Popul Res Policy Rev
DOI 10.1007/s11113-008-9089-2

Florida's Changing Rainbow: Identifying Emerging Markets Through the Examination of Racial Composition and Demographic Change in Florida

Jeffry A. Will · Sharon C. Cobb · Timothy J. Cheney

Received: 4 February 2006 / Accepted: 5 July 2007
© Springer Science+Business Media B.V. 2008

Abstract Minority groups, including African Americans, Hispanics, and Asians, especially in a growing middle class, comprise an emerging market in the United States (Schwartz, *Global Business Network,* 2000). It is estimated that through 2025, the population of ethnic minorities in the United States will grow eight times faster than the White population; by the year 2050, some estimates project that "minorities" will make up nearly 50% of the United States population. As minority groups continue to grow in population, wealth, and buying power, it becomes imperative that businesses understand the differences among different segments of the population that will be consuming their products. This paper examines projected demographic changes for the State of Florida and the implications these changes have on increasing market opportunities for businesses. Researchers from the Northeast Florida Center for Community Initiatives used Geographic information systems (GIS) computer applications to conduct spatial analysis of U.S. Census Data, as well as proprietary economic and social indicators, to develop an analysis of distribution of certain ethnicities in Florida. The purpose of this paper is to identify potential areas of significant emerging market populations within Florida in order to improve service outreach for various economic opportunities during the coming decade.

Keywords African Americans · Emerging markets · Hispanics · Population

J. A. Will (✉) · T. J. Cheney
Northeast Florida Center for Community Initiatives, University of North Florida, Jacksonville, FL 32224, USA
e-mail: jwill@unf.edu

S. C. Cobb
Department of Economics and Geography, University of North Florida, Jacksonville, FL 32224, USA

Introduction

This paper examines projected demographic changes for the State of Florida and the implications these changes have on increasing market opportunities for financial institutions. Researchers from the Florida Center for Public Policy and Leadership and the Northeast Florida Center for Community Initiatives used Geographic information Systems (GIS) computer applications to conduct spatial analysis of U.S. Census Data, as well as proprietary economic and social indicators, to develop an analysis of distribution of certain ethnicities in Florida. The goal of this paper is to analyze population and other socioeconomic data for Florida to identify potential target markets for a broad array of financial services.

Literature Review

Population Growth and Geodemographics

Minority groups, including African Americans, Hispanics, and Asians, especially in a growing middle class, are considered in academic and applied (business) literature as an emerging market in the United States (Schwartz 2000). It is estimated that through 2025, the population of ethnic minorities in the United States will grow eight times faster than the White population (Day 1996; Goldman Sachs Group Inc. 2005) by the year 2050, minorities may make up nearly 50% of the United States population (Harrington and Yago 1999). Furthermore, Irvin (2004) argues "from 2015 on, more Blacks will be added to the total population than non-Hispanic Whites and by 2050, the African American population is projected to reach 61 million, an increase of 83 percent". In addition, the African American group is growing approximately four times faster than the general population (Green 2004).

The Hispanic population is also growing rapidly. "American Latinos – individuals of Hispanic or Latin American descent residing in the U.S. – comprise the fastest growing segment of the U.S. population (Bernstein 2004; Dolan 2007). Latinos currently exceed 44 million people, representing 15 percent of our nation's population" (New American Alliance 2004). Additionally, the Hispanic population has a lower median age than the rest of the United States population, approximately 26 years of age for Hispanics as compared with 35 years for the rest of the nation (Chase 2003; Green 2004).

The Asian population in the U.S. is also growing rapidly when compared to the population as a whole (Bernstein 2004; Skop and Li 2005), but, for this paper, resource constraints limit spatial analysis to the African American and Hispanic ethnicities resident in Florida.

Expanded Purchasing Power

Minority groups comprise the fastest growing segment of the consumer market (Harrington and Yago 1999; Pulse Online 2004; Wallace 2004). They are increasingly growing as consumer groups with expanding purchasing power to

spend in markets from clothes and entertainment, the purchase of homes and other financial services (Bergman and Tolbert 2005; McCormick-Jennings 2006; Schwartz 2000; Wood 2004). Through 2010, the growth in purchasing power of ethnic minorities is expected to grow at least two times faster than the purchasing power of non-minorities (Goldman Sachs Group Inc. 2005). It is estimated that the spending power of non-White racial and ethnic groups accounted for approximately 17 cents/dollar, an estimated $1.7 trillion in 2004, and total spending will grow to $11.1 trillion by 2009 (Wood 2004).

The buying power of African Americans is increasing: "the Black middle class is focused on maintaining a quality of life that a stronger economy provided by investing in products that give them value and convenience" (Allimadi 1998; Target Market News 2004d). African Americans are increasingly purchasing consumer electronics and digital technology (Target Market News 2004d, e). Hinds (2000) asserts that African Americans tend to spend more money on vacations than do Whites while saving less. McCormick-Jennings (2006) argues that, nationally, the buying power of Hispanics is expected to increase the most among ethnic minority groups. Current purchasing power of the Latino community is estimated at $700 million and it is projected to reach $1 billion by 2010, almost 11 percent of the U.S. total" (New American Alliance 2004). Between 2001 and 2002, the earned income of Hispanics increased nearly 5% and education, insurance, and health care were among the categories with the largest increases in spending for Hispanic consumers (Target Market News 2003).

