.....	19
Young and Restless households.....	20
In Style household.....	21
Midlife Junction household	22
Metro Renters households	23
Summary	24

This study by the IU Public Policy Institute (PPI), supported by funding from the Central Indiana Community Foundation, is an initial exploration of the potential uses of ESRI Tapestry data for advocates of urban neighborhoods in Marion County. Do the ESRI Tapestry data give nonprofits and public sector organizations access to the same market-driven data predominately used by for-profit firms to determine the best locations for stores, restaurants, and residential subdivisions? The analytical focus is on the households within three zip codes selected by the City Gallery: Indy’s Urban Living Center (City Gallery) in an effort to develop a market-based understanding of those who currently reside in these zip codes, as well as identifying clusters of suburban households located in surrounding counties that could be attracted to the study area. In addition, the study allows a better understanding of the data and the development of an analytical framework that can be applied to aid the marketing of any urban neighborhoods. Readers are urged to think creatively about other public and not-for-profit applications for market-driven data used by the private sector.

The initial findings in this report were presented to City Gallery staff and board members in early December and the researchers intend to continue to work with the City Gallery to further refine the research methodology and maximize the potential of the ESRI Tapestry data to support urban housing initiatives.



List of Tables

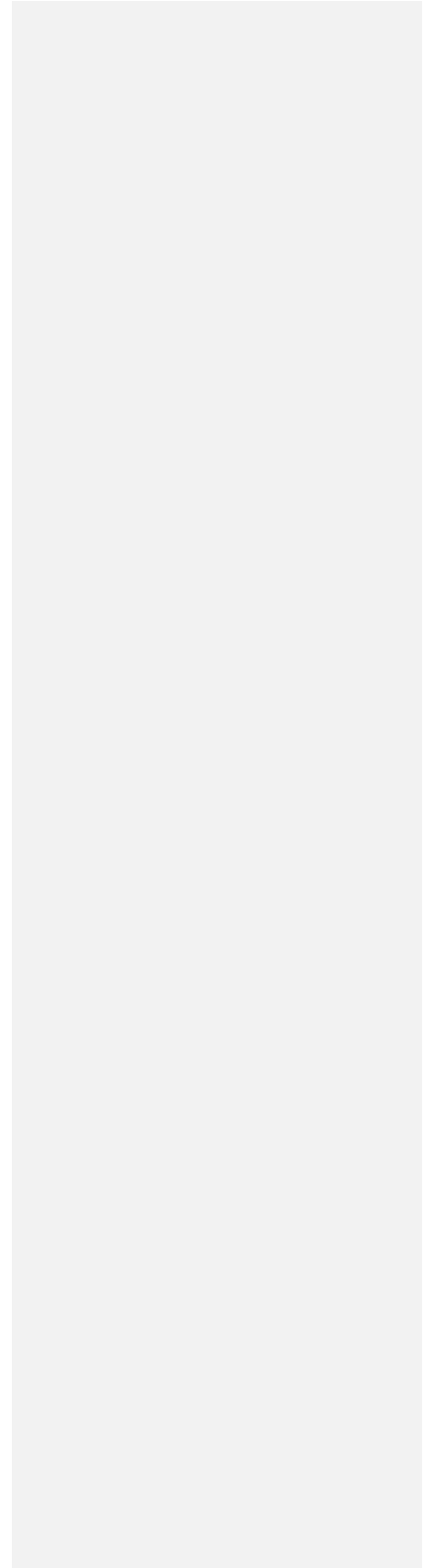
Table 1. Shares of household types in zip code 46201 and region	5
Table 2. Shares of household types in zip code 46205 and region	8
Table 3. Shares of household types in zip code 46218 and region	10

List of Figures

Figure 1. Household types in zip code 46201 by count and percentage, 2010.....	5
Figure 2. Household types in zip code 46205 by count and percentage, 2010.....	8
Figure 3. Household types in zip code 46218 by count and percentage, 2010.....	10

List of Maps

Map 1. Authentic urban neighborhoods, zip codes of interest, Marion County	3
Map 2: Predominant household type, Rustbelt Traditions, central Indiana zip codes	14
Map 3: Predominant household type, Aspiring Young Families, central Indiana zip codes.....	15
Map 4: Prospective household types, City Dimensions, central Indiana zip codes.....	17
Map 5: Prospective household types, Great Expectations, central Indiana zip codes.....	18
Map 6: Prospective household types, Metropolitan, central Indiana zip codes.....	19
Map 7: Prospective household types, Prosperous Empty Nesters, central Indiana zip codes.....	20
Map 8: Prospective household types, Young and Restless, central Indiana zip codes.....	21
Map 9: Prospective household types, In Style, central Indiana zip codes.....	22
Map 10: Prospective household types, Midlife Junction, central Indiana zip codes.....	23
Map 11: Prospective household types, Metro Renters, central Indiana zip codes	24
Map 12. Overlay of all Zip Codes in the region with at least one tier three prospective household cluster	25





Introduction

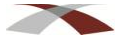
To sell the subdivisions in suburbs, developers use effective marketing campaigns that mostly focus on selling a lifestyle rather than a particular house. This lifestyle includes new and better schools, bigger lots, and curved roads and cul-de-sacs. (Restrictive covenants, new loan programs, and the construction of Interstate highways contributed to the attraction of the suburbs.) The marketing of the suburban lifestyle continues, even during the recent economic downturn. And most recently the focus has turned to new urbanism, which attempts to use design standards and a commitment to walkability to recreate the authentic urban neighborhoods that developed in Marion County and most other major cities.

The initial impact of the suburbanization movement was devastating for many of the authentic urban neighborhoods. To many, the thought of urban neighborhoods still conjures up images of crime, underperforming schools, and run-down housing. In the last ten years while Marion County's population grew 5 percent, the population of the eight surrounding counties (Boone, Johnson, Hamilton, Hancock, Hendricks, Madison, Morgan, and Shelby) grew 25 percent. Based on US Census population data from 2000 and 2010, by 2010, over one-half the population in the nine-county central Indiana region resided in the suburbs (53.5 percent; up from 46.5 percent in 2000). Over the last ten years, over \$2.3 billion in net adjusted gross income has accompanied the outward migration of people from Marion County to the suburbs (according to preliminary research by PPI staff). In addition, a changing tax environment, especially the property tax caps and a growing reliance on local option income tax, creates a fiscal environment in which competing for households with higher incomes is becoming an increasingly essential strategy for local governments.

On the positive side, the not-for-profit and public sector in Marion County is investing hundreds of millions of dollars in infrastructure and new amenities related to arts, culture, and recreation—all working together to complement eclectic and reenergized neighborhood retail corridors to create authentically urban neighborhoods that provide real alternatives to the well-designed and marketed new urbanism neighborhoods of suburbia. These authentically urban neighborhoods, based on the descriptions of household preferences within the ESRI Tapestry data, appear to be most appealing to two emerging demographic sectors: the empty nester baby-boomers and young, educated couples who are delaying both marriage and becoming parents.

To compete for a diverse set of potential residents (renters and home buyers), the urban neighborhoods in Marion County must develop a targeted and strategic approach to make individuals and households aware of the diverse sets of choices that urban neighborhoods within Marion County provide. Civic leadership should work with the same market-driven data that those leading the suburbanization campaign use, and that includes the ESRI Tapestry data. These data combine the basic indicators in the census data (typically used by not-for-profits and government) with proprietary data regarding spending habits and lifestyles. ESRI Tapestry Segmentation divides all U.S. households areas into 65 distinctive segments based on socioeconomic and demographic characteristics to provide a detailed description of U.S. neighborhoods (by zip code or census tract).

While some private sector developers within Marion County (typically large scale rental or condominium complexes) have developed marketing campaigns that target specific audiences and advocate urban (typically downtown) living, the community development corporations and others who seek to reenergize urban neighborhoods have not had access to these data, which may be used to develop and implement marketing strategies for their neighborhoods.



Methodology Overview

This exploratory analysis uses a three-tiered approach to developing an understanding of the potential applications of the ESRI data.

