

**Clustered Spaces:
Racial Profiling In Real Estate Investment**

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RACIAL PROFILING IN REAL ESTATE INVESTMENT

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Spatial segregation in America is created by the location and investment decisions of the real estate industry, reinforced by public policies that reflect industry biases. As a result, there is unequal access to housing, employment, and services within metropolitan areas. Location and investment decisions are informed by market analysis that studies and predicts the trends of supply and demand, and household income and expenditures. By the 1980s, with the expansion of consumer spending and debt, the growing market power of multi-state and national real estate investors, and the erosion of fair housing and civil rights enforcement, these conventional methods of real estate market analysis were revised by demographic “cluster” profiles. These neighborhood profiles create stereotypes of consumer behavior and preferences by race, class, gender, age, ethnicity, and household type that are clustered spatially by zip code boundaries. Using data bases derived from consumer marketing and finance, demographic companies designed a national system of neighborhood cluster profiles to guide real estate location decisions and financial investors. Meanwhile, demographic profiles of crime were developed to intensify police surveillance of blacks on highways and in shopping malls – a controversial policing method known as “racial profiling.”

This paper examines how the real estate industry and urban planners are using the socioeconomic stereotypes in demographic cluster profiles to reproduce spatial disparities

in metropolitan areas. The neighborhood classification systems of cluster profiling are analyzed; the role of urban planning is assessed; and three case studies are presented.

The Demographic Industry and Clustered Spaces

Demographic cluster profiling for targeted market analysis began with General Analytics Corporation, formed by the computer scientist Jonathan Robbin in the early 1960s. Based in New York and suburban Washington, D.C., General Analytics assembled and computerized demographic and consumer data for use by the federal government and business. Their early ventures included a comprehensive socioeconomic profile of American counties for the federal Office of Economic Opportunity, a monthly data newsletter published with McGraw-Hill, and the targeting of services to Latin America. In 1970, it merged with Republic Data Systems Corporation, becoming a subsidiary of Republic Corporation of Los Angeles. The next year, Robbin reacquired General Analytics and renamed it the Claritas Corporation. Through a series of mergers and joint ventures, Claritas became the leading global demographic company. Their “geodemography” was studied and popularized by Michael Weiss in three books, The Clustering of America (1988), Latitudes and Attitudes (1994), and The Clustered World (2000).

Neighborhood Homogeneity for Spatial Marketing: The Claritas PRIZM Clusters

After the 1970 Census, Claritas developed a method to classify every American zip code as a social cluster of consumers with similar preferences and lifestyles. Robbin concluded that “the demographic variables which define homogeneous neighborhoods are significantly correlated to resident consumer patterns” (quoted in New York Times, July 17, 1980: D13). The Claritas Cluster System (completed in 1974) found 34 demographic “factors” across five categories – cited by Weiss as “social rank, mobility, ethnicity, family life cycle, and housing style” (1988: 11) – that explained 87 per cent of the statistical variation among zip codes. These factors were used to place every zip code

into one of 40 neighborhood cluster categories. In 1978, Claritas combined their geodemography with multiple consumer databases to create the Potential Rating Index by Zip Markets (PRIZM). Each of the forty neighborhood categories of PRIZM was assigned its own descriptive category label, and socioeconomic ranking on a “zip quality” (ZQ) scale. After the 1980 Census, these neighborhood cluster definitions were modified, ranging from Blue Blood Estates ranked at the top as ZQ 1, to Public Assistance ranked at the bottom as ZQ 40. The Public Assistance neighborhood cluster was previously labeled Urban Renewal and ranked 36th on the ZQ scale. It was redefined and downgraded when Claritas concluded that “three decades of urban renewal have thus far failed to improve conditions” (Weiss 1988: 389).

According to Michael Weiss, Robbin’s spatial concept of social clusters was influenced by the theories of the Chicago school of sociology (1988: 11). But spatial homogeneity was a key principle of neighborhood life cycle analysis, a controversial race-based real estate method that classified neighborhoods for property appraisal, mortgage lending, urban renewal, and (after the urban riots of the 1960s) triage planning (Metzger 2000). Life cycle analysis typologizes neighborhoods by stages of decline that are defined by racial and social population change (“racial infiltration”). The last stage of the life cycle is the depopulation and physical abandonment of areas where there is a high concentration of residents dependent on social welfare programs. Financial institutions use life cycle analysis to withdraw their services from low-income urban neighborhoods (“redlining”). Urban planners use life cycle analysis to reduce public services and government spending in these census tracts (“triage”).

The racial aspects of the neighborhood life cycle were challenged by the U. S. Department of Justice in a civil rights lawsuit against the real estate appraisal industry in

1976-77. This lawsuit led to changes in the industry textbook that removed references to racial infiltration.¹ The revised appraisal manual stated:

The idea that racial or ethnic homogeneity is a requirement for maximum value is without empirical support. Many strong and stable neighborhoods are composed of residents of varied and diverse racial, religious, and cultural backgrounds...neighborhood analysis, like any other part of the appraisal process, must be unbiased. It was once common practice to examine the racial composition of a neighborhood in an effort to detect any signs of non-conformity or change. Such practice is now regarded as misdirected (American Institute of Real Estate Appraisers 1978: 40, 100).

The Clustering of America popularized neighborhood homogeneity for business decisions: “With clusters, a firm can analyze small demographic areas to pinpoint precise locations for improving the odds of finding prospective customers” (Weiss 1988: 15). Each PRIZM zip code cluster is defined by its urban, suburban, small town, or rural location and neighborhood environment; the race, ethnicity, class, age, household structure, occupation, lifestyle, aspirations, and consumer preferences of its residents; and the structural and economic characteristics of the housing stock. The 40 PRIZM neighborhood clusters after the 1980 Census are summarized in Table 1 (see appendix). Weiss wrote that these cluster definitions constantly change due to “gentrification, urban decay, and demographic shifts” (1988: 6).

Claritas continues to refine its methods of spatial cluster analysis, targeting census tracts, census block groups, and zip codes “plus four” as market segments, and (after the 1990 Census) expanding PRIZM to 62 neighborhood cluster categories, grouped into 15 socioeconomic classifications that are linked to one of five metropolitan locations: urban,

¹ United States of America v. the American Institute of Real Estate Appraisers of the National Association of Realtors, the Society of Real Estate Appraisers, the United States League of Savings Associations, and the Mortgage Bankers Association of America, 442 F. Supp. 1072 (N. D. Ill., 1977).

suburban, satellite “second city,” exurban, and other small towns and rural areas. Despite this enhanced spatial targeting, Weiss wrote in The Clustered World:

Once used interchangeably with *neighborhood type*, however, the term *cluster* now refers to population segments where, thanks to technological advancements, no physical contact is required for cluster membership (2000: 14).

But the expanded PRIZM cluster system strengthens the connection between the median home value and socioeconomic ranking of its 62 neighborhood clusters, summarized in Table 2 (see appendix). Within the metropolitan location groups, there is mostly a direct relationship between home value and socioeconomic ranking. The exceptions – where the cluster ranking is below others in the same metropolitan group that have a lower home value – include the two Hispanic urban neighborhood clusters (Latino America and Hispanic Mix) and the exurban cluster for national defense outposts (Military Quarters). By comparison, the relationship between home value and socioeconomic ranking was not as strong in the earlier PRIZM system (see Table 1 in appendix).

In urban areas, the expanded PRIZM cluster system continues to target thirteen neighborhood types, seven of which were replaced or redefined after the 1990 Census.

According to The Clustered World:

...advancements up the socioeconomic ladder by African Americans have resulted in cluster adjustments. The former Black Enterprise segment, typified by upwardly mobile blacks, disappeared in the 1990 cluster system as surveys showed its residents had more in common with nonblack families of similar socioeconomic status than with other blacks (2000: 29).