Increased Wealth

As minority groups grow in number in the U.S., the wealth of these groups is increasing (Wood 2004). Minority groups—often called thought of as 'emerging markets' by businesses, demographers, and other social scientists (Holland 2007)—choose multiple opportunities and different forms of investment, including homes, cars, savings accounts and insurance (Schwartz 2000). Between 2002 and 2003, African American households saw an increase of 3.9% in earned income (Target Market News 2004a). The economic power of African Americans is projected to grow through continued increases in educational attainment as well as the continued move toward business-ownership among this group (Bergman and Tolbert 2005; Target Market News 2004c). Moreover, Hispanics are also becoming more affluent (Green 2004).

Increasing investments among minority groups occurs with increased wealth. Various studies indicate fluctuations in the investments of African Americans (Brown 2004). The percentage of high-income African Americans owning stocks and mutual funds had considerably risen from 1998 to 2000 (Hinds 2000). Furthermore, 68% of African Americans had money invested in the stock market (*ibid.*). Other analysis indicates that African Americans prefer real estate and insurance when compared to other forms of investment opportunities (Brown 2004).

As a middle class emerges among African Americans and Hispanics in the United States, median income is increasing and individuals in this growing group are becoming entrepreneurs. Minority groups are growing as a percentage of business

owners, both in terms of number of new firms as well as in revenues (Bergman and Tolbert 2005; Harrington and Yago 1999). Minority businesses are considered to be "among the most important drivers of new business" (Thompson Media, Inc. 2004).

"Today's minority entrepreneurs" are generally well educated, are relatively young, and take advantage of resources and expertise gained from their experiences in the corporate world. In addition to the retail businesses "traditionally" owned by minorities, these groups are now diversifying into the industries of technology, construction, and service (Griffin 1999). The fact that these individuals are starting their own businesses and/or holding "better" jobs, further increases their buying power (Wood 2004).

Minority Marketing

As minority groups continue to grow in population, wealth, and buying power, it becomes imperative that businesses understand the differences among different segments of the population that will be consuming their products (Inman et al. 2004; Milken Institute 2000). According to Hinds (2000) African Americans would prefer dealing with investment consultants of their own race and many feel that there are not enough African American role models in finance. Further, as the buying patterns of non-White groups differ from the buying patterns of Whites (Wood 2004), the increasing size and purchasing power of these groups (Schwartz 2000) demands businesses become aware and make efforts to reach these important groups of consumers. Oswald (2003, p. 309) argues that "knowing the state of the American family is crucial to understanding customers… and how they use brands to form an identity, participate in community, and engage in social organizations".

Products as well as media advertisements should be tailored to the various segments of the market (McAlexander et al. 2002). For emerging markets in the U.S., many consumers spoke little or no English while at home and media advertising had made little or no attempts to reach these groups of people. When reaching African American consumers through advertising, it may be necessary to utilize culturally specific media. For example, the cable network BET was ranked number one among the top five watched networks among African American consumers (Target Market News 2004a). Also, over 87% of individuals who read "Black newspapers" do not regularly read "mainstream" newspapers, and, according to Target Market News (2004b) "If you want to reach and motivate the Black consumer, you must utilize Black newspapers".

In the financial services sector, considerable attention is given to developing strategies to effectively reach minority consumer groups as homeownership among these groups increases. For example, Countrywide Home Loans Incorporated has taken a leadership role in the emerging market groups by hiring increased numbers of bilingual and multicultural employees; expanding advertising in minority communities, and developing products to expand the range of people who would qualify for their services (PR Newswire 2004).

Marketing and advertising using cultural norms is important for the Hispanics or Latino consumer (Chavez et al. 2005). Many Hispanics in the United States face language barriers that often result in ineffective advertising. Chase (2003) notes that

"until more companies can effectively and consistently promote Hispanic culture and language within the general market, it's unlikely they will strike gold with this demographic". In addition, an additional barrier to many businesses that do not know how to target this group is that they are disproportionately young as compared to the White population within the United States.

Disparities among insurance coverage for Hispanics despite their increases in wealth, is also evident (Green 2004). Advertising in Hispanic media by the insurance industry overall has increased by 80% between 2000 and 2003, but even with the increases, only about 3.6% of advertising by insurance companies is devoted to this population. The association of Hispanic advertising agencies "estimates that health insurers should be spending about 12% of their total advertising budgets on the Hispanic market, while life insurers should be spending 10% and homeowners/renters insurers should be spending 8%. Spending in markets such as New York, Los Angeles, and Miami might need to be even higher to reflect the higher concentration of Hispanics there" (*ibid*.). The workplace should also be considered as an *opportunity* for selling insurance, as 37% of Hispanic employees have no specific financial planning, compared to 25% of employees overall. Green (2004) notes that the skills needed to serve the Hispanic market can be applied to other minorities.

GIS, Geodemographics, and Target Marketing Analysis

The use of *map-based* presentations can offer a faster, more efficient base from which to make business decisions for marketing purposes (Dennis and Carte 1998), hence the focus of this analysis is a GIS-driven platform. As has been well-documented, a

> GIS is a system of hardware, software, data, people, organizations and institutional arrangements for collecting, storing, analyzing and disseminating information about areas of the earth (Dueker and Kjerne 1989).

Financial services industries in the U.S. have used GIS technologies in many ways. For example, strategies include increase use of geodemographic modeling to analyze market potential (Orzel et al. 2000; Pike 1999). Business GIS is a relatively new and unexplored form of applied GIS, although more business are now utilizing this form of spatial analysis (Longley and Clarke 1995; Birkin et al. 1996; Grimshaw 1994; Camarata 1994). Spatial issues facing businesses are often ill-defined, cut across a range of functions or departments, and range from the short-term 'operational' to the long-term 'strategic' posing many challenged for businesses (Moyer 1993). GIS analysis is now commonly used for a variety of business applications including real-estate, insurance, banking, direct-mail marketing, and transportation and logistics (Beam 1994; Stillwell et al. 1999).