1. Targeted zip code analysis. In the target zip codes analysis the ESRI Tapestry data are used to examine the households within the three selected zip codes and location quotient analysis is used to identify household types for which the zip codes are competitively advantaged.
2. Regional analysis. In the regional analysis all zip codes in the nine-county region are studied and the ESRI Tapestry data are used to identify large clusters (of approximately 400 or more household types) that are competitively advantaged in the targeted zip codes and appear to be competitively disadvantaged in the other zip codes within the region. The pursuit of the households identified in this tier is based on competitive advantages and would reinforce the current demographic and amenity composition of the targeted zip codes.
3. Prospect identification. In this third tier, the ESRI Tapestry data are used to identify household types whose preferences suggest that though they currently do not reside in the target neighborhoods in large competitively advantaged numbers, they have a set of amenity preferences which suggest that they might consider living in the authentic urban neighborhoods within the three targeted zip codes. These groups represent an effort to broaden the household composition of the three targeted zip codes.

In greater detail in the first tier, the ESRI Tapestry data are first used to identify the household types and number of households located in each of these three targeted zip codes and then location quotient analysis is used to identify household types for which the zip codes appear to be competitively advantaged. Location quotient analysis compares the share of each household type in the zip code to the share of each household type in the region—when the share located within the zip codes is greater than the share in the region it is determined that the zip code has a competitive advantage in attracting that household type(s). In addition to using the quantitative ESRI data to identify competitively advantaged households, the subjective ESRI data (which describes the interests of the household types) are used to understand the current strengths of the three zip codes. Specifically, the ESRI data are used to identify the amenities that currently exist in the area and provide the basis for developing an amenity development strategy to better complement the preferences of current residents.

After using the ESRI data to develop a basic understanding of the demographic composition and amenity base of the three selected zip codes, the tier two analysis identifies the most predominant household segments in the region, and then summarizes each household group's basic demographic features as well as their arts, culture, and recreational preferences. Matches between the predominant household groups in the region and competitively advantaged households in the key zip codes are identified as key prospects for recruitment. After identifying the targeted household types, location quotient analysis is used to identify large clusters (defined as approximately 400 households or more) of the targeted households in zip codes throughout the region. Finally, large household types that are not competitively advantaged in the three zip codes are studied to determine if their demographic characteristics and amenity preferences suggest that they may be attracted to the key zip codes (as well as other urban neighborhoods). Location quotient analysis is once again used to identify moveable clusters of these household types.

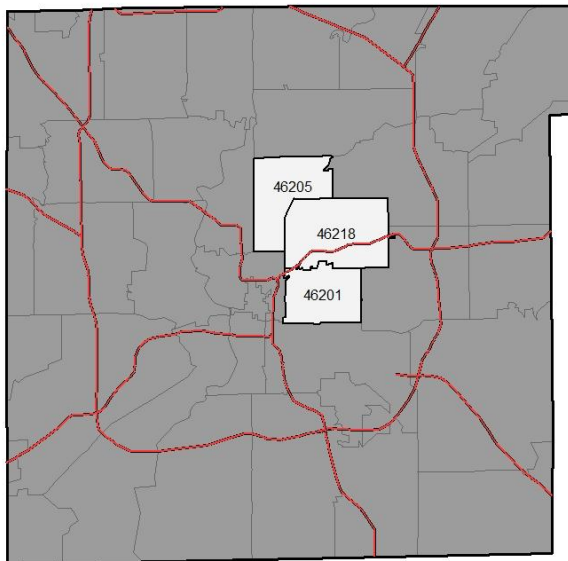
In tier three, researchers studied the demographic and amenity preferences of the remaining household types within the region and determined which of these smaller groups of households were candidates for relocation to urban neighborhoods either because of similarities to household types in the selected zip codes or their demographic and amenity preferences.



Tier One: Target Zip Code Analysis

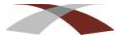
The Harrison Center provided PPI with a list of census tracts and zip codes. After considering the alternatives and performing some initial analyses, zip codes were selected as the basis for the study. The larger geographic scale and the related diversity of household types resulted in what researchers believe is a more effective and understandable use of the location quotient analysis that serves as the basis for the study. The three zip codes included in the analysis are 46201, 46205, and 46218 (Map 1).

Map 1. Authentic urban neighborhoods, zip codes of interest, Marion County



All three zip codes are located to the north and east of downtown Indianapolis, but they only have two competitively advantaged household types in common—City Dimensions and Metro City Edge. The fact that these two household types are present in large numbers and have location quotients greater than one, suggest the zip codes are competitively advantaged to attract these household types. The individual households that comprise these two types tend to have modest levels of educational attainment and low household income. Metro City Edge Households tend to be older, married, and have children living at home, while City Dimensions households are more likely to be composed of single adults. Both types of households are as likely to rent as own their homes.

One marketing option is to further capitalize on the competitive advantages the zip codes possess and pursue City Dimensions and Metro City Edge households residing in other zip codes. Another option would be to concentrate on helping households currently in the neighborhoods to become homeowners



(about 50 percent currently rent) while seeking to assure that the amenities these households value, such as discount stores, auto parts stores, and a wide range of restaurants remain in the area.

Zip code 46205 is the most diverse of the three zip codes in terms of existing household types. The household types in this zip code include households described as young, well-educated, and well compensated, such as Great Expectations, In Style, and Young and Restless. Additionally, the Midlife Junction, Prosperous Empty Nesters, and Metropolitans groups represent more established households in the zip code that appear to find authentic urban neighborhoods desirable. While these groups provide insight into potential for urban neighborhoods only Great Expectations and Metropolitans have location quotients greater than one (which suggests a competitive advantage).

Great Expectations households are competitively advantaged in zip code 46201 also, which suggests that it is one of the more promising groups to pursue across all three zip codes. This household type is younger and better educated with slightly higher incomes than the average household, while preferring many of the same amenities as City Dimensions households, which may indicate that they can be easily attracted to the neighborhood. Furthermore, Great Expectations households are evenly split between owning and renting which suggests that many will eventually be pursuing homeownership opportunities.

Finally, while Metropolitans households are only present (and competitively advantaged) in zip code 46205, the fact that they like to live in older city neighborhoods with an eclectic mix of single-family and multi-family housing options, suggest that they may be attracted to neighborhoods within the three selected zip codes, especially areas benefiting from GINI and other neighborhood improvement efforts. Metropolitans households are heavy internet users and may be reached in that fashion. They also have high levels of education (75 percent have attended or graduated college) and income (median household income of \$61,965) and would add to the diversity to the selected zip codes.

The following summaries of each of the three selected zip codes include a figure displaying the share of all household types in that zip code, and a summary of the ESRI data related to the predominant household types in each zip code.

Summary of the three selected zip codes

Zip code 46201.

There are 14,005 households in zip code 46201, representing 1.8 percent of all households in the region.¹ The most common household types in zip code 46201 are City Dimensions and Home Town. These two groups comprise 53 percent of all households (Figure 1). Table 1 compares the share of these households in this zip code with the shares within the broader region.

¹ For the purposes of this study the region is defined as Marion County and surrounding counties (Boone, Hamilton, Hancock, Hendricks, Johnson, Morgan, and Shelby).