Weiss cites the reclassification of Black Enterprise zip code 30034 in Atlanta (South De Kalb) as a suburban Kids & Cul-de-Sacs neighborhood cluster. But Black Enterprise zip code 60620 in Chicago (Mount Auburn) was reclassified downward as a Mid-City Mix urban neighborhood cluster, ranked 46th out of 62 cluster categories, compared to the Black Enterprise ranking of 14th in the 40-cluster PRIZM system. The 1990 population of the Mount Auburn zip code was nearly three times greater than South De Kalb, and the

median age of its dwelling units was 44 years, compared to 18 in the Atlanta zip code (Urban Decision Systems 1994). Zip codes such as East Orange, New Jersey that were in the Emergent Minorities neighborhood cluster (ranked 27th out of 40 after 1980) were also reclassified downward as Mid-City Mix. These changes indicate how the revised PRIZM urban rankings accommodate the racial and spatial biases of neighborhood life cycle analysis. Elsewhere, the PRIZM cluster system expands its targeting, creating several new neighborhood types in suburbs, newly-defined satellite “second cities” and exurban areas, and other small and rural towns. As a result, none of the 62 clusters contain more than three percent of all American households (compared to 14 of 40 that did after 1980).

The Claritas PRIZM system is used by financial service companies (such as Citigroup and Allstate) to locate branches and target loans and consumer financial products. After the 1989 legislative amendments to the federal Home Mortgage Disclosure Act and Community Reinvestment Act (CRA), Claritas combined PRIZM with the Compass software technology of the media firm Arbitron to create the CRA Market Planner geodemography program. Michael Weiss’ 1994 book Latitudes and Attitudes presented Arbitron’s national system of consumer market analysis, known as Areas of Dominant Influence (ADI). Claritas conducts ongoing consumer profile research through their Market Audit and Insurance Audit household surveys, and advises national retail corporations in site selection and real estate market analysis. The company analyzed the purchasing power and retail sales potential of inner city census tracts for the federal New Markets Initiative (United States Department of Housing and Urban Development 1999).

A series of corporate mergers and acquisitions over the last two decades has greatly advanced the database integration capabilities of Claritas. In 1979, the media giant Warner Communications acquired an ownership stake in the demographic firm, and then sold it to the Dutch information company VNU. In 1986, Claritas became a

subsidiary of VNU, and then expanded its databases through mergers with National Planning Data Corporation, Strategic Mapping Inc., and Urban Decision Systems. Strategic Mapping owned Donnelley Marketing Information Services, a competitor of Claritas through their Cluster Plus profile system. In 1997, VNU acquired National Decision Systems (NDS) from the Equifax credit bureau. NDS competed with Claritas through its Vision (48 clusters) and then MicroVision (50 clusters) market segmentation system that targets “homogeneous” neighborhoods for bank branch locations, fast food franchise restaurant sites, and shopping malls. NDS also developed software for Community Reinvestment Act compliance with the Independent Bankers Association of America.

Claritas merged with the data company, relocated the Claritas headquarters to San Diego, and now offers PRIZM *and* MicroVision, along with the specialized PRIZM P\$YCLE (42 household financial segments), MicroVision Banking (31 segments), and MicroVision Insurance (37 segments). Meanwhile, the VNU global information conglomerate acquired IT&T's world telephone directory, Nielsen Media Research, and ACNielsen, the market research giant that developed universal product code scanning. ACNielsen uses its Scantrack retail sales data for targeted analysis of “ethnic” Hispanic and African American markets, and to create consumer profiles through the Lifestyle/Lifestage market segments of VNU's Spectra Marketing. The Spectra system connects nine neighborhood types with six household life cycle groups for retail location analysis.

Claritas forms joint ventures to design geodemographic software and databases, and provides online access to its PRIZM and MicroVision neighborhood cluster systems. Claritas supplies data to the Microsoft Map Point software package, and their PRIZM cluster system guides house searches on the real estate web site of the Microsoft Corporation, MSN Home Advisor. The neighborhood locator page on this popular interactive web site is shown in Figure 1 (see appendix).

Stereotypes and Profiles: The CACI ACORN® Classifications

The leading remaining competitor of Claritas is CACI Marketing Systems and its ACORN® (A Classification of Residential Neighborhoods) segmentation profiles. CACI was formed as the California Analysis Center Inc. in the early 1960s to conduct operations research and program computers for the U. S. Navy. The company was then employed by the U. S. Department of Commerce to develop information systems and databases, and it began to offer Census-related marketing services. By the early 1970s, CACI was publicly-held and relocated to suburban Washington, D. C., establishing European headquarters in the Netherlands (later moved to London). Their growth was fueled by federal information technology and systems contracts (sole-source until 1985) for the Justice Department and defense and national security agencies. In addition to its federal and corporate contracts, CACI consults with state and local governments on information security, motor vehicle systems, and false alarm reduction.

In 1979, CACI's ACORN® demographic cluster system was released in Great Britain, followed by an American version two years later.² The ACORN® system of neighborhood profiling guides the company's market research activities. These market segment profiles are used in location analysis, business franchising, customer profiling, and estimates of consumer purchasing power for different products. CACI developed Community Reinvestment Act compliance software (known as CRA Analyzer) with Tactician Corp., under a contract with the Federal Deposit Insurance Corporation. CACI also was a technical advisor to the 2000 U. S. Census. Their ACORN® profiles are available online, and are used by the neighborhood locator service on the home search web site of the National Association of Realtors.

Similar to Claritas, CACI Marketing Systems created their 43 neighborhood profiles (organized into nine consumer classification groups) through a cluster analysis of 61 household demographic "lifestyle" characteristics, and consumer survey data. Table 3

² The British ACORN® neighborhood typology is outlined in CACI Limited 2001.

summarizes the 43 clusters by area of metropolitan location and their socioeconomic rank, as defined by CACI in a 1994 publication (see appendix). In central cities, the six predominantly black and Hispanic clusters are ranked below the five predominantly white and Asian clusters. Elsewhere, the median household income is the strongest determinant of a cluster's socioeconomic rank, with some variation due to regional location (clusters mostly in Sunbelt states are ranked somewhat higher), student population, or housing value. An unusual exception is the Social Security Dependents cluster located in urbanized areas. CACI defines an urbanized area as a metropolitan community outside of the central city that has a mixture of housing types, different than conventional single-family residential suburbs and small towns. The population of Social Security Dependents is elderly whites (mostly), blacks and Hispanics who have the second lowest household income among the 40 residential clusters, but are ranked 17th out of 40 on the socioeconomic scale. It is the leading cluster for Medicare/Medicaid purchases outside of central cities, and is ranked first among all clusters in the CACI consumer demand ratings for video rentals and lottery tickets.

Table 4 shows the housing characteristics and loan demand rankings of CACI's 40 residential clusters in 1994 (see appendix). These neighborhoods are organized into eight residential lifestyle cluster groups: three are mostly homeowner neighborhoods (Affluent Families, Upscale Households, and Factory & Farm Communities), three are mostly renter neighborhoods (Up & Coming Singles, Young Mobile Adults, and Downtown Residents), and two include both homeowner and renter areas (Retirement Styles and City Dwellers). CACI uses household survey data to compute a "purchase potential index" for various products and services. According to their index, loan demand is weakest in the central city clusters and the lowest income clusters of urbanized areas. These clusters account for the bottom ten neighborhoods in the CACI loan demand rankings.

There is a clear bias against black and Hispanic neighborhoods. The homeownership rate of the Middle Class Black Families cluster is the highest of the eleven urban neighborhood types, and higher than the national average, but its loan demand is ranked 38th out of the 40 CACI residential clusters. The Low Income Southern Blacks and Urban Working Families clusters, characterized by attached single family housing, have a homeownership rate of approximately 50 per cent that ranks them fourth and fifth among the eleven urban neighborhood types. But the loan demand of these two black clusters is ranked 40th (last) and 35th respectively, among all of the residential neighborhood types. The homeownership rate in the Settled Southwestern Hispanics single family cluster is 60 per cent, but its loan demand ranking is below other cluster categories that have mostly white renters.