The most common business GIS application is for the field of marketing. Ring analysis, involving the location of customers and distance from a central point (for example, a retail outlet) enables greater understanding of market share and facilitates new site selection decisions (Hooper 1997; Roper 1993; Stone 2000). The use of geodemographics (defined as any small area demographic analysis that also

indicates consumer behavior), or also called *lifestyle analysis,* is seen by many as a powerful aid to market analysis and target marketing (Sleight 1997; Birkin et al. 1996). Darling (1994) argues that customer segmentation and targeting facilitated by GIS is necessary for businesses to create customer value and competitive advantage. Black et al. (1994) assert that increasing sophistication of GIS technology and software allows for analysis of sub-county data in order to pursuer target marketing strategies. Foust et al. (1994) argue that the value of GIS is the ability to easily produce measures for distance, drive-time, market segmentation, and customer dispersion.

In the area of finance and real estate however, applications using GIS are still relatively infrequent (Clapp et al. 1997). The GIS technique of *geocoding,* which assigns latitude and longitude to each feature proving representation across space, is really the unique spatial feature of GIS. Geocoding can facilitate spatial area analysis by assigning individual point data (for example, real estate transactions) to bounded spatial areas such as zip code regions or census tracts (Castle 1994). The next section will describe the methodology used to identify the spatial locations of target minority groups in Florida.

Data Sources and Methodology

BUSINESS ANALYST©, the primary data source for the analysis conducted here, is the proprietary program developed by ESRI Inc., to provide data addressing current and future trends in buying patterns and wealth indicators. Additional information from a variety of sources including the U.S. Census Bureau and the American Community Survey, the U.S. Department of Commerce, and a number of other government and business sources were used to supplement as needed. Information including population numbers and distribution, business activity, and household characteristics are included in the database for analysis. The primary analysis for this study was conducted using the Statistical Package for the Social Sciences (SPSS) for preliminary data examination, and ARCGIS mapping software for the Spatial Analysis needs.

Results and Analysis

Overall Population Change

It is clear that Florida has seen tremendous growth over the past three decades. While often associated with the influx of retirees from Northern states, this growth has also been driven by economic changes in the state, which have seen a large number of "Baby Boomers" moving into the state. In 2000, the U.S. Census Bureau counted approximately 16.2 million residents in the state, a 25% increase from approximately 13 million residents in 1990. By 2010, Florida's population is projected to be almost 19.3 million, an increase of almost 19% overall (www.census.gov).

When considering the issue of ethnic minorities or 'emerging markets' in the state, however, we see an even greater projected increase for minority populations. Overall, Whites are projected to increase by over 2 million persons between 2000 and 2010, an increase of 16.4%. The number of African American residents, however, is expected to increase by almost 24%, with Hispanic population growth to exceed 34%. When compared to overall population growth, African Americans will increase at a ratio of 1.26 times the growth of all residents, while the ratio growth for Hispanics is expected to be 1.85 times that of the overall population increase. Whites, on the other hand, are expected to grow at a rate below the overall rate. That is, while Florida will see a large increase in the overall population of the state, minorities will account for significant proportion of that growth (Table 1).

County Level Change: Counties with High Levels of Projected Minority-Group Growth by 2010

While growth at the state level is an important consideration, targeting emerging markets requires that the analysis be completed with more localized concerns. To that end, the next stage of the analysis was to examine changes in population growth for emerging market groups at the county level (see Table 2). Table 2 shows all the number and percentage value of major ethnicities in Florida counties. And further supports the relative importance of African American and Hispanic ethnicities in the state.

Clearly, we expect to see significant overall population growth in each county in the state by 2010. What is important for the consideration of emerging market groups is the extent to which their populations increase at significantly higher levels than the majority population. To that end, in Maps 1 and 2 we project the ratio of emerging markets groups to overall population growth for each of the counties in the state.

As can be seen in Map 1, the data for the vast majority of counties in the state projects the African American population growth to basically mirror the state-wide growth pattern (i.e. 1.26:1 ratio). The only exceptions to this trend are expected in Dade County, where African American population growth is expected to be less proportionately than the overall increase, and in Monroe County, where African American growth is projected to out-pace overall growth by over 3:1. From the

Table 1 State of Florida population, 2000 and 2010

	2000	2010	Change 2000–2010 (%)	Group/overall change ratio
Overall	16,220,272	19,277,428	18.8	
White	12,946,922	15,064,811	16.4	0.87:1
African American	2,427,434	2,999,270	23.6	1.26:1
Hispanic	2,017,625	2,719,719	34.8	1.85:1