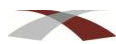


Figure 1. Household types in zip code 46201 by count and percentage, 2010

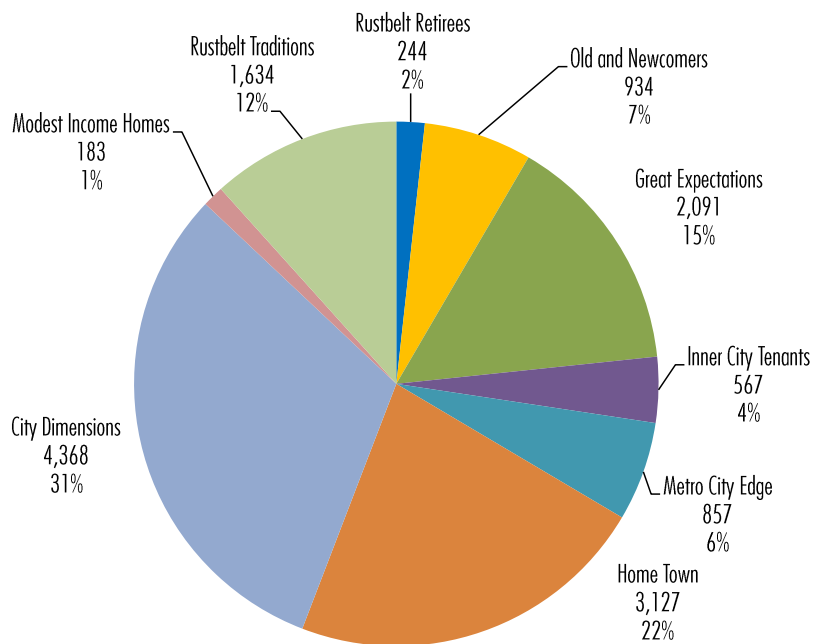
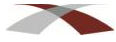


Table 1. Shares of household types in zip code 46201 and region

Household type	46201	46201	Region
	Count	Share	Share
Rustbelt Retirees	244	1.7%	2.7%
Old and Newcomers	934	6.7%	2.6%
Great Expectations	2,091	14.9%	3.1%
Inner City Tenants	567	4.0%	2.7%
Metro City Edge	857	6.1%	1.5%
Home Town	3,127	22.3%	4.9%
City Dimensions	4,368	31.2%	1.5%
Modest Income Homes	183	1.3%	1.7%
Rustbelt Traditions	1,634	11.7%	8.8%

Brief descriptions of predominant household types in zip code 46201

City Dimensions Households. According to ESRI, most households in this category consist of a young single person (31 percent.). City Dimensions households tend to be very diverse with 50 percent of these households being white, 25 percent black, and the remainder primarily of Hispanic and Asian descent. Most work at jobs near their homes, typically in service, manufacturing, or retail sectors.



- Median household income: \$28,440
- Education: 65 percent have graduated high school, 9 percent college graduate or more
- Tenure: over 50 percent rent, typically in two to four unit buildings built before 1960
- Amenities:
 - Entertainment: like to watch sports and are loyal team supporters; watch cable TV and enjoy video games
 - Dining: enjoy dining out and attending movies
 - Shopping: discount stores and tend to buy store brands; buy sports team apparel
- Miscellaneous: own domestic cars, tend to do their own repair and maintenance
- Other zip codes in the region with high concentrations of City Dimensions households: 46203, 46222, 46225

Home Town Households. Home Town households are loyal to place. While some move from home to home, few leave the county. Many households include two generations of adults that have lived and worked in the same community, and most of their children plan to stay in place as well. They tend to work in the manufacturing, retail trade, and service sectors.

- Median household income: \$33,319
- Tenure: 58 percent own their homes
- Amenities:
 - Recreation: fishing, camping, and playing football
 - Entertainment: watch television, primarily reality shows, use the internet less than most
 - Dining: occasionally dines out, typically at Bob Evan's or Ryan's Steakhouse type of restaurants or fast food
 - Shopping: buy groceries at Kroger, Aldi, and Wal-Mart; buy clothes at discount department stores
- Miscellaneous: live in pre-1970 neighborhoods
- Other zip codes in the region with high concentrations of Home Town households: 46016, 46036, 46041, 46203, 46218, 46221, 46222, 46225, 46241

Great Expectations Households. The oversupply of Great Expectations households suggests the zip code enjoys a competitive advantage in attracting these households. Most Great Expectations households are just beginning their careers and are either young singles or young married couples without children.

- Median household income: \$38,790
- Education: 48 percent some college, 18 percent college graduate or more
- Family size: vast majority consist of 1 or 2 persons
- Tenure: 50 percent own their homes
- Amenities:
 - Recreation: softball, canoeing, and Frisbee (traditional and golf)
 - Entertainment: movies, watch DVDs, TV dramas and evening news, enjoy watching auto-racing in person and on TV
 - Dining: enjoy dinner and a movie, occasionally fast food, especially Arby's and Dairy Queen
 - Shopping: purchase groceries at Aldi's and Wal-Mart, shop for clothes and furniture at major discount department stores, purchase supplies for home maintenance and re-modeling
- Miscellaneous: rarely travel, dedicated to home improvement and career building
- Other zip codes in the region with high concentrations of Great Expectations households: 46011, 46227, 46229, 46235

Rustbelt Traditions Households. Rustbelt Traditions households live in modest single family homes and live in neighborhoods of similar households. In the past, they lived in older industrial cities and worked in manufacturing, now they are more likely to work in the service sector.



- Median household income: \$51,545
- Education: 84 percent have graduated high school, 59 percent have attended some college, and 15 percent have graduated college or more
- Tenure: 73 percent own their own home, nearly two-thirds of the homes were built before 1960
- Amenities
 - Entertainment: like to go bowling, fishing, and hunting, and attending motorsports races, hockey games, and country music concerts
 - Dining: rarely dine out
 - Shopping: frugal and shop for bargains at Sam’s Club, J.C. Penny, and Kmart, especially for items for family, yard maintenance, and home improvement
- Miscellaneous: own domestic cars, use contractors for many home improvement projects; tend to stay close to home for work, shopping, and recreation; not tempted by fads and tend to stay in same home
- Other zip codes in region with high concentrations of Rustbelt Traditions households: 46151, 46219, 46222, 46224, 46226

Metro City Edge Households. Metro City Edge households tend to be located in older suburban neighborhoods; many still have children living at home. Nationally, 74 percent of Metro City Edge households are African-American.

- Median household income: \$32,275
- Education: 40 percent some college, 10 percent college graduate or more
- Family size: 3.5 persons
- Tenure: 53 percent own their homes
- Amenities:
 - Recreation: play basketball
 - Entertainment: go to the movies, watch sitcoms and sports, attend professional football games, read baby magazines, and listen to urban and contemporary hit radio.
 - Dining: fast-food or family style restaurants including Old Country buffet or Ryan’s
 - Shopping: spend most of their money on children at superstores and wholesalers, groceries at Kroger and Aldi
- Miscellaneous: over half work in service sector and unemployment risk is greater than average
- Other zip codes in the region with high concentrations of Metro City Edge households: 46205, 46218, 46226, 46235

Zip code 46205.

Zip Code 46205 is the most diverse of the three selected neighborhood zip codes. This diversity is demonstrated in two ways. First, there are more household types in the area and secondly the largest category (Metro City Edge) represents only 22.5 percent of all households. In the other two selected zip codes the dominant household type comprises 30 percent of all households.

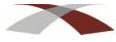


Figure 2. Household types in zip code 46205 by count and percentage, 2010

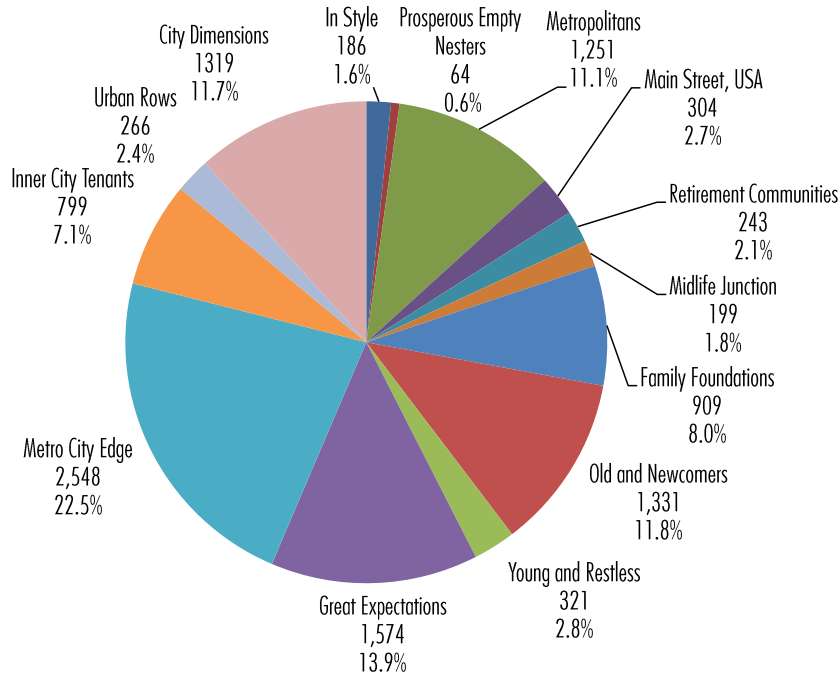


Table 2. Shares of household types in zip code 46205 and region

Household type	46205	46205	Region
	Count	Share	Share
In Style	186	1.6%	1.4%
Prosperous Empty Nesters	64	0.6%	1.7%
Metropolitans	1,251	11.1%	2.2%
Main Street, USA	304	2.7%	1.3%
Retirement Communities	243	2.1%	0.4%
Midlife Junction	199	1.8%	2.2%
Family Foundations	909	8.0%	0.9%
Old and Newcomers	1,331	11.8%	2.6%
Young and Restless	321	2.8%	3.4%
Great Expectations	1,574	13.9%	3.1%
Metro City Edge	2,548	22.5%	1.5%
Inner City Tenants	799	7.1%	2.7%
Urban Rows	266	2.4%	0.1%
City Dimensions	1,319	11.7%	1.5%



Metro City Edge Households. See description of Metro City Edge household type under zip code 46201 section.