In the CACI cluster system, loan demand is a function of racial population mix, wealth, and location. The company legitimizes these discriminatory biases through its stature as a federal contractor and Community Reinvestment Act software developer for the Federal Deposit Insurance Corporation, an agency that is responsible for enforcing fair lending and antiredlining regulations. CACI has since dropped the race and ethnic labels on its neighborhood types, renaming Middle Class Black Families as Working Class Families, Low Income Southern Blacks as Hard Times, Settled Southwestern Hispanics as Southwestern Families, Urban Hispanics as Young Immigrant Families, and Upscale Urban Asians as Pacific Heights. For the two clusters that were labeled as black, their new names create the perception of a downgraded classification: from “Middle Class” to “Working Class,” and from “Low Income” to “Hard Times.” According to CACI’s promotional software for ACORN®, Working Class Families continues to have the highest homeownership rate among the eleven urban neighborhood types, and is ranked 13th out of all 40 residential clusters on homeownership. But only three clusters are rated as having less demand for home mortgages, as measured by the CACI purchase potential index (CACI Marketing Systems 2000).

Homogeneous Neighborhoods Across the Globe: The MOSAIC System

MOSAIC is another typology for neighborhood classification that was first developed in Europe by the CCN Group, the consumer credit subsidiary of the Great Universal Stores retail conglomerate of Manchester, England. An American version of the MOSAIC classification system was designed after CCN merged with Experian in 1996. Experian was formerly TRW Information Services, one of the three leading credit bureaus in the United States and a subsidiary of TRW, the Cleveland-based manufacturer and defense contractor. Previously, the TRW credit unit joined with Claritas and National Planning Data Corporation to create the P\$YCLE household financial segments.

The U. S. MOSAIC system has 62 neighborhood segments (the same number as PRIZM) grouped into 12 categories defined by metropolitan location, income, and age. MOSAIC uses population, housing, and socioeconomic data from Census block groups “to ensure that each segment is homogeneous in terms of demographics and the consumer behavior” (Experian 2001). Demographers designed MOSAIC to be comparable to the geographical cluster segments and “minority/ethnicity representation” of the PRIZM and ACORN® classifications. The MOSAIC clusters are more region-specific, organized in “a simple hierarchical structure” that suppresses racial labels. But the three lowest-income black and Hispanic urban renter neighborhoods in the MOSAIC Major Market Cores group are redefined as “Hardened Dependency” when converted to the Global MOSAIC system – Experian’s international typology for neighborhood classification. The 12 neighborhood groupings of U. S. MOSAIC, and their relationship to the 13 groupings of Global MOSAIC, are shown in Figure 3.

Experian employs Applied Geographic Solutions to manage the distribution of MOSAIC and related geodemographic services. The MOSAIC classification system is integrated into the web-based “micromarketing” demographic technology of SRC, for real estate and bank branch location analysis. Experian and its two business partners are based in suburban Los Angeles. A leading client of SRC’s site analysis services is the

Certified Commercial Investment Member (CCIM) Institute, an affiliate of the National Association of Realtors.

Profiling Crime for Real Estate: The CAP Index

These systems of neighborhood cluster analysis are supplemented by localized crime profiles. The leading source of these profiles is CAP (Crimes Against Persons and Property) Index, a company in suburban Philadelphia that predicts locational crime risk by correlating what it calls neighborhood “social disorder” – measured by the population, housing, mobility, economic and education characteristics of a neighborhood – with official crime reports and surveys. CAP Index was founded by the criminologist Robert Figlio, whose academic research used longitudinal cohort analysis to demonstrate higher rates of crime by young African American males (Wolfgang, Figlio, and Sellin 1972, Tracy, Wolfgang, and Figlio 1990). Figlio concluded that crime was a function of the “social ecology” of “changing land use”:

As a result, we need now to look at population shifts, neighborhood change, and associated alterations in criminal behavior. We also need to determine the interrelationships that exist among these variables and their associations (Figlio 1991).

Figlio and his colleagues focus on urban poverty and housing density to predict the location of crime, utilizing the National Crime Victimization Survey (conducted by the Census Bureau and the U. S. Department of Justice) and its data on neighborhood racial composition (Figlio, Hakim, and Rengert 1986).

The CAP Index neighborhood crime profiles are widely used by the real estate industry and financial institutions to guide investments and formulate plans for building security. In 1996, Equifax National Decision Systems added the CAP Index into their Informark for Windows software, utilized by banks for branch location decisions and financial market segmentation. Microsoft’s MSN Home Advisor web site uses the CAP

locational crime scores together with the Claritas PRIZM neighborhood cluster system to inform home searches through its interactive locator technology (see Figure 1 in appendix). CAP predicts trends of urban crime, conducting national surveys to rank cities and shopping centers by their crime risk. CACI Marketing Systems supplies the demographic data for CAP Index crime forecasts. Their model of neighborhood crime, combined with the consumer stereotypes in neighborhood cluster profiling, reproduces racial and spatial disparities of real estate investment within metropolitan areas. Together, these cluster systems reinforce race and class stratification in America.

Urban Planning and Demographic Profiling

Demographic analysis is an important aspect of urban planning, used to determine future land uses in long-range comprehensive plans, define community needs, and study the impacts of development proposals. Demographic indicators defined the five stages of the race-based neighborhood life cycle in The Dynamics of Neighborhood Change, a controversial HUD report that informed local allocations of federal Community Development Block Grant Funds after the Housing and Community Development Act of 1974 (Real Estate Research Corporation 1975, Metzger 2000). With the advent of neighborhood cluster profiling, the consumer typologies of Claritas and CACI Marketing Systems are now informing urban planning decisions.

Dowell Myers, an urban planning demographer at the University of Southern California in Los Angeles, revised the methods of business demography to incorporate the principles of cluster profiling. In a paper for the American Real Estate Society, he argued that consumer *behavior* in neighborhoods was a more useful predictor of retail market sales potential than neighborhood market share percentages (Myers 1990). The real estate analyst could use survey research to calculate “behavior rates” for defined neighborhood subgroups, through “symmetrical disaggregation” and the monitoring of population shifts in local market areas. Consumer demand could be organized by age

cohort, income level, household type, and gender, with behavior rates calculated for each subgroup to predict their spending for different products. This is the methodology of cluster profiling, where stereotypes of consumer behavior and lifestyles differentiate each market segment. As Myers notes:

...the detailed demographic structure defines a segmented structure of demand. Even where the overall market demand is holding fairly stable, beneath this surface demand is being redistributed from some categories to others. Researchers who are quick to spot these changes can position properties to capture more of the growing segments, while avoiding investments that are pitched to stagnant or declining segments. This method may provide a competitive advantage as it yields insights that are not superficially apparent (Myers 1990: 66).

The methodology of behavior rates, and demographic segmentation by race and Hispanic origin, is further discussed by Myers in Analysis with Local Census Data: Portraits of Change (1992), a textbook endorsed by the American Planning Association. The demographer advised against racial behavior rates:

Racial differences take on greater meaning when they are measured in terms of their associated characteristics: in terms of age, marital and household status, and the like. Much greater insight into racial change can be gained by linking these changes to other demographic factors and to housing characteristics (Myers 1992: 207).

The methods of cluster profiles prevailed over market share analysis in the politics of reforming the Community Reinvestment Act. The Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 amended the Home Mortgage Disclosure Act to disclose the race, gender, and income of loan applicants, and the disposition of their loan applications by census tract. The bank loan application registers are analyzed by community groups such as the Association of Community Organizations for Reform Now (ACORN), a national network formed during the 1970s to organize low-income neighborhoods. ACORN published the first study of the new disclosure data, using comparative statistics on loan approvals and rejections to negotiate CRA lending agreements with multi-state banks (Metzger 1999). Their methodology was criticized by

the housing economist George Galster, who questioned the demand for these loans in a white paper for the American Bankers Association (Galster 1991). To analyze demand, banks could instead use the household market segmentation, lifestyle stereotypes, and consumer behavior surveys of cluster profiles. After FIRREA, Claritas created the PRIZM-based CRA Market Planner software, and Equifax National Decision Systems followed with a CRA geodemographic program developed with the national trade group for small banks.