Source: U.S. Census Bureau 2000; ARC GIS Business Analyst 2005©

Table 2 Florida's population by county and ethnicity

County	Total	White	W (%)	Black	B (%)	Hispanic	H (%)	Asian	A (%)
Alachua	210,323	151,420	71.99	42,646	20.28	13,177	6.27	9,117	4.33
Bay	158,141	132,529	83.80	17,442	11.03	4,905	3.10	2,868	1.81
Bay	158,141	132,529	83.80	17,442	11.03	31,696	20.04	2,868	1.81
Bradford	26,088	19,900	76.28	5,423	20.79	622	2.38	158	0.61
Brevard	521,226	445,361	85.44	48,200	9.25	31,696	6.08	9,845	1.89
Broward	1,757,590	1,168,396	66.48	425,253	24.20	388,395	22.10	51,920	2.95
Calhoun	13,017	10,397	79.87	2,056	15.79	492	3.78	69	0.53
Charlotte	154,716	141,081	91.19	5,787	3.74	6,487	4.19	1,014	0.66
Citrus	132,209	125,002	94.55	3,171	2.40	4,490	3.40	1,561	1.18
Clay	169,528	143,393	84.58	14,614	8.62	9,412	5.55	3,911	2.31
Collier	302,514	260,220	86.02	16,004	5.29	72,640	24.01	2,633	0.87
Columbia	56,513	45,053	79.72	9,623	17.03	1,546	2.74	378	0.67
DeSoto	32,209	23,619	73.33	4,098	12.72	8,019	24.90	131	0.41
Dixie	13,827	12,279	88.80	1,241	8.98	249	1.80	34	0.25
Duval	810,698	506,961	62.53	240,117	29.62	43,604	5.38	28,646	3.53
Escambia	274,663	194,149	70.69	61,843	22.52	7,256	2.64	7,507	2.73
Flagler	75,757	65,011	85.82	6,431	8.49	4,990	6.59	1,211	1.60
Franklin	11,057	8,983	81.24	1,804	16.32	268	2.42	22	0.20
Gadsden	45,087	17,448	38.70	25,763	57.14	2,782	6.17	117	0.26
Gilchrist	14,437	13,068	90.52	1,010	7.00	404	2.80	24	0.17
Glades	10,576	8,142	76.99	1,114	10.53	1,594	15.07	35	0.33
Gulf	13,332	10,651	79.89	2,259	16.94	270	2.03	53	0.40
Hamilton	13,327	7,835	58.79	5,027	37.72	847	6.36	26	0.20
Hardee	26,938	19,035	70.66	2,244	8.33	9,611	35.68	81	0.30
Hendry	36,210	23,926	66.08	5,340	14.75	14,336	39.59	162	0.45
Hernando	156,325	142,178	90.95	7,611	4.87	11,668	7.46	619	0.40
Highlands	94,177	78,795	83.67	8,903	9.45	14,319	15.20	1,085	1.15
Hillsborough	1,111,717	823,925	74.11	178,196	16.03	237,601	21.37	32,978	2.97
Holmes	18,564	16,669	89.79	1,208	6.51	358	1.93	72	0.39
Indian River	126,258	112,435	89.05	10,314	8.17	10,707	8.48	1,188	0.94
Jackson	46,755	32,811	70.18	12,418	26.56	1,361	2.91	168	0.36
Jefferson	12,902	7,647	59.27	4,947	38.34	290	2.25	39	0.30
Lafayette	7,022	5,566	79.27	1,009	14.37	642	9.14	9	0.13
Lake	273,277	232,612	85.12	22,633	8.28	24,983	9.14	4,182	1.53
Lee	539,097	462,365	85.77	39,065	7.25	77,415	14.36	6,584	1.22
Leon	233,649	151,942	65.03	69,740	29.85	9,093	3.89	5,786	2.48
Levy	34,450	29,586	85.88	3,778	10.97	1,339	3.89	129	0.37
Liberty	7,021	5,365	76.41	1,294	18.43	316	4.50	10	0.14
Madison	18,733	10,769	57.49	7,549	40.30	600	3.20	60	0.32
Manatee	300,828	253,072	84.13	24,705	8.21	34,213	11.37	4,186	1.39
Marion	295,555	251,477	85.09	32,475	10.99	23,480	7.94	2,997	1.01