Great Expectations Households. See description of Great Expectation household type under zip code 46201 section.

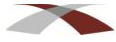
Old and Newcomers Households. Old and Newcomers households are in transition—either beginning their careers or retiring. Most are white and tend to not have children. Most have moved in the last five years.

- Median household income: \$44,112
- Tenure: 60 percent rent their homes
- Amenities:
 - Recreation: walk, swim, and bowl
 - Entertainment: watch TV, rent movies, and read
 - Dining: cook at home
 - Shopping: discount stores, especially Marshall's, T.J. Maxx, and Sam's Club
- Miscellaneous: their lifestyles reflects their childless situation and schools are unimportant to them
- Other zip codes in the region with high concentrations of Old and Newcomers households: 46032, 46214, 46220, 46268

City Dimensions Households. See description of City Dimensions household type under zip code 46201 section.

Metropolitans Households. Metropolitans households like to live in older city neighborhoods with an eclectic mix of single-family and multi-family housing. Only 40 percent are married, median age is 37.6 years, and most are white. They are active members of the community—joining civic clubs, volunteering for environmental causes, and working for political candidates. They are online daily for information and to make purchases. They travel for both business and pleasure, and airport access is important.

- Median household income: \$61,965
- Education: 75 percent have attended or graduated college
- Tenure: 60 percent own their homes
- Amenities:
 - Entertainment: active urban lifestyle, go to concerts, enjoy foreign films, play a musical instrument, practice yoga, go kayaking, backpacking, and ski (both water and snow)
 - Shopping: shop online, join business clubs
- Other zip codes in the region with high concentrations of Metropolitans households: 46205, 46208, 46220, 46228, 46260



Zip code 46218.

The most common household types in zip code 46218 are Modest Income Homes and Family Foundations. These two groups comprise over 53 percent of all households.

Figure 3. Household types in zip code 46218 by count and percentage, 2010

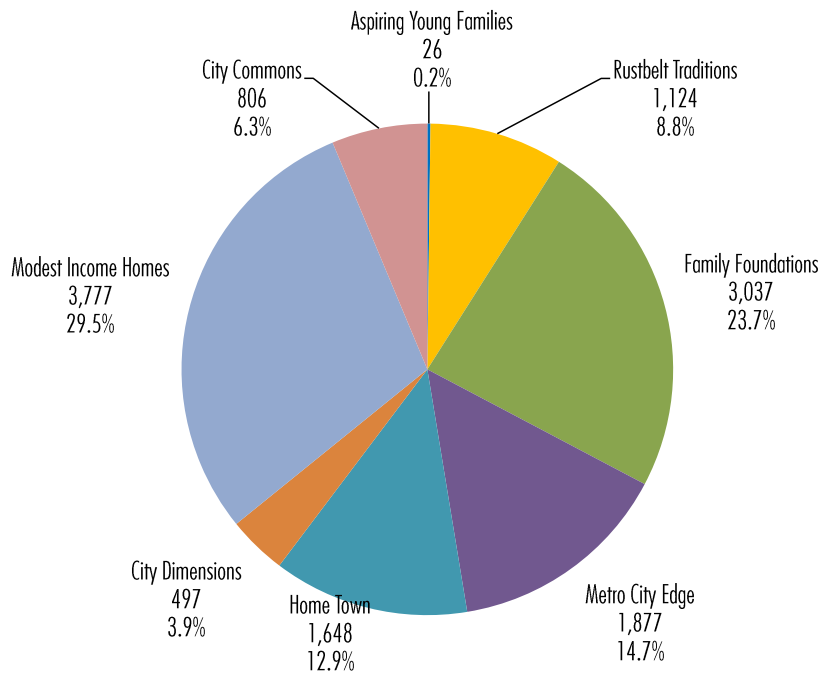


Table 3. Shares of household types in zip code 46218 and region

Household type	46218		Region
	Count	Share	Share
Aspiring Young Families	26	0.2%	4.3%
Rustbelt Traditions	1124	8.8%	8.8%
Family Foundations	3037	23.7%	0.9%
Metro City Edge	1877	14.7%	1.5%
Home Town	1648	12.9%	4.9%
City Dimensions	497	3.9%	1.5%
Modest Income Homes	3777	29.5%	1.7%
City Commons	806	6.3%	0.4%



Brief descriptions of predominant household types in zip code 46218

Modest Income Homes Households. Most households in this category consist of single person or single parents; 84 percent are black. Many still have children that live at home, and many of the senior citizens (about 25 percent of the households in this category) are caring for grandchildren.

- Median household income: \$21,374
- Education: 40 percent have graduated high school, 28 percent some college, 8 percent college graduate or more
- Tenure: the households are evenly divided between homeowners and renters
- Amenities:
 - Recreation: play basketball
 - Entertainment: watch football and basketball on TV, listen to urban radio, watch daytime and primetime TV shows
 - Dining: rarely dine out
 - Shopping: discount stores
- Miscellaneous: limited income restricts ability to purchase non-essential goods and services including internet and fitness centers
- Other zip codes in the region with high concentrations of Modest Income Homes households: 46202, 46208, 46016

Family Foundations Households. As might be expected, these households are very much focused on families. Households in this group are very diverse in terms of composition, including married couples with children (young and old) single parents, and grandparents; but not diverse racially. Eighty-five percent of the households in this group are African-American. They tend to live near relatives and tend to remain in place.

- Median household income: \$46,504
- Tenure: 75 percent own their homes
- Amenities:
 - Recreation: play basketball
 - Entertainment: big TV fans, most have cable and multiple sets; read newspapers, news magazines, and entertainment weeklies; watch basketball on TV, listen to gospel and jazz
 - Dining: rarely dine out
 - Shopping: discount stores, especially Marshall's, T.J. Maxx, and Sam's Club
- Miscellaneous: very active in the community, attend church and serve on church boards, active in civic institutions and help with fund raising projects; tend to live in homes constructed prior to 1970
- Other zip codes in the region with high concentrations of Family Foundations households: 46226, 46228

Metro City Edge Households. See description of Metro City Edge household type under zip code 46201 section.

Home Town Households. See description of Home Town household type under zip code 46201 section.