At the end of 1993, the federal financial regulatory agencies proposed a new performance-based Community Reinvestment Act regulation that would disclose small business and consumer loans similar to the loan application registers for home loans, and use neighborhood market share comparisons of loan application decisions and branch locations (Metzger 1999). The banking industry opposed these proposals, and the draft rule was replaced by another proposed regulation. In the final rule, the expanded loan disclosure was scaled back, and the market share analysis of loans and branches was dropped. Instead, the regulation required retail banks to define an assessment area of metropolitan or county boundaries, and used a “performance context” of market information and business strategy that discouraged credit allocation:

The agencies do not expect that, simply because a census tract or block numbering area is within an institution’s assessment area, the institution must lend to that census tract or block numbering area. (from Federal Register 60, 86 (May 4, 1995): 22171)

With the new rule in place, CACI announced its CRA software contract with the Federal Deposit Insurance Corporation.

Demographic profiling is guiding local plans for central business districts, development sites, and neighborhoods. Planners are creating cluster profiles to establish the demand for land uses in downtown plans. The housing market study for the Pittsburgh Downtown Plan uses the household lifestyle segments of Claritas to analyze and predict the metropolitan demand for middle- and upper-income housing in the

Golden Triangle district (Zimmerman/Volk Associates 1997). The expanded downtown residential population was projected as a source of demand for the large-scale retail redevelopment (anchored by national chain stores) proposed in the plan (Pittsburgh Department of City Planning 1998). But historic preservationists objected to the demolition of downtown buildings to create the retail district, and the redevelopment proposal was dropped.

Real estate developers utilize the methods of demographic profiling to define their market and convince planners to approve their projects. In Detroit, a developer is acquiring several blocks of riverfront land to build a new middle class neighborhood with 400 homes, elderly housing, and retail businesses. Residents of this triaged neighborhood are contesting their displacement by the redevelopment. One of the low-income homeowners explains, “The plan is to move all the people who don't fit into a certain economic profile” (quoted in Detroit News, January 2, 2001: 1A). The stereotypes of neighborhood cluster profiles are guiding economic development strategies in inner cities, affecting business location decisions financed by community development financial institutions, bank Community Reinvestment Act investments, and the place-based tax incentives of the federal empowerment zones and New Markets Initiative.

Case Studies

Home Finance

Mortgage bankers and home insurance companies use neighborhood cluster analysis to target their loans and services. This is exacerbating housing discrimination and financial redlining in the United States. Nationwide Insurance, one of the leading national insurance companies, was sued under the Virginia Fair Housing Law for their race-based market analysis in the Richmond metropolitan area. Nationwide targeted its homeowner insurance to suburban zip codes in a 1990 market study that contained racial analysis of market areas. The home insurer then applied the MicroVision cluster system

of Equifax National Decision Systems to segment the market according to lifestyle categories and racial typologies (described by the Virginia Supreme Court as “racial profiles”). The predominantly black zip codes in Richmond were ranked at the bottom as “undesirable.” These marketing policies determined agent activity, office locations, and insurance underwriting. Testing revealed the racial neighborhood bias of Nationwide, and their policy of refusing insurance on homes over 50 years old. The case was brought by Housing Opportunities Made Equal (HOME), a fair housing organization that was represented in court by the mayor of Richmond. HOME negotiated a \$17.5 million settlement with Nationwide, after the Virginia Supreme Court vacated the \$100 million jury verdict.³

Wells Fargo & Co., the largest mortgage banker in the United States, was sued under the Fair Housing Act by the Association of Community Organizations for Reform Now, for steering prospective home buyers to zip codes with demographics similar to their existing zip code of residence, thereby causing racial segregation. The steering was online through the Community Calculator interactive home search technology on the Wells Fargo national mortgage web site. This neighborhood locator service uses the geodemographic data of CACI Marketing Systems. Community Calculator is part of the HomeFair national moving and relocation web site of Homestore, the real estate internet giant. Figure 2 displays this neighborhood locator web page. Homestore also manages the official web sites of the National Association of Realtors (NAR) and its online database of 1.5 million homes, the National Association of Home Builders, and the Manufactured Housing Institute, as well as an apartment search web site with 6 million rental listings in 6,000 cities. Homestore has formed online joint ventures with national real estate companies such as RE/MAX, Century21, ERA, Coldwell Banker, Prudential Real Estate, and GMAC. Microsoft’s MSN Home Advisor is the closest competitor to

³ Nationwide Mutual Insurance Company, et al v. Housing Opportunities Made Equal, Inc., 523 S.E.2d 217 (Supreme Court of Virginia, 2000).

the Homestore web sites, which (according to one internet rating service) have 7 million monthly users.

Wells Fargo dropped the Community Calculator neighborhood locator from their web site when ACORN sued in 2000. But HomeFair's Community Calculator is still available on the National Association of Realtors web site, along with NAR's own "Find a Neighborhood" locator service. The National Association of Realtors locator technology allows home seekers to either utilize their own selection criteria (such as geographic location, housing characteristics, and school and crime indices), or select a neighborhood "like your own." Users of their locator service can review and compare demographic lifestyle profiles of different zip code neighborhoods. These profiles are from the CACI ACORN® neighborhood classifications. Nationwide Insurance advertises on the Community Calculator and the NAR Find a Neighborhood web pages, and Wells Fargo advertises on the NAR neighborhood selection criteria page.

Targeted marketing is an important tool for "subprime" and "predatory" mortgage bankers. SMR Research Corporation of New Jersey publishes a national guide that profiles demand for subprime home credit by city and county, analyzing loan transaction statistics from the Home Mortgage Disclosure Act (Lee 1999). The subprime mortgage companies charge higher interest rates to homeowners who have inadequate credit histories, sometimes defrauding low-income and elderly homeowners through illegal predatory practices. Consumer credit data is used to formulate credit scores that qualify homeowners and set the interest rates on their home loans. Credit scoring in housing finance gained widespread acceptance during the 1990s, due to the growing market power of the HUD-regulated secondary market investors that encouraged it, Fannie Mae and Freddie Mac (Metzger 1999). Mortgage bankers now require consumer credit histories as a prerequisite to homeownership. Credit scoring has a disparate impact on low-income and African American households that are on the economic margin. The subprime

mortgage lenders foreclose at higher rates, undermining strategies for neighborhood housing preservation.

The leading demographic, business and credit information companies are forming joint ventures and merging under common corporate ownership. This trend will expand targeted marketing that links individual credit histories to race-based neighborhood cluster profiles. An example is Experian's Prospect Locator software that combines consumer credit data at the zip code "plus four" level with the U. S. MOSAIC neighborhood segments for automobile sales marketing.

Assisted Living

Assisted living is a form of supportive housing for elderly residents who need less assistance than the continuous care of a nursing home. With the aging of the population and the growing interest in managed health care during the 1990s, the assisted living industry rapidly expanded, developing specialized marketing strategies to locate new facilities. The Assisted Living Federation of America (a trade group) and the National Investment Conference for the Senior Living and Long Term Care Industries created a demographic profile of their target market in a national survey of the industry, Who Is The Customer? (1998). Their survey profiled the assisted living population as the white frail elderly – mostly women who lived previously in their own home or with family, who do not rely on government assistance to pay the costs of their supportive housing. According to the profile, one-half of the assisted living population has a family member with a household income of at least \$50,000, and sixty per cent has a family member who lives within ten miles of the assisted living facility. The 325-page report devoted one paragraph to the topic of "race and ethnicity" in assisted living, finding that "almost all of the residents" (97 per cent) were non-Hispanic white. Only 2 per cent were non-Hispanic black, and one per cent were Asian or Native American. The survey reported no residents of Hispanic origin.

The industry's resident profile concluded that "there is virtually no difference in key demographic attributes" between residents of assisted living and nursing homes. But this was contradicted by the 1997 National Nursing Home Survey of the U. S. Department of Health and Human Services (Gabrel 2000a, 2000b). Table 5 compares the racial demographics of nursing home and assisted living residents (see appendix). Blacks and other nonwhites were 12 per cent of the nursing home population, and Hispanics were 2 per cent of the total. Three-fourths of all nursing home residents paid for the costs of their care through Medicaid, Medicare, or other forms of government and charitable assistance. The black population in nursing homes increased from 7 per cent of the total in a 1987 federal survey. This earlier survey determined that blacks had a lower "rate of nursing home use" than whites and Hispanics (Feinleib, Cunningham, and Short 1994).