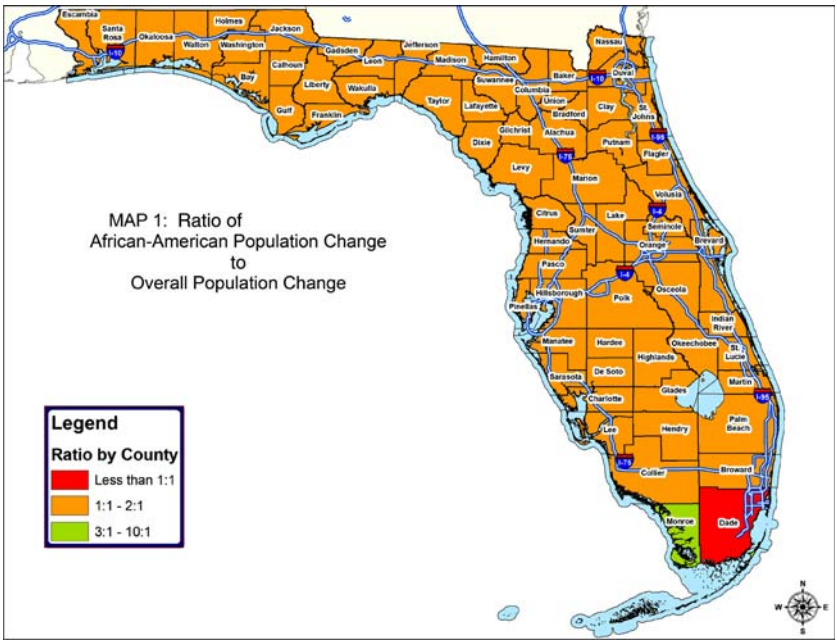
Table 2 continued

County	Total	White	W (%)	Black	B (%)	Hispanic	H (%)	Asian	A (%)
Martin	136,138	122,858	90.25	7,370	5.41	12,414	9.12	1,194	0.88
Miami-Dade	2,329,187	1,662,089	71.36	457,837	19.66	1,423,697	61.12	32,884	1.41
Monroe	75,074	67,970	90.54	4,491	5.98	12,553	16.72	444	0.59
Nassau	57,663	51,909	90.02	4,465	7.74	873	1.51	263	0.46
Okaloosa	177,284	148,970	84.03	15,870	8.95	9,135	5.15	5,084	2.87
Okeechobee	35,910	28,468	79.28	2,844	7.92	6,684	18.61	240	0.67
Orange	1,002,849	644,294	64.25	198,313	19.77	235,971	23.53	44,172	4.40
Osceola	229,134	171,890	75.02	21,441	9.36	87,249	38.08	6,386	2.79
Palm Beach	1,247,908	925,983	74.20	192,084	15.39	201,633	16.16	26,392	2.11
Pasco	423,356	388,454	91.76	12,097	2.86	35,587	8.41	6,484	1.53
Pinellas	905,158	761,602	84.14	89,731	9.91	57,101	6.31	25,113	2.77
Polk	530,126	409,524	77.25	71,783	13.54	71,379	13.46	6,910	1.30
Putnam	70,423	54,868	77.91	12,003	17.04	4,168	5.92	311	0.44
St. Johns	159,235	144,226	90.57	9,309	5.85	5,923	3.72	1,940	1.22
St. Lucie	238,575	185,338	77.69	38,830	16.28	29,843	12.51	3,401	1.43
Santa Rosa	140,650	127,054	90.33	4,830	3.43	4,439	3.16	2,213	1.57
Sarasota	359,783	326,445	90.73	14,378	4.00	22,882	6.36	4,115	1.14
Seminole	398,013	319,403	80.25	37,857	9.51	55,354	13.91	13,444	3.38
Sumter	53,345	44,061	82.60	7,351	13.78	3,356	6.29	220	0.41
Suwannee	34,844	29,455	84.53	4,221	12.11	1,703	4.89	179	0.51
Taylor	19,256	14,988	77.84	3,666	19.04	295	1.53	85	0.44
Union	13,442	9,896	73.62	3,070	22.84	477	3.55	42	0.31
Volusia	475,189	403,952	85.01	44,307	9.32	42,768	9.00	6,207	1.31
Wakulla	22,863	19,684	86.10	2,631	11.51	443	1.94	57	0.25
Walton	40,601	35,896	88.41	2,832	6.98	880	2.17	183	0.45
Washington	20,973	17,140	81.72	2,872	13.69	483	2.30	76	0.36
Total	17,382,511	13,341,532	76.75	2,613,628	15.04	3,414,414	19.64	371,385	2.14

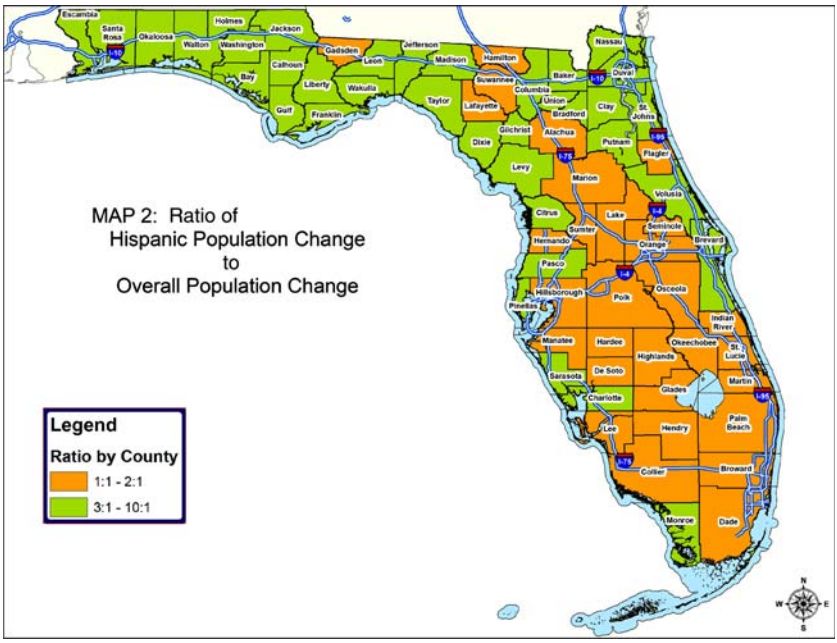
Source: www.census.gov—American Community Survey, 2005

county level, therefore, we cannot identify a significant number of areas considered prime for an African American emerging market.

In Map 2, however, we see a significantly different pattern. By 2010, we find over three dozen counties in which the Hispanic population growth will exceed that of the overall expected rates by more than a factor of three, with 10 counties projected to have Hispanic growth rates five times higher than that of the overall rate. Perhaps most important, a majority of the counties experiencing these proportionately high growth rates are found in Northern Florida and the Panhandle, and not in historically Hispanic South Florida. The only counties with high ratios of Hispanic population growth south of the "I-4 corridor" (a major North–South Florida demarcation line) are Monroe, Charlotte, and Sarasota Counties in Southwest Florida, and Brevard County in East-central Florida.



Map 1 Ratio of African American population change to overall population change



Map 2 Ratio of Hispanic population change to overall population change

Narrowing the Focus: Zip Codes with High Levels of Minority Growth by 2010[1]

While county level data can be instructive for examining variations in population growth, a more detailed analysis using zip code information allows for the focus to uncover variations within each county. In Maps 3 and 4, we present changes in population growth for the emerging market groups by zip code for each county.

When we examine Map 3, which displays growth change ratios for African Americans by zip code, it is clear that there are a number of possible Emergent Market areas in Florida, as displayed by the green shading. Compared to the overall growth rate, African American population projections show dramatic increases (e.g. 10 times or more) for a significant number of areas, including: along the Gulf Coast from Pinellas County to Lee County; areas in Seminole County, Duval County, Levy County, Dixie County and several areas in the Panhandle. There are also areas within Miami-Dade County and along the Atlantic coast to Palm Beach County with projected African American population increases of 5–10 times the growth of the population as a whole.