Tier Two: Regional Analysis to Consider the Potential for Attracting the Region's Largest Household Types to the Selected Zip Codes

There are 50 of ESRI's 64 household types in the region² and seven predominant household categories each of which consists of four percent or more of all households in the central Indiana region. Taken together these seven household groups represent 46.9 percent of all the region's households. The seven most predominant household groups in the region are:

- Rustbelt Traditions (69,879 households, 8.8 percent)
- Green Acres (68,808 households, 8.7 percent)
- Up and Coming Families (94,813 households, 8.2 percent)
- Boomburbs (47,769 households, 6.0 percent)
- Salt of the Earth (47,350 households, 6.0 percent)
- Home Town (38,911 households 4.9 percent)
- Aspiring Young Families (33,965 households, 4.3 percent)

Not all of the predominant household types are likely candidates for recruitment into authentic urban neighborhoods. Green Acres households prefer suburban lifestyles, typically residing in homes constructed for them in new subdivisions. This suburban lifestyle preference suggests it would be difficult to convince Green Acres households to consider an authentic urban neighborhood. The following are other regionally predominant household types that are unlikely to be attracted to authentic urban neighborhoods:

- Up and Coming Families households—tend to live in the suburban ring around mid-sized metro areas and most prefer to live in homes built in the last ten years
- Boomburbs households—as the name implies, prefer living in newly emerging towns with little ethnic or income diversity
- Salt of the Earth households—none of the 47,350 households in this type in the region are located in Marion County; over 80 percent already own their homes and they tend to live in the least diverse neighborhoods in the region.
- Home Town households—are loyal to place, deeply rooted in their community and as their children age they, too, tend to stay in the same community

Of the five household types identified as unlikely candidates for attraction to the targeted zip codes only Home Town households are currently located in any of the three selected zip codes. There are 3,127 (22 percent of all 46201 households) Home Town households in zip code 46201 and 1,648 Home Town households (12.9 percent) in 46218. While the presence of Home Town households in the selected zip codes might be an indication of preferences for an authentic urban neighborhood lifestyle and thus attraction, we suggest that there is little likelihood of inducing Home Town households to move. The ESRI data suggest loyalty to family and remaining in place are two of the primary preferences of these household types. However, some effort may be directed towards inducing Home Town households currently residing in the selected zip codes to consider the advantages of homeownership as the ESRI data suggest that about 42 percent of Home Town householders are currently renting, that those that own tend to live in pre-1970 neighborhoods, and have median household incomes of \$33,319, making the Home Town households currently residing in the selected zip codes likely candidates for homeownership.

² ESRI actually reports a 65 household type which is an aggregation of all uncategorized households. There are 4,929 (or 0.6 percent) total uncategorized households in the region.



Rustbelt Traditions and Aspiring Young Families household types both appear, based on ESRI Tapestry data, to be prospective candidates for authentic urban neighborhoods. Currently, there are 1,634 Rustbelt Traditions households in zip code 46201 (12 percent of all households in that zip code) and 1,124 or 8.8 percent, in zip code 46218. Their presence in these two zip codes suggests a propensity on their part to find neighborhoods in the two zip codes desirable. However, Rustbelt Traditions households tend to stay in the same house and have a location quotient for all of Marion County of less than one (which suggests they prefer the suburban lifestyle).

Aspiring Young Families are a much less predominant household type in the region (33,965 in region), and currently represent a very small share of households in the three selected zip codes (26 households all in zip code 46218). However, these 26 households may represent the beginning of a trend as Aspiring Young Families within the region are disproportionately located in Marion County (location quotient in Marion County of 1.55) and prefer residing in diverse neighborhoods. If these households are pursued, those marketing authentic urban neighborhoods will have to overcome Aspiring Young Families propensity to live in homes and apartments built after 1970.

The following sections describe in detail the Rustbelt Traditions and Aspiring Young Families households and more importantly identify zip codes where large groups (400 or more households) reside yet have a location quotient of less than one (which indicates that they may be amenable to moving as they are less likely to be in that zip code than may be expected).

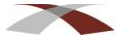
Rustbelt Traditions households

Rustbelt Traditions households are one of the predominant household groups in the nation. Most live in modest single family homes and are the backbone of the older industrial cities of the Great Lakes and Midwest. They tend to live in neighborhoods of similar households. Once employed in manufacturing, they are now more likely to work in the service sector. These households are financially conservative, prefer credit unions to banks, and maintain personal savings.

- Median household income: \$51,545
- Education: 84 percent have graduated high school, 59 percent have attended some college, and 15 percent college graduate or more
- Tenure: 73 percent own their home, nearly two-thirds of the homes were built before 1960
- Amenities:
 - Entertainment: like bowling, fishing, and hunting; attend motorsports races, hockey games, and country music concerts
 - Dining: rarely dine out
 - Shopping: frugal and shop for bargains at Sam's Club, J.C. Penney, and Kmart, particularly for items for family, yard maintenance, and home improvement
- Miscellaneous: own domestic cars; use contractors for home improvement projects such as roofing, carpeting, and flooring; tend to stay close to home for work, shopping, and recreation; not tempted by fads; tend to stay in same home

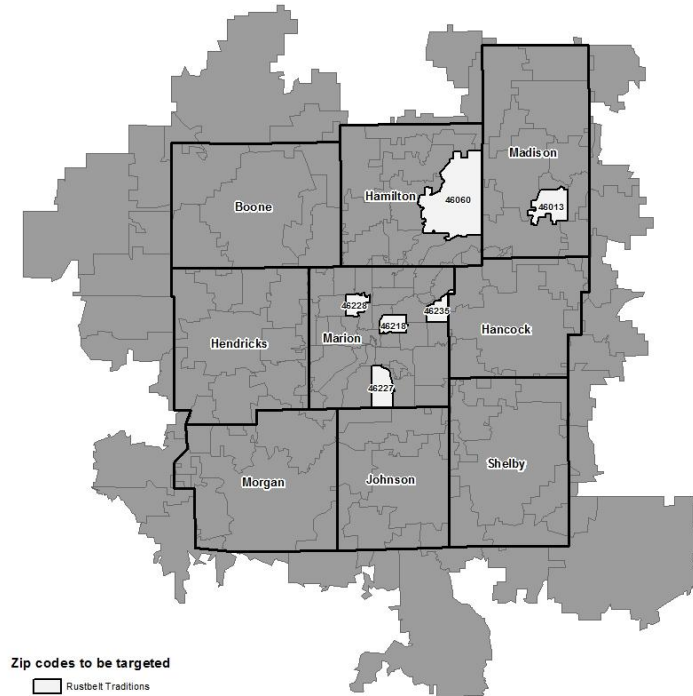
Rustbelt Traditions household type is the most predominant type of household in the central Indiana region:

- 69,870 households in region/8.8 percent of all households in region
- 15 percent of these households are located in Marion County
- 7.7 percent of Marion County households are Rustbelt Traditions
- Location quotient of 0.87; there are 3,842 less households in Marion County than might be expected if distributed equally throughout region



- Zip codes in the region with high concentrations of Rustbelt Traditions households and a location quotient less than 1 (number of these households in the region in parentheses): 46227 (1,024), 46228 (529), 46060 (932), 46235 (903), 46218 (1,124), 46013 (583), 46237 (632)

Map 2: Predominant household type, Rustbelt Traditions, central Indiana zip codes



Comment [t1]: The legend should say Rustbelt Traditions – Rustbelt is one word in esri.

Aspiring Young Families households

Aspiring Young Families households represent young start-up families. Most include a married couple either with a child or planning on one soon. They tend to live together in ethnically diverse neighborhoods. Highest concentrations of these households are found in Texas, California, and Florida – only 20 percent of them live in the Midwest. Most are employed in professional, management, sales, or administrative positions.

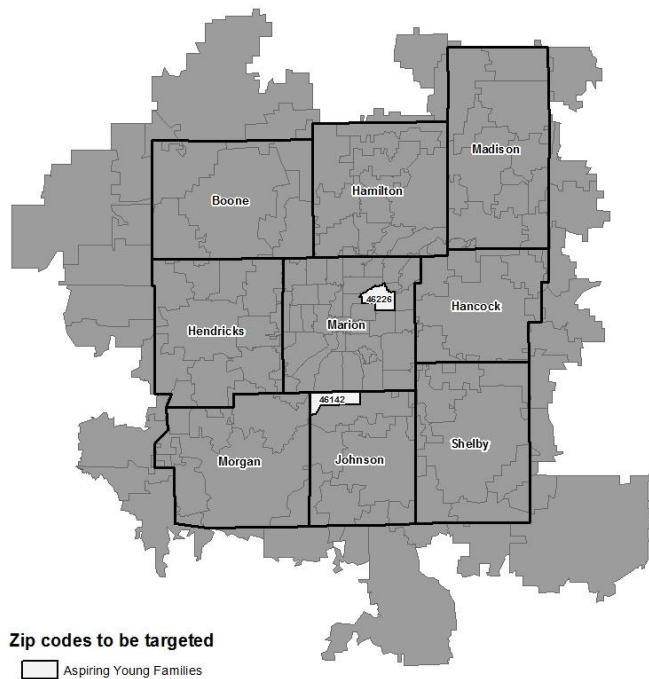
- Median household income: \$52,036
- Tenure: 51 percent rent /49 percent own
- Education: 87 percent are high school graduates, 24 percent have graduated college
- Amenities
 - Recreation: Basketball, bowling, and biking
 - Entertainment: Play video games, surf the internet, watch TV, go out to movies
 - Dining: dine out regularly, usually at Chili's/Applebee's or at fast food such as Jack in the Box or Sonic