The racial market analysis in assisted living is revealed by a location study prepared by Hearthstone Assisted Living of Houston, for its facility in Kentwood, Michigan, a predominantly white suburb of Grand Rapids. Hearthstone is on the national leadership council of the Assisted Living Federation of America. The assisted living company was formed in 1993 by a Texas nursing home operator after he was convicted of federal savings and loan fraud. Five years later, Fremont Realty Capital invested \$37 million in Hearthstone to finance new projects across the country. Fremont is an investment company of the powerful Bechtel conglomerate; it previously owned Coldwell Banker. Hearthstone then proposed to build assisted living facilities in several predominantly white suburbs in Michigan and northern Ohio. Their market study justified the Kentwood location because of its "desirable demographics" such as "the number of non-minority people in the area." The "non-minority population" in the target area was above the median for "Hearthstone approved markets." The market study is in the project file of the Kentwood Planning Commission, which granted approval for the assisted living facility in 1999. In an interview, the Hearthstone market researcher stated

that their location study was based upon industry research that elderly blacks, Hispanics, and Asians do not use assisted living.

Market researchers are utilizing zip code geodemographic analysis by companies such as Claritas to recommend suburban locations for assisted living that are targeted to serve the resident demographic profile created by the industry (Tessier and Mueller 1999, Shuey 2000). One analyst warns developers that “ethnic or economic characteristics” can have a “profound impact on the attractiveness of a site” (Thornton 1998). An exception to these biases is the low-income assisted living facility built by McCormack Baron in the urban core of St. Louis, as part of its Westminster Place redevelopment project. A case study noted that “there is no other facility like this one in the area” (Suchman 1997: 72). The suburbanization of assisted living is part of the privatization trend in health care that is exacerbating historic disparities in health services, symbolized by urban hospital closings.

The U. S. Department of Health and Human Services completed its National Study of Assisted Living for the Frail Elderly in 1999. Their multiyear study did not disclose any data on the race of the assisted living population, or the metropolitan location of assisted living. Vice President Al Gore visited a prototypical Hearthstone facility in suburban Dallas during his presidential campaign, and the assisted living developer was recapitalized with \$16 million of new equity from its shareholders, and \$56 million of refinanced debt from Credit Suisse First Boston and Heller Healthcare Finance, to build new facilities and acquire existing projects across the United States.

Public-Private Retail Development

With the changing racial composition of central cities, racial analysis became an important part of downtown redevelopment planning. Real Estate Research Corporation warned the Chicago Central Area Committee (a private downtown planning organization) about the “racial infiltration” of black shoppers and black-oriented businesses into the Loop retail district (Wille 1997). Today, cluster profiling is guiding plans for retail

development in downtowns such as East Lansing, Michigan and Pittsburgh. The goal is to attract predominantly white suburbanites to shop and perhaps relocate to downtown housing.

In East Lansing, the HyettPalma national consulting firm prepared a Retail Enhancement Strategy after downtown commercial vacancy rates increased (1995). Their plan proposed redefining the central business district of this university town as a regional retail “cluster” with an “enhanced image” to serve suburbanites, alumni visitors, and university professionals, instead of just students. This would be implemented through site redevelopment, the recruitment of national retail and restaurant chains, the expansion of the downtown housing supply for professionals, and coordinated planning with the president and board of trustees of Michigan State University. CACI prepared a zip code profile of the expanded market area demographics. This was used to estimate the retail demand, segmented by income. The City Center mixed-use redevelopment project began in 2000, replacing local businesses (including women and black entrepreneurs) with new retail shops and restaurants, and middle-class condominiums. Meanwhile, the existing department store anchor for the downtown relocated to a suburban shopping mall after student rioting there in 1999, and a Tower Records chain store that opened in 1995 recently closed.

In suburbs, race-based cluster profiles are informing retail location decisions. Claritas provides training and technical support to members of the International Council of Shopping Centers. Developers such as the Hahn Company in southern California used the geodemography of Equifax National Decision Systems to plan and locate suburban shopping malls. These retail cluster profiles are under greater scrutiny as a result of public policy initiatives to leverage private investment into inner cities. Claritas advised the development of the New Markets Initiative, and cluster profiling is used in business franchising, an economic development strategy of Shorebank, the leading community development financial institution (Houghton 1995). Market analysts at Shorebank are

now questioning the validity of these cluster systems (Weissbourd and Berry 1999). The Employment and Training Institute of the University of Wisconsin-Milwaukee recently critiqued the retail cluster profile methods of Claritas and CACI Marketing Systems, through a case study of inner city Milwaukee zip codes (Pawasarat and Quinn 2001).

Clustered Spaces and Metropolitan Disparities

Neighborhood cluster profiling is a method of race and class stratification for corporate America. Real estate investors favor the spatial homogeneity of cluster profiles, and place-based tax incentives, over conventional single-use zoning and master land use plans. Retail location decisions are increasingly guided by cluster methods that are biased to suburbs, thereby exacerbating problems of metropolitan sprawl. It is possible to challenge the racial and spatial biases reproduced by cluster analysis, through equity planning strategies that redistribute public and private resources, and advance racial justice (Krumholz and Forester 1990). The land use theories of new urbanism offer an alternative to the spatial homogeneity promoted by cluster profiles. The goal of new urbanism is to plan for compact and mixed-use neighborhoods (instead of rigid single-use zoning), with a mixture of housing types and social groups (Congress for the New Urbanism 2000).

Cluster profiling was popularized in the wake of a weakened system for fair housing and civil rights enforcement. More rigorous oversight of cluster profiling is necessary, starting with the disclosure of industry market profiles. With the release of the 2000 Census, demographers at Claritas, CACI, and Experian are revisiting their neighborhood cluster typologies. The revised neighborhood classifications should be disclosed and scrutinized for their biases, and the case of assisted living requires an investigation. An alternative, needs-based demography can guide urban planning, community-based development, and metropolitan growth management. A needs-based demography can strengthen and expand the emerging system of needs-based location

regulation, exemplified by public housing desegregation, affordable financial “greenlining” through the Community Reinvestment Act, inclusionary housing, and environmental justice planning.

APPENDIX

Table 1. Claritas PRIZM Neighborhood Cluster Rankings by Metropolitan Location, 1987.

Table 2. Claritas PRIZM Neighborhood Cluster Rankings by Metropolitan Location, 2000.

Table 3. CACI ACORN® Neighborhood Rankings by Metropolitan Location, 1994.

Table 4. CACI ACORN® Loan Demand Rankings of Neighborhoods by Metropolitan Location, 1994.

Table 5. Racial Population of Assisted Living Facilities and Nursing Homes in the United States.

Figure 1. Claritas PRIZM Neighborhood Cluster System and CAP Index Location Crime Scores, on Neighborhood Locator Page of MSN Home Advisor Web Site.

Figure 2. The Community Calculator Neighborhood Locator.

Figure 3. The Experian MOSAIC Neighborhood Types.

Table 1. Claritas PRIZM Neighborhood Cluster Rankings by Metropolitan Location, 1987