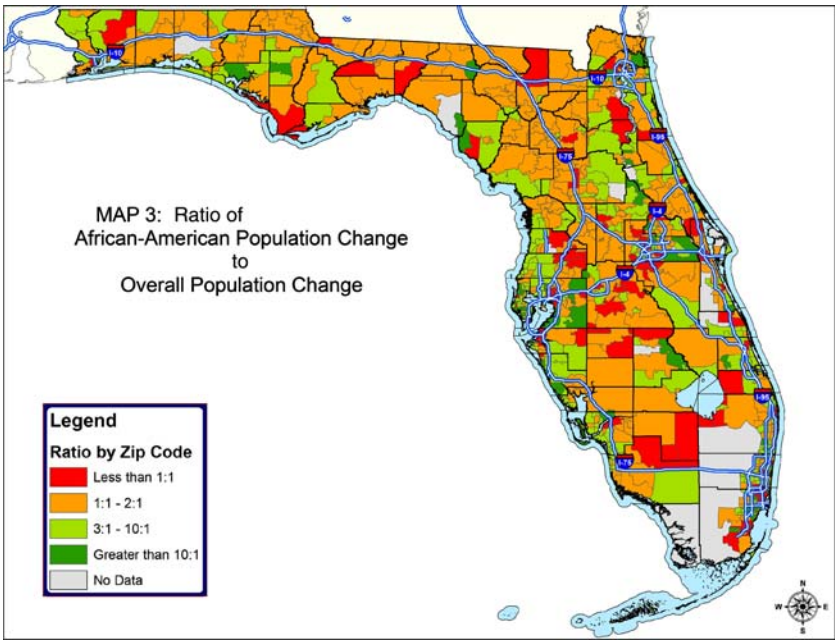
In Map 4, we present Hispanic population growth ratios by zip code for the counties throughout the state. Overall, the pattern of growth for Hispanics by zip code closely resembles those patterns observed in Map 2. Specifically, we see Hispanic to overall growth ratios of 3:1 or greater for a number of areas, particularly in North Florida and the Panhandle. Very high growth ratios (i.e. over 10:1), however, are found for only a few primary areas in the state. Specifically, portions of Duval County, Putnam County, and Alachua County in Northeast Florida, as well as small areas in Franklin and Dixie Counties along the Gulf coast are projected to see high Hispanic growth rates compared to the overall growth. Finally, there are a few zip codes in Dade County and along the Southwest coast where Hispanic growth is projected to be high.

Emerging Markets and Economic Stability

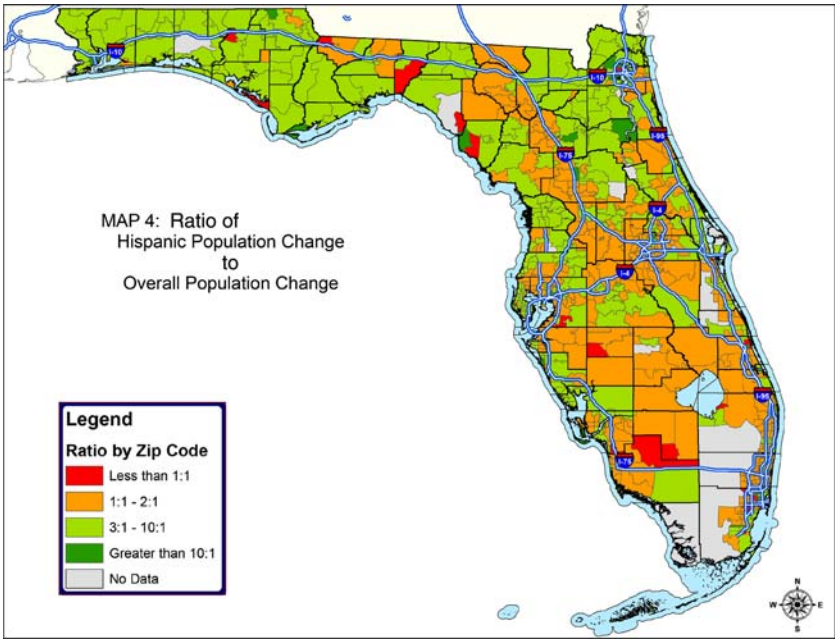
Within the discussion of emerging markets, a central concern is the extent to which these target groups have significant economic resources available for use in the market. At the zip code level, we found a large number of areas in which the ratio of minority/overall population growth exceeded 3:1. In Maps 5 and 6, we outline those zip codes with *median household* incomes projected to be greater than $70,000 in 2010 in yellow to assess the extent to which these projections for population growth correspond to areas with significant resources.