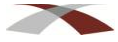


- Shopping: spend most of their money on baby and children products, home furnishing, cameras, and video games
- Miscellaneous: live in new neighborhoods, most in homes or apartments built after 1970
- Aspiring Young Families household type is the seventh most predominant type of household in the central Indiana region: 33,965 households in region/4.3 percent of all households in region
- 58 percent of these households are located in Marion County
- Location quotient of 1.55, there are 4,639 more households in Marion County than might be expected if distributed equally throughout region
- Zip codes in the region with high concentrations of Aspiring Young Families households and a location quotient less than 1 (number of these households in the region in parentheses): 46142 (522), 46226 (240)

In summary, only three of the seven largest household types within the region appear to present significant opportunities for attraction. With a fourth household type (Home Town) presenting the opportunity to move from renter to homeownership for those already located within the targeted zip codes.

Map 3: Predominant household type, Aspiring Young Families, central Indiana zip codes





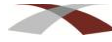
Tier Three: Prospects of Expanding the Household Composition of the Targeted Zip Codes

The prospects portion of this analysis seeks to identify prospective household types for recruitment to authentic urban neighborhoods based on their lifestyle and amenity preferences rather than on their current volume within the targeted zip codes or the region. These household types, while perhaps small in number, have social, demographic, and amenity characteristics that suggest that they may be amenable to living in authentically urban neighborhoods. Seven of the eight household types that have been identified are currently located in at least one of the targeted zip codes and in clusters of approximately 400 in at least four zip codes in the region. Location quotients are not used in the prospect analysis, in part, because of the relatively low number of total households in each category and, in part, because the notion of prospects is based on amenity appeal rather than volume.

The prospect households considered in this analysis are:

- City Dimensions (11,642 households in region; 6,184 in all three zip codes)
- Great Expectations (24,776 households in region; a total of 3,665 in zip codes 46201 and 46205)
- Metropolitans (17,626 households in region; 1,251 in zip code 46205)
- Prosperous Empty Nesters (13,062 households in region; 64 in zip code 46205)
- Young and Restless (27,021 households in region; 321 in zip code 46205)
- In Style (11,294 households in region; 186 in zip code 46205)
- Midlife Junction (17,203 households in region 199 in zip code 46205)
- Metro Renters (4,659 households in region; none in the three zip codes)

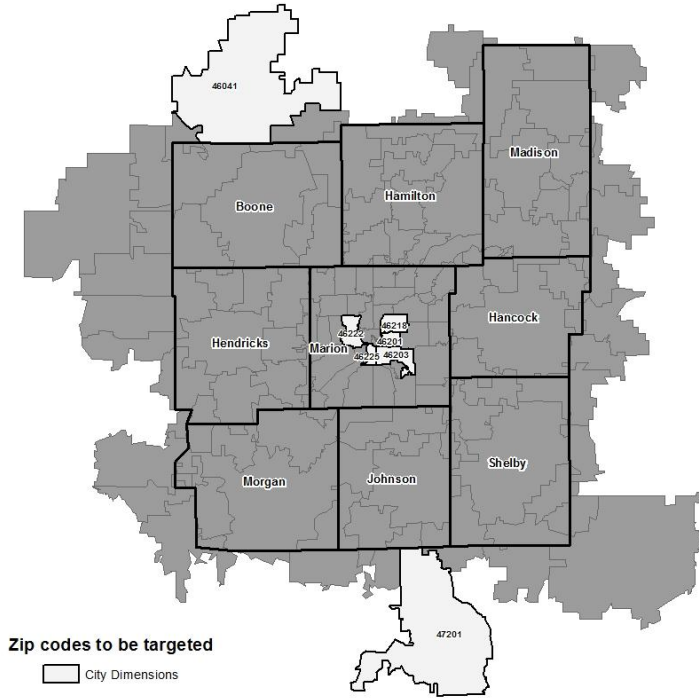
The last four household groups on this list do not currently reside in great numbers in the three selected zip codes (less than 400 in any category) and one group (Metro Renters) is not present in the three zip codes at all. Nevertheless, all these groups have preferences that suggest they'd be worth pursuing. Prosperous Empty Nesters, for example, will continue to grow in numbers over the coming years and might well prefer a "nostalgic" life in an authentic urban neighborhood. While there are only 4,659 total Metro Renters households in the region, 17 percent are currently enrolled in college, probably at IUPUI, Butler, UINDY, Marian, or one of the other local colleges and universities. A potential strategy in rebuilding our authentic neighborhoods and our region's economy might be to work with the region's educational institutions to help future graduates understand the lifestyle authentic urban neighborhoods in Marion County offer. Metro Renters are included in the analysis because of their amenity preferences and most importantly because they are young, typically single, very mobile, and rent rather than own. Also, this group represents the creative class that so many regions are striving to attract and retain.



City Dimensions households

City Dimensions households, located in all three zip codes, have a location quotient that indicates a competitive advantage, suggesting that there is an opportunity to attract more of these household types. The following map identifies zip codes with large clusters of City Dimensions households.

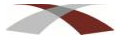
Map 4: Prospective household types, City Dimensions, central Indiana zip codes



Comment [t2]: The esri category is called City Dimensions – with an s at the end.

Comment [t3]: Why is there so much white space around these maps? Also, the titles should be removed so they can be formatted in the text (and number as we normally do – Map 2, etc.). And they desperately need legends. I have no idea what I'm looking at here.

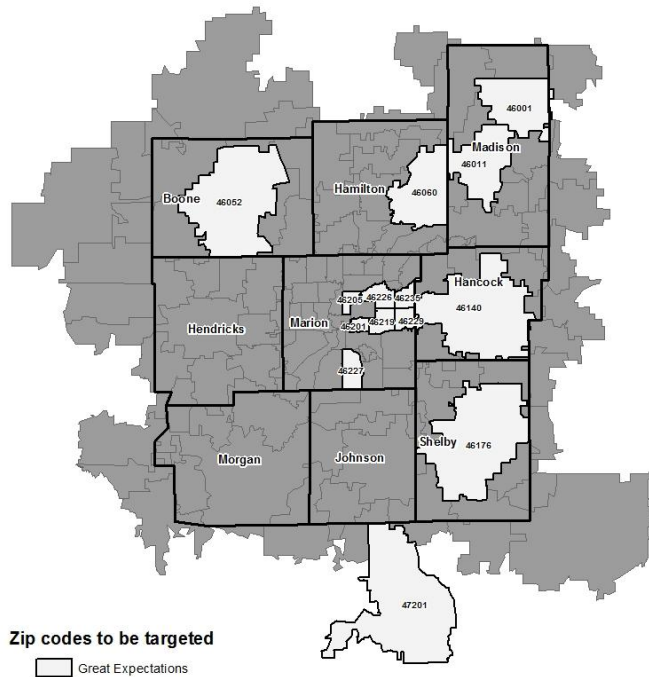
And why are some in color?



Great Expectations households

The Great Expectations household type is the only prospective group not solely located in zip code 46205. Households in this group pursue home maintenance and home remodeling projects, and 50 percent are renters with potential to buy. The following map displays the zip codes with large numbers of Great Expectations households.

