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Community economic and demographic research :  
CDBG benchmark area / : prepared for  
Hillsborough County Economic Development  
Department by the Center for Economic  
Development Research, College of Business  
Administration, University of South Florida

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**Community Economic and Demographic Research**  
CDBG Benchmark Area

Prepared for  
Hillsborough County Economic Development Department

by the  
CENTER FOR ECONOMIC DEVELOPMENT RESEARCH  
College of Business Administration



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**September 2004**

## *Preface*

In order to determine opportunities for business expansion within their Community Development Block Grant (CDBG) program target areas, the Hillsborough County Economic Development Department commissioned the Center for Economic Development Research (CEDR) to perform two tasks: (1) develop an inventory of businesses and demographic characteristics for a representative, benchmark community, and (2) compare metrics developed in Task (1) to similar metrics for selected CDBG areas to determine the relative scarcity or abundance of business establishments within those areas.

This report, and the appropriate tables of the CD “CDBG Area Community Economic and Demographic Research,” are in fulfillment of the first task.

The Center for Economic Development Research initiates and conducts innovative research on economic development. The Center’s education programs are designed to cultivate excellence in regional development. Our information system serves to enhance development efforts at the University of South Florida, its College of Business, and throughout the Tampa Bay region.

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September 2004

## Introduction

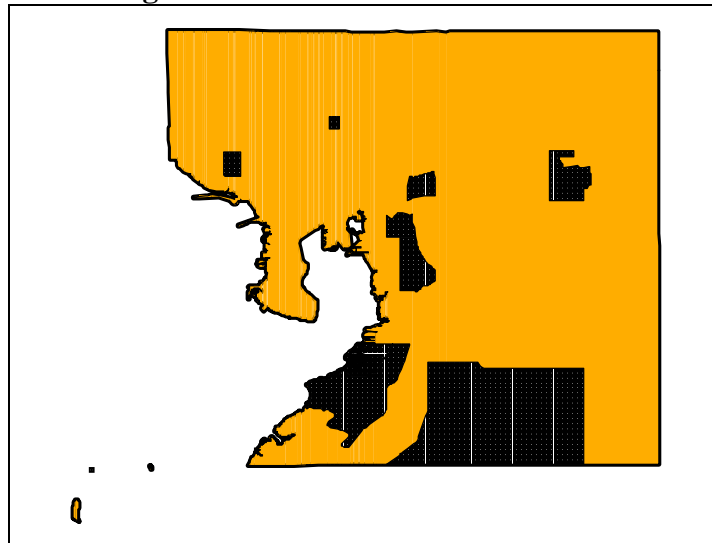
In order to assess economic conditions within the county's Community Development Block Grant (CDBG) program target areas, the Hillsborough County Economic Development Department commissioned CEDR to create an inventory of business establishments within a benchmark CDBG area and to ration this inventory to the demographic characteristics of the benchmark area. Future analysis will repeat this same procedure for other CDBG areas, at which time we will then compare the other CDBG areas to the benchmark for analysis of the relative abundance or scarcity of businesses within the other CDBG areas.

## Methodology

### *Creating the Benchmark Area*

To create the CDBG benchmark area, we obtained geographic information systems (GIS) shapefiles of the nine Hillsborough County CDBG target areas from the County's website.<sup>1</sup> Then, using the ArcView Business Analyst extension, and its associated databases, we determined the cohort Census tracts - small, relatively permanent statistical subdivisions of a county populated by between 2,500 and 8,000 persons - of the nine CDBG areas. We defined a cohort census tract as one contained by - in part or in whole - or tangent to a CDBG area. We selected, at random, nine of these Census tracts to create the benchmark area. **Figure B1** depicts the nine Hillsborough County Census tracts forming the benchmark area.

**Figure B1 – CDBG Benchmark Area**



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<sup>1</sup> All CDBG area shapefiles obtained from Hillsborough County's GIS website - <http://maps.hillsboroughcounty.org> - on April 12<sup>th</sup>, 2004.

## *Business Establishments*

Florida's Agency for Workforce Innovation (AWI) collects monthly employment and wage information for all businesses covered by the state's unemployment insurance program. Using AWI's Enhanced Quarterly Unemployment Insurance (EQUI) database, we geocoded all Hillsborough County business that participated in the state's unemployment insurance program during the third quarter (July-September) of 2003, the latest date for which data was available. By overlaying the shapefile of the CDBG benchmark area, we can isolate those businesses located within the CDBG benchmark area. For the CDBG benchmark area, we identified 1,571 business establishments, depicted by the dots in **Figure B2**.

**Figure B2 – Benchmark Area Business Establishments**



In addition to employment and wage data, the EQUI database also classifies businesses by their NAICS code. **Table B1** is the inventory of business establishments within the CDBG benchmark area by NAICS.<sup>2</sup> NAICS is the acronym for North American Industrial Classification System, which replaced the Standard Industrial Classification (SIC) code developed by the government to classify industries. NAICS codes range in detail from 2-digit sectors (such as 52 - Finance and Insurance) to 6-digit industries (such as 524210 - Insurance Agencies and Brokerages).

## *Demographic Characteristics*

The ArcView Business Analyst software package contains demographic data collected at the block group level. Block groups are subdivisions of Census tracts: small, relatively permanent statistical subdivisions of a county. Census tracts usually have

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<sup>2</sup> This table, and others referenced in this report, can be found on the CD "Community Economic and Demographic Research, September 2004." Table numbers followed by an "S" appear in the body of this report.

between 2,500 and 8,000 persons and do **not** cross county boundaries. **Table B1S** summarizes the demography of the CDBG benchmark area.

**Table B1S – Demographic Summary of Benchmark CDBG Area**

	<u>Amount</u>	<u>Percent</u>
Population (2005)		
White	62,964	78.28%
Black	12,028	14.95%
American Indian, Eskimo, or Aleut	312	0.39%
Asian or Pacific Islander	1,167	1.45%
Other	3,967	4.93%
Hispanic Origin	22,474	27.94%
Total (Excluding Hispanic Origin)	80,437	100.00%
Age & Gender (2005)		
Population Age <18	21,353	26.55%
Population Age 65+	9,288	11.55%
Population Male	40,034	49.77%
Population Female	40,404	50.23%
Income (2005)		
Per Capita	\$ 19,515	n/a
Average Household Income	\$ 55,986	n/a

**Table B2** is the full demographic report produced using the Business Analyst software. We use the data from this report in conjunction with the business establishment data to calculate the descriptive statistics.

#### *Calculation and Analysis of Descriptive Statistics*

To calculate the descriptive statistics, we take the number of establishments for each industry category, divide by a demographic characteristic, and multiply by 1,000. Therefore, each descriptive statistic represents the number of establishments for every 1,000 of the specified demographic characteristic.<sup>3</sup> For instance, in the 3<sup>rd</sup> quarter of 2003, the CDBG benchmark area had 17 Child Day Care Services establishments (NAICS industry 624410), and a projected 2005 population of 80,437. Thus, the descriptive statistic is 0.2113. In the CDBG benchmark area, for every 1,000 people, there are 0.2113 Child Day Care Services establishments.

For this report, we have selected the following demographic characteristics: population, household population, population by major age group, per capita income (all

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<sup>3</sup> Note: “Consumer Expenditures” is expressed in thousands of dollars; therefore, the descriptive statistic shows the number of establishments per million dollars of consumer expenditure.

estimated for year 2005) and year 2000 consumer spending patterns. We present the descriptive statistics in **Table B3**.