



Image upgrade for Santa Ana's core

Incomes and population were underestimated by census, says a study that could make retailers and bankers take note.

By **ANDREW GALVIN**
THE ORANGE COUNTY REGISTER

A study of central Santa Ana released Monday found that it is home to more people, with more money, than previously documented.

It shows the neighborhoods surrounding downtown are home to 9.5 percent more people and 32 percent more household income than U.S. Census projections. Santa Ana city leaders, who requested the study, hope these findings will help it attract more retailers and banks to the area.

The study was done by Social Compact, a Washington,

D.C.-based nonprofit research group that gets funding from financial and real estate companies. Since 1998, the group has conducted similar studies in 101 neighborhoods in eight cities, including Houston, New York and Oakland.

Unlike the census, which gets its data from household surveys, Social Compact "drills down" to little-used sources of data to create an economic portrait of urban neighborhoods, studying utility usage, property transactions and credit records. Its specialty is to model an area's "informal economy," such as street vendors and day laborers, that

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Uncounted potential

Central Santa Ana was studied by Social Compact, a group that builds economic portraits of inner-city neighborhoods. Findings are compared with U.S. Census 2000 and Census 2004 projections.



*Projection based on results from 2000 U.S. Census



Other Social Compact studies

Studies have been conducted in seven other U.S. cities. Some of the results:

Chicago

December 2000

- Combined household income is calculated at \$5.76 billion, **\$2.2 billion** more than Census figures.

Oakland

August 2005

- Study shows population is higher by 10,771 residents and combined income is \$2.6 billion, about **\$400 million** more than 2004 Census projections.

Houston

February 2002

- A 750,000 square-foot retail mall and **2,000 jobs** are created as a result of Social Compact's findings.

Cleveland

June 2004

- A bank makes plans to establish a **new branch** in one neighborhood. Check-cashing services expanded and access to affordable finance programs improved at five existing branches.

Harlem, N.Y.

May 2001

- Combined neighborhood income is \$6.2 billion, more than **\$1.2 billion** higher than Census 2004 figures.

Washington, D.C.

April 2002

- Buying power is estimated at \$900 million, though **\$600 million** is spent outside study areas because of a lack of quality retailers in those areas.

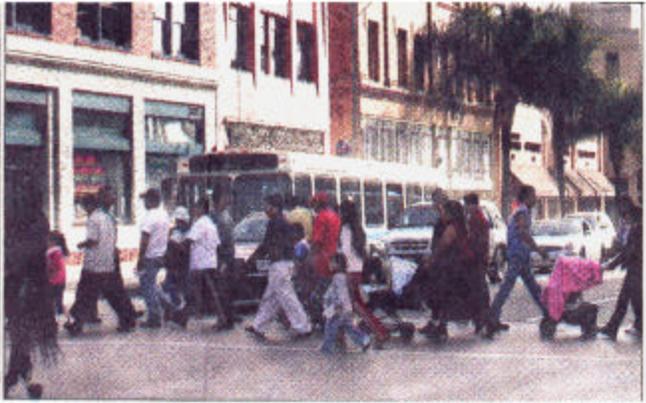
Jacksonville, Fla.

June 2003

- Developers plan to invest **\$45 million** into a multi-use entertainment complex with hotel, conference center, culinary arts school and bowling alley.

Source: Social Compact

The Register



PHOTOS: CINDY YAMANAKA, THE REGISTER

VENDING: Francisco Delgado of Santa Ana pushes his cart along Bush Street near the Fiesta Marketplace in Santa Ana. The city was the latest to be studied by Social Compact.

A FOCUS ON OPPORTUNITIES: A weekend crowd gathers at the Fiesta Marketplace in Santa Ana.

SANTA ANA: Researchers try to gauge size of 'informal economy'

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isn't captured by tax records.

In the Santa Ana study, the city's downtown and the neighborhoods to the east and west of it are portrayed as densely populated, with an average household size of 5.75 people. Residents, who are 92 percent Latino, spend most of their money elsewhere, the study says.

"There is so much wealth in Orange County that sometimes we think of just poverty in Santa Ana," said Rep. Loretta Sanchez, a Democrat who represents the area. "But the reality is we have a lot to offer."

In other cities, Social Compact's studies have been used to spur the construction of new retail centers and to attract financial services to underserved areas.

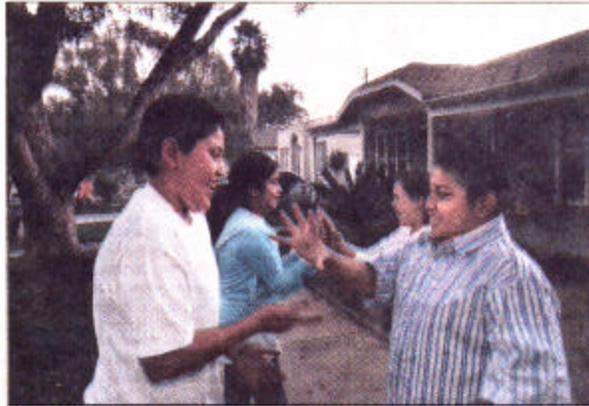
In Houston's mostly Latino north end, for example, a developer tore down a mostly vacant shopping mall and rebuilt it, attracting national retail chains. "They've probably doubled or tripled the amount of retail in that area," said Susie Hartgrove, a spokeswoman for the Houston Planning Department.

The Santa Ana study is the group's first in Southern California.

The neighborhoods included in the study are served mostly by mom-and-pop retailers, and there are few banks.

"We're hoping that you're going to see some of the larger, traditional retailers and banking institutions do a larger level of investment," said David Ream, Santa Ana's city manager. The data could also be used to support "the expansion of community businesses that are already there," he said.

It's not surprising that the study would find previously uncounted residents and in-



YOUTHFUL PRESENCE: In the foreground, Raul Guerrero, 12, left, and Erick Barboca, 13, play on Garfield Street. Behind them are Brenda Flores, 11, left, and Vedith Luna, 9. Santa Ana's population reportedly exceeds the census by 9.5 percent.

come, because it was already known that these neighborhoods are home to some number of undocumented immigrants, said Esmael Adibi, an economist at Chapman University in Orange.

"They tried to quantify all of that," Adibi said. "Quantification helps, because any business that wants to start any operation, they usually do market research to have a good profile of who potential customers are going to be. This type of a study gives some numbers and helps these people to better evaluate the market."

The study found that two-thirds of the households in the two neighborhoods have no documented credit histories or banking relationships. It estimated the informal economy at \$183 million, or 17 percent of the area's total economy.

Social Compact models an area's informal economy by looking at eight factors, including the percentage of households with income of less than \$30,000, and the percentages of those households without documented credit histories and that pay their utility bills in cash, said

Ryan Sullivan, a researcher with the group. Using a weighted formula, it then estimates the size of the informal economy at somewhere between 1 percent and 26 percent of the area's total economy.

Based in part on the higher income from the informal economy, the study estimated that residents of the two neighborhoods spend \$341 million on retail purchases. Most of that spending - \$247 million - is spent outside the neighborhoods, "showing strong potential for retail development within the study areas," the study says.

Michael Metzler, president of the Santa Ana Chamber of Commerce, said he wanted more information about how the study estimated the informal economy. He was encouraged by the way similar studies have been used to attract business to other cities.

"I'm going to pursue looking into that and try to learn from those past drill-downs."

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