	Zip Quality <u>Rank</u>	% of U. S. <u>Households</u>	Predominant <u>Race/Ethnicity</u>	Primary <u>Age Group</u>	Median Household <u>Income</u>	Median Home <u>Value</u>
Urban Areas						
Money & Brains*	2	0.9white	45-64	\$45,798	\$150,755	
Urban Gold Coast	4	0.5white	18-24, 65+	\$36,838	\$200,000+	
Bohemian Mix	11	1.1	racially mixed	18-34	\$21,916	\$110,668
Black Enterprise	14	0.8black	35-54	\$33,149	\$68,713	
New Melting Pot	18	0.9 new immigrant ethnic	55+	\$22,142	\$113,616	
Rank & File	20	1.4	racially mixed	55+	\$26,283	\$59,363
Old Yankee Rows	22	1.6	white ethnic	55+	\$24,808	\$76,406
Emergent Minorities	27	1.7black	18-34	\$22,029	\$45,187	
Single City Blues	28	3.3	racially mixed	18-34	\$17,926	\$62,351
Heavy Industry	34	2.8	white ethnic	55+	\$18,325	\$39,537
Downtown Dixie-Style	36	3.4black	18-24, 65+	\$15,204	\$35,301	
Hispanic Mix	37	1.9	Hispanic	18-34	\$16,270	\$49,533
Public Assistance	40	3.1black	18-24, 65+	\$10,804	\$28,340	
Suburbia						
Blue Blood Estates	1	1.1 white	35-44	\$70,307	\$200,000+	
Money & Brains*	2	0.9white	45-64	\$45,798	\$150,755	
Furs & Station Wagons	3	3.2white	35-54	\$50,086	\$132,725	
Pools & Patios	5	3.4white	45-64	\$35,895	\$99,702	
Two More Rungs	6	0.7	white ethnic	55+	\$31,263	\$117,012
Young Influentials	7	2.9white	18-34	\$30,398	\$106,332	
Young Suburbia	8	5.3white	25-44	\$38,582	\$93,281	
Blue Chip Blues	10	6.0white	25-44	\$32,218	\$72,563	
Levittown, U.S.A.	12	3.1white	55+	\$28,742	\$70,728	
New Beginnings	15	4.3white	18-34	\$24,847	\$75,364	
Blue-Collar Nursery	16	2.2white	25-44	\$30,077	\$67,281	
Small Towns and Remote Cities						
God's Country	9	2.7white	25-44	\$36,728	\$99,418	
Gray Power	13	2.9white	55+	\$25,259	\$83,630	
New Homesteaders	17	4.2white	18-34	\$25,909	\$67,221	
Towns & Gowns	19	1.2white	18-34	\$17,862	\$60,891	
Middle America	21	3.2white	45-64	\$24,431	\$55,605	
Coalburg & Corntown	23	2.0white	35-44, 65+	\$23,994	\$51,604	
Shotguns & Pickups	24	1.9white	35-54	\$24,291	\$53,222	
Golden Ponds	25	5.2white	55+	\$20,140	\$51,537	
Mines & Mills	29	2.8white	45-64	\$21,537	\$46,325	
Norma Rae-Ville	31	2.3	racially mixed	18-24, 45-54	\$18,559	\$36,556
Smalltown Downtown	32	2.5white	18-24, 65+	\$17,206	\$42,225	

* located in Urban Areas and Suburbia

Source: Weiss 1988 (metropolitan locations are derived from the Cluster Classifier on pages 393-401).

Table 1 (Continued) Zip Median Median

	<u>Quality Rank</u>	<u>% of U. S. Households</u>	<u>Predominant Race/Ethnicity</u>	<u>Primary Age Group</u>	<u>Household Income</u>	<u>Home Value</u>
Rural Areas						
Agri-Business	26	2.1	white	55+	\$21,363	\$49,012
Back-Country Folks	30	3.4	white	35-44, 65+	\$19,843	\$41,030
Grain Belt	33	1.3	white	55+	\$21,698	\$45,852
Share Croppers	35	4.0	racially mixed	55+	\$16,854	\$33,917
Tobacco Roads	38	1.2	black	55+	\$13,227	\$27,143
Hard Scrabble	39	1.5	white	55+	\$12,874	\$27,651

Table 2. Claritas PRIZM Neighborhood Cluster Rankings by Metropolitan Location, 2000

	Socio- Economic <u>Rank</u>	% of U. S. <u>Households</u>	<u>Predominant Race/Ethnicity</u>	<u>Primary Age Group</u>	<u>Median Household Income</u>	<u>Median Home Value</u>
Urban Uptown		5.7				
Urban Gold Coast	3	0.5	white & Asian	mixed	\$59,300	\$363,500
Money & Brains	5	1.1	white & Asian	45-64	\$59,000	\$222,000
Young Literati	6	1.0	white & Asian	25-44	\$52,100	\$245,200
American Dreams	14	1.4	ethnically mixed	35-54	\$51,700	\$180,900
Bohemian Mix	17	1.7	ethnically mixed	<24, 25-34	\$33,700	\$135,452
Urban Midscale		6.6				
Urban Achievers	22	1.6	ethnically mixed	25-34, 65+	\$35,600	\$109,900
Big City Blend	32	1.0	Hispanic & Asian	25-54	\$35,500	\$89,000
Old Yankee Rows	37	1.4	white & Asian	25-34, 65+	\$31,500	\$84,300
Latino America	44	1.3	Hispanic	<24, 25-34	\$30,100	\$110,100
Mid-City Mix	46	1.3	African American	<24, 25-44	\$31,400	\$65,700
Urban Cores		5.2				
Single City Blues	51	1.7	ethnically mixed	<24, 25-34, 65+	\$19,600	\$54,500
Hispanic Mix	60	1.4	Hispanic	<24, 25-34	\$17,600	\$59,800
Inner Cities	61	2.1	African American	<24, 25-44	\$15,000	\$40,400
Elite Suburbs		8.8				
Blue Blood Estates	1	0.8	white & Asian	35-54	\$113,000	\$452,000
Winner's Circle	2	1.9	white & Asian	35-64	\$80,600	\$247,900
Executive Suites	8	1.2	white & Asian	25-44	\$58,000	\$166,400
Pools & Patios	9	1.9	white & Asian	45-64, 65+	\$58,000	\$167,000
Kids & Cul-de-Sacs	10	3.0	white & Asian	35-54	\$61,600	\$142,900
The Affluentials		8.2				
Young Influentials	12	1.1	white & Asian	<24, 25-44	\$44,100	\$136,700
New Empty Nests	15	1.8	white	45-64, 65+	\$45,100	\$120,100
Boomers & Babies	21	1.3	white & Asian	25-44	\$46,000	\$97,200
Suburban Sprawl	24	1.8	ethnically mixed	<24, 25-34	\$41,000	\$99,900
Blue-Chip Blues	30	2.2	white	35-64	\$41,700	\$88,700
Inner Suburbs		6.3				
Upstarts & Seniors	28	1.2	white	<34, 55+	\$31,800	\$93,100
New Beginnings	29	1.4	ethnically mixed	<24, 25-34	\$31,400	\$93,400
Mobility Blues	41	1.6	ethnically mixed	<24, 25-34	\$30,900	\$70,400
Gray Collars	42	2.1	ethnically mixed	55-64, 65+	\$31,400	\$62,400
Second City Society		5.7				
Second City Elite	7	1.7	white	35-64	\$58,800	\$147,500
Upward Bound	13	2.0	white & Asian	25-44	\$54,500	\$137,600
Gray Power	16	2.0	white	55-64, 65+	\$36,300	\$116,700

Source: Weiss 2000.

Table 2 (Continued) Socio- Median Median

	<u>Economic Rank</u>	<u>% of U. S. Households</u>	<u>Predominant Race/Ethnicity</u>	<u>Primary Age Group</u>	<u>Household Income</u>	<u>Home Value</u>
Second City Centers		7.5				
Middleburg Managers	20	1.5	white	55+	\$37,800	\$94,900
Boomtown Singles	27	1.2	white	<24, 25-34	\$32,000	\$89,300
Towns & Gowns	31	1.4	white & Asian	<24	\$18,600	\$74,600
Starter Families	36	1.6	ethnically mixed	<24, 25-34	\$32,200	\$69,300
Sunset City Blues	39	1.8	white	55-64, 65+	\$31,400	\$59,500
Second City Blues		7.2				
Smalltown Downtown	49	1.9	white & Hispanic	<24, 25-34, 65+	\$21,500	\$57,600
Hometown Retired	52	1.3	white	55-64, 65+	\$18,800	\$57,200
Family Scramble	59	2.0	Hispanic & white	<24, 25-34	\$19,400	\$41,700
Southside City	62	2.0	African American	mixed	\$15,800	\$40,700
Landed Gentry		6.5				
Country Squires	4	1.0	white	35-54	\$75,600	\$230,300
God's Country	11	2.7	white	35-54	\$57,500	\$135,900
Big Fish, Small Pond	18	1.9	white	35-54	\$46,000	\$106,400
Greenbelt Families	19	0.9	white	24-44	\$46,700	\$99,700
Exurban Blues		6.1				
New Homesteaders	26	2.0	white	35-54	\$36,800	\$91,200
Middle America	33	1.3	white	25-44	\$37,300	\$74,700
Red, White & Blues	35	2.3	white	35-64	\$34,800	\$68,100
Military Quarters	40	0.5	ethnically mixed	<24, 25-34	\$29,200	\$84,700
Country Families		6.2				
Big Sky Families	23	1.5	white	35-54	\$45,200	\$98,600
New Eco-topia	25	1.0	white	35-64, 65+	\$35,300	\$93,800
River City, USA	34	2.0	white	35-54	\$35,700	\$69,700
Shotguns & Pickups	43	1.7	white	35-54	\$33,300	\$58,400
Working Towns		7.0				
Golden Ponds	38	2.0	white	55-64, 65+	\$26,000	\$63,300
Rural Industria	50	1.6	white & Hispanic	<24, 24-34	\$26,000	\$53,700
Norma Rae-Ville	54	1.4	biracial	<24, 65+	\$19,400	\$45,900
Mines & Mills	56	2.0	white	55-64, 65+	\$19,600	\$41,000
The Heartlanders		3.7				
Agri-Business	45	1.7	white	45-64, 65+	\$32,300	\$63,800
Grain Belt	57	2.0	white & Hispanic	45-64, 65+	\$22,600	\$41,900
Rustic Living		9.4				
Blue Highways	47	2.2	white	35-54	\$27,000	\$56,700
Rustic Elders	48	1.9	white	45-64, 65+	\$25,200	\$49,900
Back Country Folks	53	1.8	white	45-64, 65+	\$25,600	\$44,600
Scrub Pine Flats	55	1.5	racially mixed	55-64, 65+	\$21,600	\$44,600
Hard Scrabble	58	2.0	white	55-64, 65+	\$17,400	\$37,800