Seventy thousand dollars was selected as a threshold for analysis based on findings in previous research literature, and provides a basic metric which represents household disposable income that can (theoretically) be available for investment spending. The databases used in this analysis do not allow for identifying income projections for 2010 by race, nor are there projections for "disposable" income

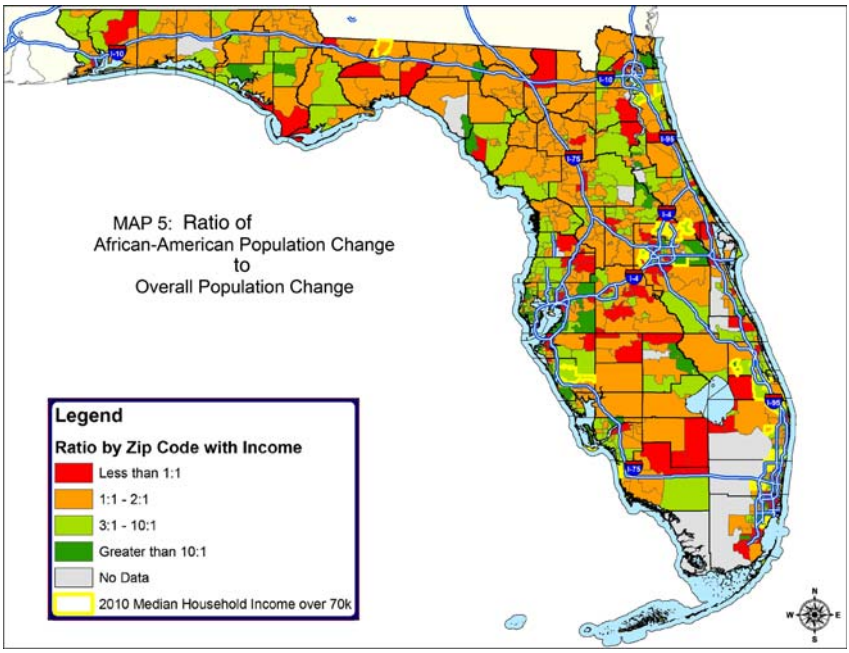
[1] Some zip codes are represented by the color grey to denote the lack of data. These areas are either located in sparsely inhabited areas, or are zip codes with very few minority group members, and thus the Census Bureau does not provide information.



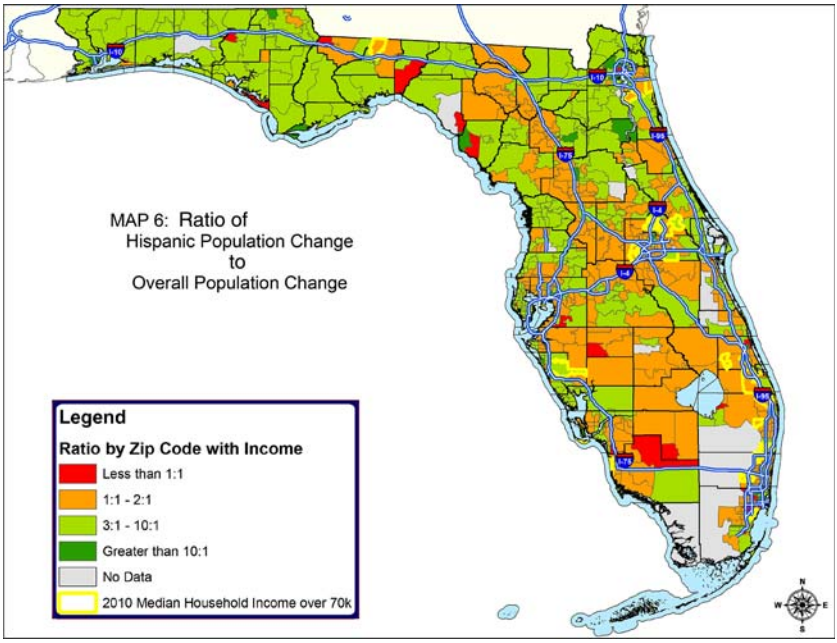
Map 3 Ratio of African American population change to overall population change



Map 4 Ratio of Hispanic population change to overall population change



Map 5 Ratio of African American population change to overall population change



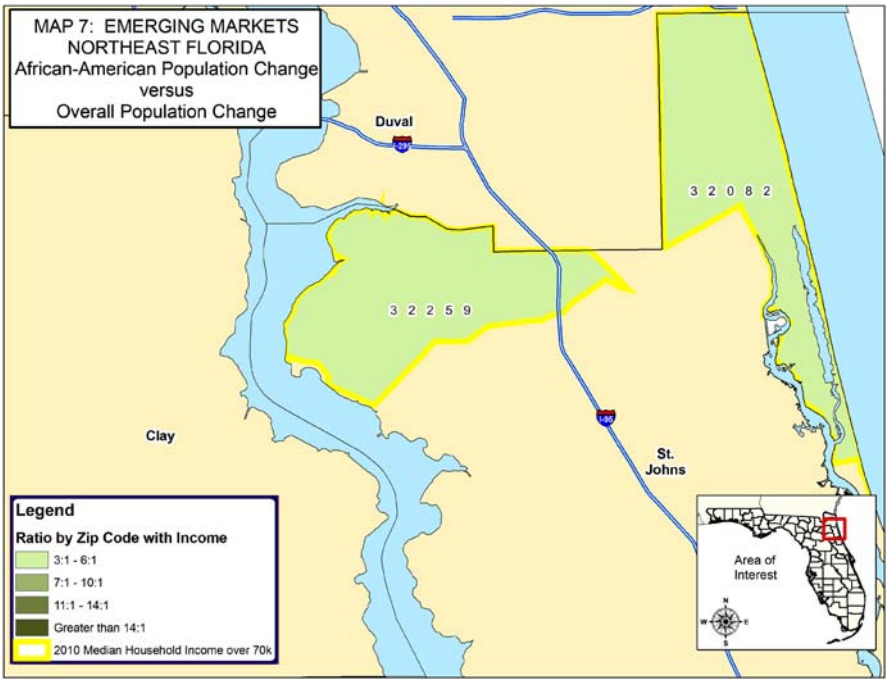
Map 6 Ratio of Hispanic population change to population change

(only for household income measures). In all, there are 57 zip codes in Florida that have median household incomes projected to be over $70,000 in 2010.