Map 5: Prospective household types, Great Expectations, central Indiana zip codes



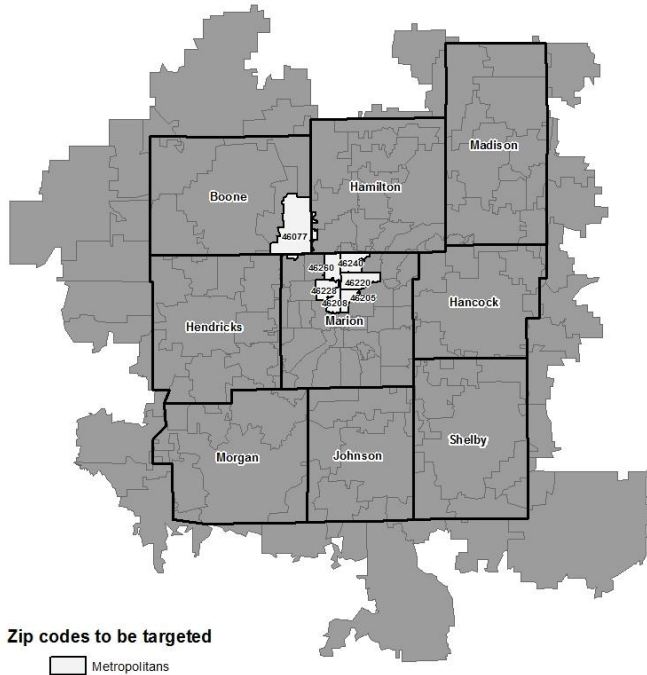
Comment [T4]: Same comment



Metropolitans households

Metropolitans households prefer to live in older city neighborhoods and an urban lifestyle. These households have characteristics that make them promising candidates. However, most of these households in the region already reside in Marion County (16,848 out of 16,626 households). The following map displays zip codes with large numbers of Metropolitans households.

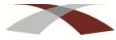
Map 6: Prospective household types, Metropolitans, central Indiana zip codes



Prosperous Empty Nesters households

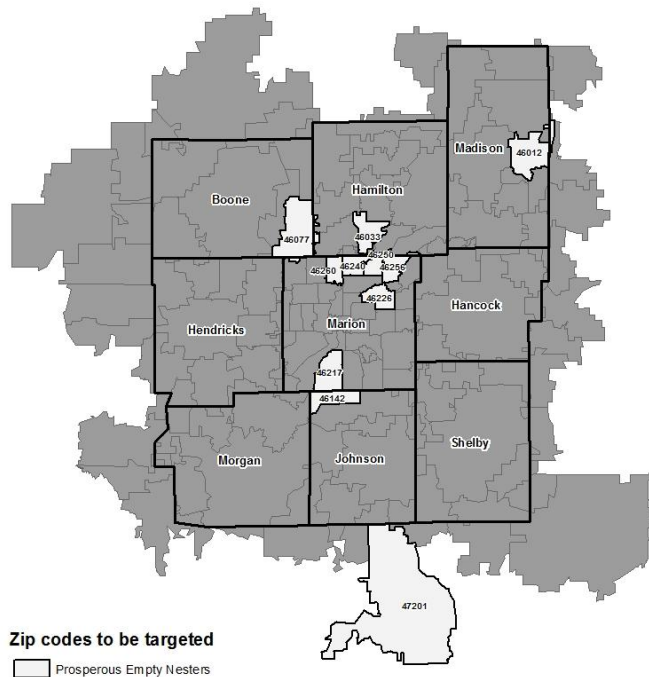
There are only 64 Prosperous Empty Nesters households in the three selected zip codes. Yet, they appear to be good candidates for recruitment, as they are households in transition and one of the fastest growing household categories. As the name implies, Prosperous Empty Nesters households are older (55 years or more) and composed primarily of married couples without children. The number of these households is increasing rapidly as the baby boomer generation ages.

- 13,062 households in region/8,148 in Marion County
- Median household income: \$69,227 net worth of over \$275 thousand
- Education: 75 percent have attended college, 41 percent have completed college
- Family size: vast majority consist of 1 or 2 persons
- Amenities:
 - Recreation: play golf and exercise regularly



- Entertainment: attend golf tournaments and sports events (especially college football and baseball), also like to refinish furniture
- Shopping: home repair and remodeling and lawn care are priorities, tend to order many items from catalogs or online; likely to own a luxury car
- Miscellaneous: travel extensively, join civic organizations, for those still working tend to be in professional and management careers, especially in education and health care
- Zip codes in the region with high concentrations of Prosperous Empty Nesters households (number of these households in the region in parentheses): 47201 (738), 46012 (740), 46226 (492), 46250 (505), 46256 (562), 46033 (519), 46217 (1,041), 46142 (785), 46240 (2,155), 46260 (1,635), 46077 (987)

Map 7: Prospective household types, Prosperous Empty Nesters, central Indiana zip codes



Young and Restless households

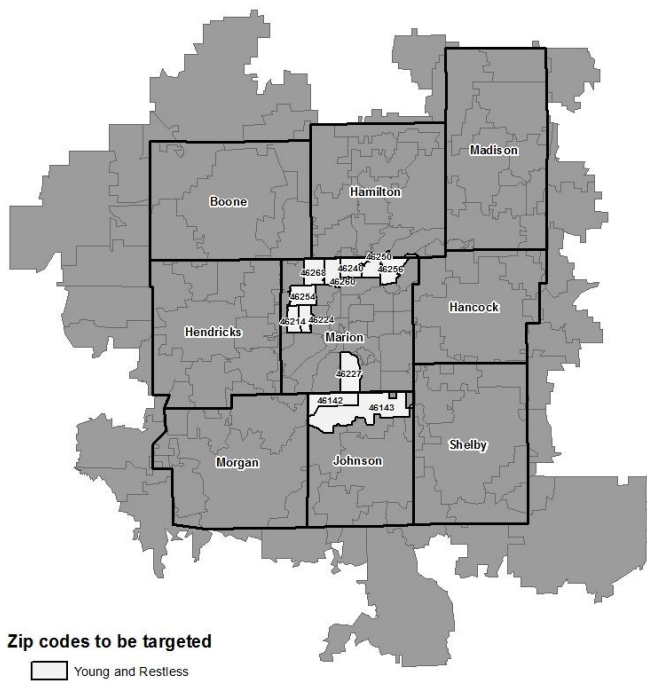
Young and Restless households are young, diverse, and don't mind moving. Most are single (only 23 percent have children) and renters. They get their information online, and like movies at theaters, going to bars and nightclubs, working out at gyms, and playing sports. Most have professional jobs.

- 27,021 households in region/22,888 in Marion County
- Median household income: \$45,458
- Education: 69 percent have attended some college, and 36 percent have graduated college or more
- Tenure: 85 percent rent (mostly in multi-unit buildings)



- Amenities:
 - Entertainment: movie theaters, bars and nightclubs, gyms and amateur sports
 - Dining: frequently dine out
- Zip codes in the region with high concentrations of Young and Restless households (number of these households in the region in parentheses): 46227 (1,594), 46142 (1,165), 46260 (2,580), 46240 (2,509), 46268 (2,283), 46254 (2,600), 46214 (4,667), 46224 (1,463), 46256 (2,182), 46250 (3,055), 46143 (1,374)

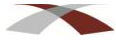
Map 8: Prospective household types, Young and Restless, central Indiana zip codes



In Style household

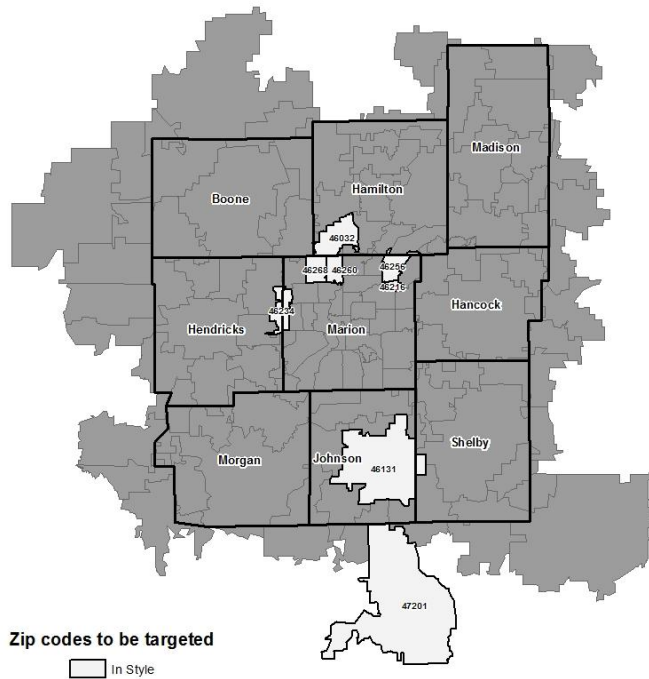
In Style households tend to live in the suburbs but prefer an urban /city lifestyle. They enjoy concerts and sporting events, like to gamble at casinos, are foodies, and hire professional cleaners and contractors (especially to improve their kitchens).