Table 3. CACI ACORN® Neighborhood Rankings by Metropolitan Location, 1994

<u>Code/Name</u>	<u>Socio-Economic Rank</u>	<u>% of U. S. Households</u>	<u>% Asian</u>	<u>% Hispanic and Other</u>	<u>Median of Any Race*</u>	<u>Household Income</u>
Central City		17.1				
3A High Rise Renters	4	2.4	6	11	8	\$38,200
2C Thriving Immigrants	11	1.7	13	21	26	\$40,300
2D Upscale Urban Asians	12	0.7	59	10	13	\$37,200
6A East Coast Immigrants	23	2.1	10	31	26	\$26,800
5A Twentysomethings	26	2.0	3	19	8	\$19,100
6B Middle Class Black Families	30	1.1	1	90	3	\$29,600
6E West Coast Immigrants	34	1.2	6	51	71	\$22,400
8E Urban Working Families	36	1.8	1	85	5	\$21,500
8A Urban Hispanics	38	1.2	3	55	67	\$18,600
8D Low Income Southern Blacks	39	1.7	0	87	3	\$11,700
8C Distressed Neighborhoods	40	1.2	1	83	7	\$8,600
Urbanized Area		30.0				
2A Urban Professional Couples	8	4.2	2	7	4	\$40,000
3B Enterprising Young Singles	9	3.7	4	14	8	\$31,400
4A Retirement Communities	14	1.2	3	8	5	\$32,500
4C Prosperous Older Couples	15	3.4	1	4	3	\$35,800
8B Social Security Dependents	17	1.0	2	25	7	\$10,300
4B Active Senior Singles	18	3.2	2	7	5	\$28,600
6C Newly Formed Households	21	5.3	1	9	4	\$26,600
5C Military Proximity	22	2.1	4	25	12	\$23,600
5B College Campuses	28	0.9	6	11	4	\$15,600
6D Settled Southwestern Hispanics	35	2.4	2	36	59	\$19,700
6F Low Income: Young and Old	37	2.6	1	22	7	\$16,100
Suburban		23.3				
1A Top One Percent	1	1.1	4	3	3	\$95,400
1D Successful Suburbanites	2	2.0	5	3	4	\$68,600
1B Wealthy Seaboard Suburbs	3	2.5	6	4	5	\$60,600
1C Upper Income Empty Nesters	5	2.0	2	4	2	\$54,200
1E Prosperous Baby Boomers	6	3.3	4	8	7	\$46,600
1F Semirural Lifestyle	7	4.4	2	4	3	\$48,000
2B Baby Boomers with Children	10	3.7	2	10	6	\$37,100
2E Older Settled Married Couples	13	4.3	1	7	4	\$38,500
Town		11.8				
4D Wealthiest Seniors	16	0.9	1	2	2	\$35,200
7E Small Town Working Families	27	1.7	1	10	3	\$25,400
7F Rustbelt Neighborhoods	29	3.7	1	6	2	\$25,100
4F Senior Sun Seekers	31	1.8	1	6	6	\$22,200
7G Heartland Communities	32	3.7	0	8	3	\$19,400

Source: CACI Marketing Systems 1994.

<u>Code/Name</u>	<u>Socio-Economic Rank</u>	<u>% of U. S. Households</u>	<u>% Asian</u>	<u>% Hispanic and Other</u>	<u>Median of Any Race*</u>	<u>Household Income</u>
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Rural		16.7				
4E Rural Resort Dwellers	19	1.0	0	4	2	\$24,700
7A Middle America	20	7.6	0	4	2	\$30,400
7B Young Frequent Movers	24	2.8	1	10	6	\$26,600
7C Rural Industrial Workers	33	5.3	0	16	1	\$19,700
Farm		0.9				
7D Prairie Farmers	25	0.9	0	3	3	\$23,200

*Racial population categories are white, Asian, Black, and Other. Hispanics are of any race.

Note

In the ACORN® consumer classification system, the neighborhood types are organized into nine groups:

- 1 Affluent Families (Neighborhoods 1A, 1B, 1C, 1D, 1E, 1F)
- 2 Upscale Households (Neighborhoods 2A, 2B, 2C, 2D, 2E)
- 3 Up & Coming Singles (Neighborhoods 3A, 3B)
- 4 Retirement Styles (Neighborhoods 4A, 4B, 4C, 4D, 4E, 4F)
- 5 Young Mobile Adults (Neighborhoods 5A, 5B, 5C)
- 6 City Dwellers (Neighborhoods 6A, 6B, 6C, 6D, 6E, 6F)
- 7 Factory & Farm Communities (Neighborhoods 7A, 7B, 7C, 7D, 7E, 7F, 7G)
- 8 Downtown Residents (Neighborhoods 8A, 8B, 8C, 8D, 8E)

The ninth group is Nonresidential Neighborhoods, comprised of Business Districts (9A), Institutional Populations (9B), and Unpopulated Areas (9C). Data is not available for these categories.

Source: CACI Marketing Systems 1994.

Table 4. CACI ACORN® Loan Demand Rankings of Neighborhoods by Metropolitan Location, 1994

<u>Code/Name</u>	<u>Loan Demand Rank</u>	<u>Housing Type</u>	<u>Homeownership Rate</u>	<u>Housing Value</u>	<u>Average Monthly Rent</u>
Central City					
2D Upscale Urban Asians	21	Single & Multi	52%	\$251,000	--
3A High Rise Renters	22	Multifamily	30%	--	\$730
2C Thriving Immigrants	28	Single Family	61%	\$194,000	--
5A Twentysomethings	30	Multifamily	23%	--	\$420
6A East Coast Immigrants	33	Multifamily	24%	--	\$550
8A Urban Hispanics	34	Multifamily	23%	--	\$440
8E Urban Working Families	35	Single Attached	48%	\$58,200	\$440
6E West Coast Immigrants	36	Garden Apts.	31%	--	\$510
6B Middle Class Black Families	38	Single Family	73%	\$76,600	--
8C Distressed Neighborhoods	39	Garden Apts.	21%	--	\$280
8D Low Income Southern Blacks	40	Single Attached	50%	\$37,000	\$310
Urbanized Area					
2A Urban Professional Couples	9	Single Family	65%	\$148,500	--
4C Prosperous Older Couples	11	Single Family	84%	\$99,700	--
4A Retirement Communities	12	Multifamily	54%	\$133,000	\$670
6C Newly Formed Households	13	Single Family	58%	\$67,700	\$430
3B Enterprising Young Singles	18	Multifamily	29%	--	\$550
5C Military Proximity	19	Garden Apts.	27%	--	\$460
4B Active Senior Singles	24	Multifamily	46%	--	\$510
5B College Campuses	25	Garden Apts.	23%	--	\$470
6D Settled Southwestern Hispanics	31	Single Family	60%	\$63,200	--
6F Low Income: Young and Old	32	Duplex & Quads	45%	\$44,000	--
8B Social Security Dependents	37	Multifamily	20%	--	\$300
Suburban					
1D Successful Suburbanites	1	Single Family	90%	\$227,700	--
1F Semirural Lifestyle	2	Single Family	87%	\$134,800	--
1E Prosperous Baby Boomers	3	Single Family	78%	\$127,300	--
1A Top One Percent	4	Single Family	89%	\$414,800	--
1C Upper Income Empty Nesters	5	Single Family	90%	\$161,700	--
2B Baby Boomers with Children	7	Single Family	74%	\$89,500	--
1B Wealthy Seaboard Suburbs	8	Single Family	86%	\$270,600	--
2E Older Settled Married Couples	10	Single Family	83%	\$93,700	--
Town					
4D Wealthiest Seniors	6	Seasonal Units	81%	\$162,000	--
7F Rustbelt Neighborhoods	15	Single Family	73%	\$58,800	--
7G Heartland Communities	17	Single Family	69%	\$49,600	--
7E Small Town Working Families	23	Single Family	71%	\$66,700	--
4F Senior Sun Seekers	26	Mobile Homes	82%	\$89,900	--