- 11,294 households in region / 7,561 in Marion County
- Median household income: \$71,177
- Education: 42 percent have graduated college or more
- Tenure: 69 percent own, 14 percent prefer renting townhomes
- Amenities:
 - Entertainment: concerts, sports, casinos, and enjoy outdoor and indoor exercise sports
 - Dining: are foodies, when dining out want healthy, non-chain options



- Zip codes in the region with high concentrations of Prosperous Empty Nester households (number of these households in the region in parentheses): 46131 (597), 47201 (828), 46216 (615), 46256 (1,293), 46234 (1,046), 46268 (1,003), 46260 (1,424), 46032 (613)

Map 9: Prospective household types, In Style, central Indiana zip codes



Midlife Junction household

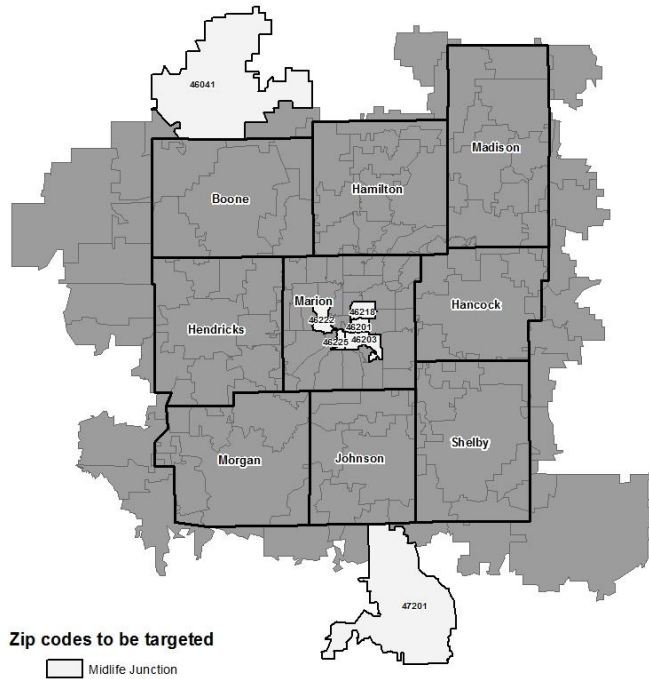
Midlife Junction households are older but still working as they transition from child-rearing to empty-nesting to retirement. They typically reside in single family homes (66 percent) in suburban neighborhoods. Thirty-nine percent are retired and 31 percent receive social security.

- 17,203 households in region/2,375 in Marion County
- Median household income: \$49,139
- Tenure: 66 percent own
- Amenities:
 - Recreation: fishing and walking for exercise
 - Entertainment: watch network TV, play board games, do woodworking
 - Dining: dine out (mostly on weekends) at family restaurants
 - Shopping: shop online at LL Bean, Eddie Bauer, and department stores
- Miscellaneous: own domestic cars



- Zip codes in the region with high concentrations of Prosperous Empty Nester households (number of these households in the region in parentheses): 46201 (4,368), 46203 (1,420), 46222 (1,794), 47201 (670), 46218 (497), 46225 (781), 46041 (616)

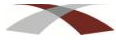
Map 10: Prospective household types, Midlife Junction, central Indiana zip codes



Metro Renters households

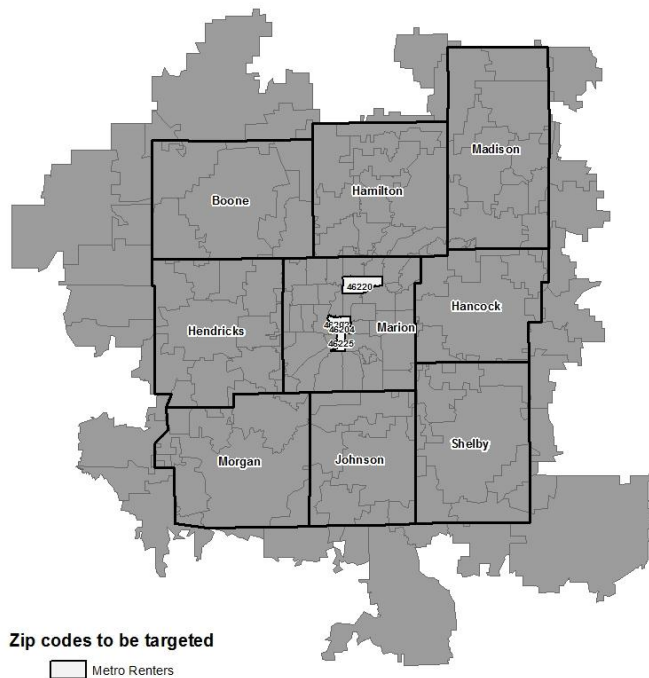
Metro Renters households consist primarily of young educated singles who are just beginning their professional careers. While most live alone, some share housing with a roommate to defray costs. Approximately 17 percent are still enrolled in undergraduate or graduate school (attending classes and working). While all these households are in Marion County, tracking these neighborhoods and using the data to continue to attract additional Metro Renters and other groups with similar “likes” and then capitalizing on these assets could be an important strategy.

- 4,659 households in region/4,659 in Marion County
- Median household income: \$59,197 and rising
- Education: 80 percent have attended college, 33 percent have completed college, and 25 percent have completed graduate school
- Family size: vast majority consist or 1 or 2 persons
- Amenities:
 - Recreation: work out at clubs, play tennis and volleyball, do yoga, ski and jog



- Entertainment: dancing at clubs, visit museums, attend concerts (classical and rock), go to the movies; painting and drawing are hobbies; rent/attend foreign and classic movies
- Dining: dine out frequently like pubs with imported/micro beer and wine
- Shopping: Crate and Barrel or Pier One for household items, buy clothes at banana republic, Gap, Nordstrom or online
- Miscellaneous: use drycleaners, are online daily and use it to search for jobs, real estate, and entertainment
- Only four zip codes in the region have Metro Renters households (number of these households in the region in parentheses): 46202 (2,486, 46204 (1,553), 46220 (571), 46225 (49)

Map 11: Prospective household types, Metro Renters, central Indiana zip codes



Summary

While the ESRI Tapestry data clearly have some limitations, there is the potential to help target resources for marketing urban housing and inform some amenity investment strategies. The data have two primary weaknesses for this use. The first is that the data are designed to identify demand for products and to help inform the location decisions of stores and restaurants, not identify households that can be moved to a product (in this case, a neighborhood). That is, the data describe household spending regardless of location, which would then be used in conjunction with particular types of goods to determine areas that are underserved. The second challenge in using the data is the relatively underdeveloped qualitative amenity portion of the data. The initial expectation was that the data include a list of amenities accompanied by the



preferences of particular household groups. Instead there are some very general descriptive paragraphs which could be distilled into a very general amenity list. It is possible that the expenditure data could be developed to help understand what types of exercise equipment, for example, are desired by a household group, but, because the spending data are not specific we cannot know which piece of equipment (or amenity) is located in the neighborhood versus which the residents travel to access. This small difference in approach creates a significant analytical constraint.

However, in spite of these weaknesses, this preliminary analysis has shown that the data can help to inform the development of a logical place and household based approach to a targeted and efficient strategy to market authentically urban neighborhoods. With experience, use of these data for this purpose can improve and enable a more focused and efficient use of marketing resources by the City Gallery and other advocates for authentic urban neighborhoods.

Map 10 presents an overlay of all zip codes in the region with at least one tier three prospective household cluster in the zip code. By overlaying the clusters into each zip code we can begin to identify key areas in which to focus attraction and recruitment efforts in the most efficient fashion.

Map 12. Overlay of all Zip Codes in the region with at least one tier three prospective household cluster