Source: CACI Marketing Systems, 1994.

Table 4 (Continued)

Loan

Average

<u>Code/Name</u>	<u>Demand Rank</u>	<u>Housing Type</u>	<u>Homeownership Rate</u>	<u>Housing Value</u>	<u>Monthly Rent</u>
Rural					
7B Young Frequent Movers	14	Mobile Homes	78%	\$81,100	--
7A Middle America	16	Single Family	82%	\$79,700	--
4E Rural Resort Dwellers	20	Seasonal Units	81%	\$100,000	--
7C Rural Industrial Workers	29	Mobile Homes	79%	\$52,200	--
Farm					
7D Prairie Farmers	27	Single Family	77%	\$67,700	--

See Note in Table 3.

Source: CACI Marketing Systems, 1994.

Table 5.

Racial Population of Assisted Living Facilities and Nursing Homes
in the United States

	% of Total				Year of Survey
	<u>White</u>	<u>Black</u>	<u>Other</u>	<u>Unknown</u>	
Assisted Living Facilities	96.7	1.9	0.9	--	1998
Nursing Homes	87.1	10.4	1.4	1.1	1997
Nursing Homes in Metropolitan Areas	85.4	11.8	1.4	1.4	1997

Source: National Investment Conference for the Senior Living and Long Term Care Industries, and Assisted Living Federation of America 1998: 176 (assisted living); Gabrel 2000a: 6 (nursing homes).

Figure 1. Claritas PRIZM Neighborhood Cluster System and CAP Index Location Crime Scores, on Neighborhood Locator Page of MSN Home Advisor Web Site

Find a Neighborhood
--- Quick Steps ---

Select a Location

State:

Region:

Narrow your search by selecting the qualities that are important to you:

Crime rating:

School test rating:

Neighborhood type: Urban Suburban Rural

Town Satellite city

HomeAdvisor defines neighborhoods by ZIP code.

Start shopping for homes with HomeAdvisor

Find a rental with ApartmentGuide.com

Equal Housing Lender

Crime data provided by [CAP Index, Inc.](#)

Demographic, lifestyle and PRIZM® data provided by [Claritas Inc.](#) © 1997

School data provided by [SchoolMatch](#). SchoolMatch offers customized counseling services for special educational situations. These typically involve children with disabilities, gifted and talented children, promising athletes, international relocations or child custody assessment. For more information, call 1-614-890-1573.

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35

Figure 2. The Community Calculator Neighborhood Locator

Select A Guide ▾

THE COMMUNITY CALCULATOR™

Use The Community Calculator to identify neighborhoods in other communities in the United States with ZIP codes that have similar demographics.

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MOVING TO...

City/Community:

State:

Related Resources:

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- [FREE School Reports](#) Get all the info on local public schools
- [Lifestyle Optimizer](#) Pick the best cities for you to live based on climate, cost of living, and other factors

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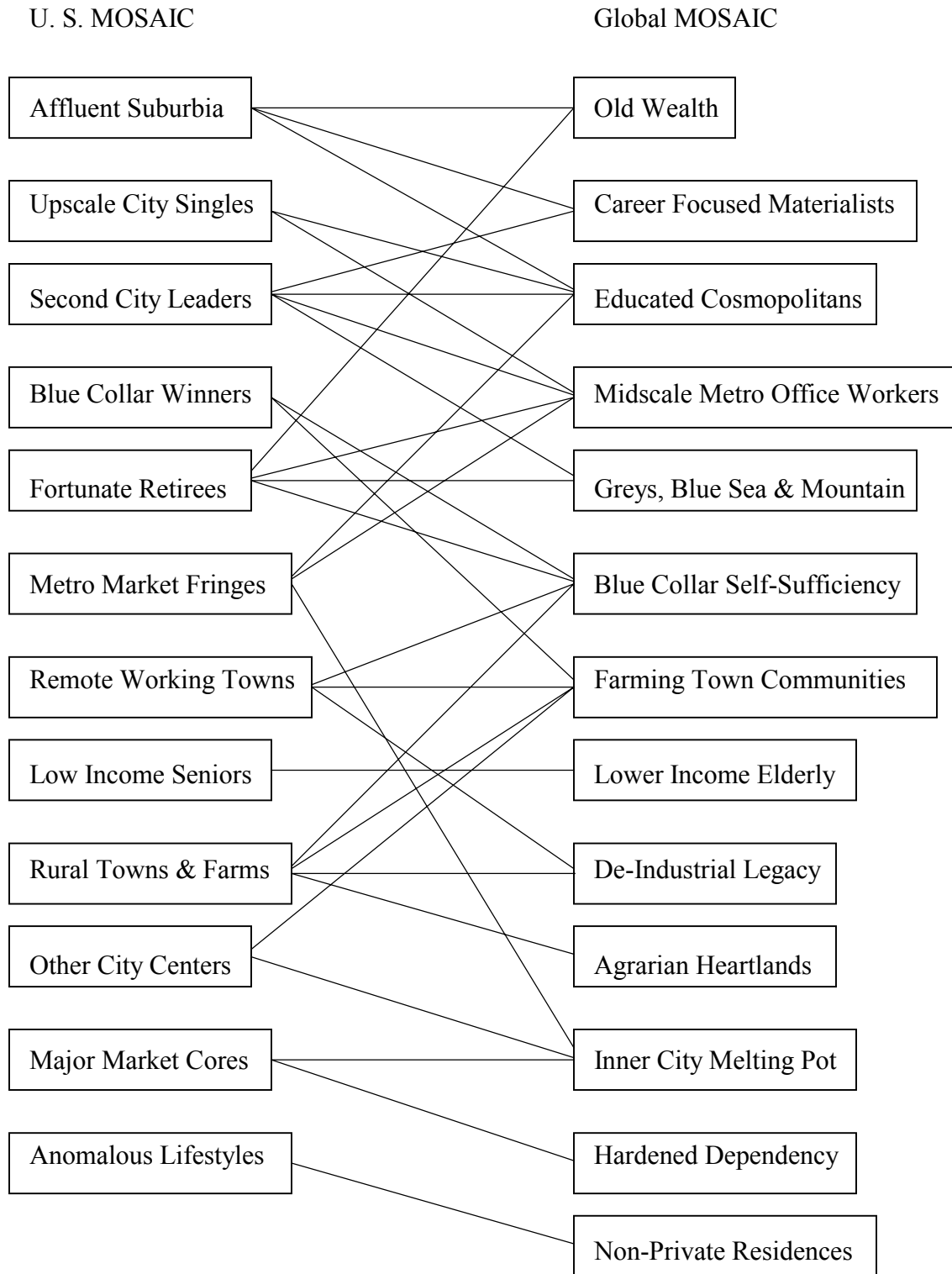
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Figure 3. The Experian MOSAIC Neighborhood Types



Source: Experian 2001.

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