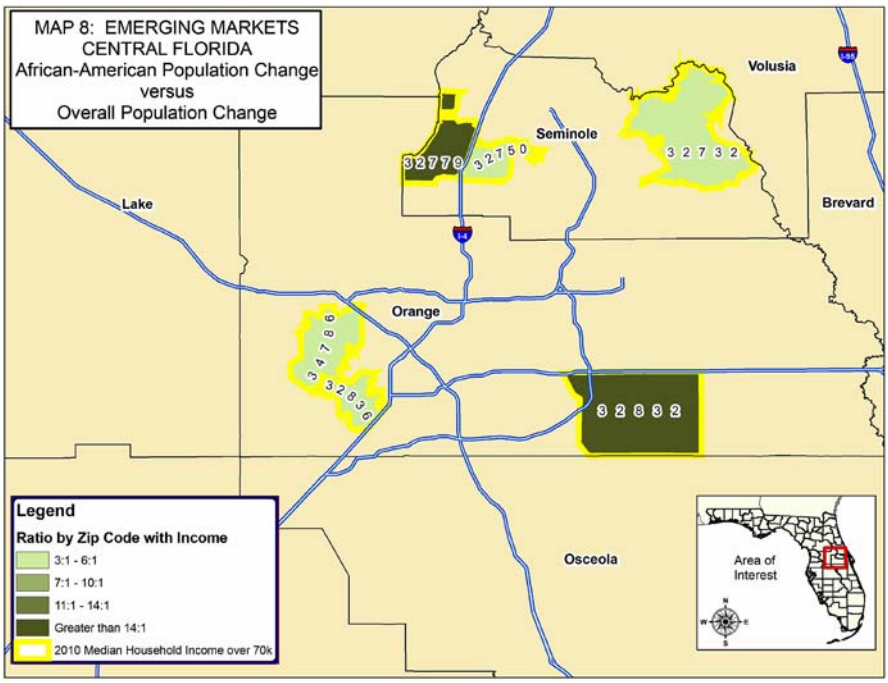
In Map 5, the African American/overall growth ratios are presented, with zip codes projected to have median household incomes over $70,000 outlined in yellow. The primary focus for this analysis is identifying those areas with high incomes and high African American growth. Overall, 44 zip codes were identified using this criteria. As can be seen in Map 5, those zip codes meeting the high growth/high income criteria for African Americans are primarily clustered around the Southeast coastal areas (Dade County through St. Lucie County) and the Greater Orlando area, with a few other zip codes in Northeast Florida and on the south-central areas on the state's West coast.

In Map 6 the Hispanic/overall growth ratios are presented with the income threshold as well. We found only 23 zip codes in which 2010 projected Hispanic growth was very high and median household incomes were projected to be high. Although the high growth–high income zip codes are not as numerous for Hispanics as for African Americans, they tend to be located in the same areas of the state, with the exception of Northeast Florida.

To better illustrate the power of this analysis, Maps 7–9, zoom in on those specific areas where these zip codes are located. For each of these maps, the high growth–high income zip code is outlined in yellow, with the African American/overall and Hispanic/overall growth ratios color shaded to illustrate the level of



Map 7 Emerging markets Northeast Florida: African American population change versus overall population change



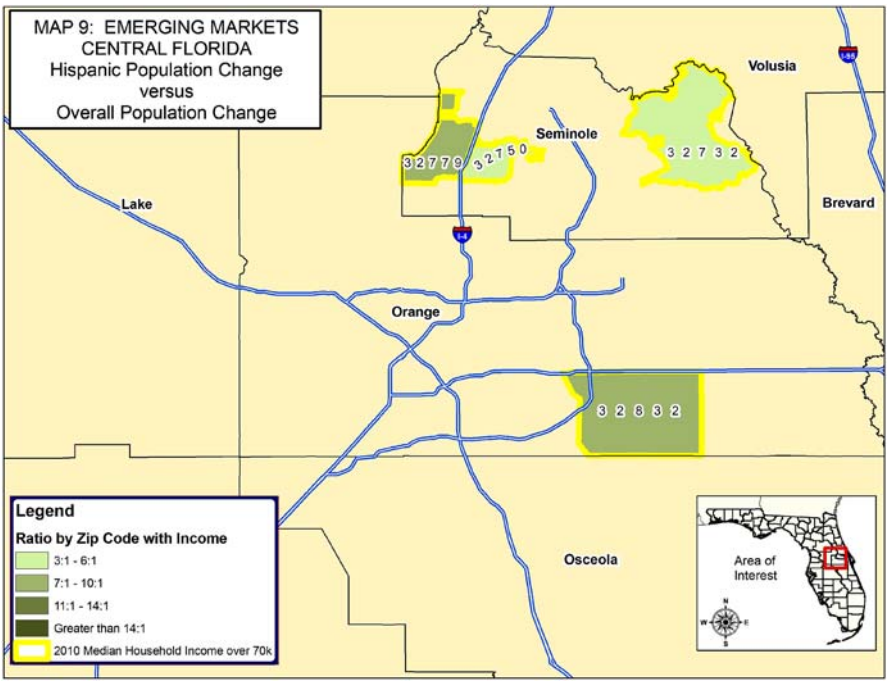
Map 8 Emerging markets Central Florida: African American population change versus overall population change

growth. For example, in Map 7 there are two zip codes in Northeast Florida that are projected to have high median income levels, as well as high growth among African Americans. For each of these zip codes the projected growth ratio ranges from 3:1 to 6:1. Note that in Northeast Florida there are no zip codes that are projected to have high Hispanic/overall growth ratios *and* high median household incomes.

When we examine the greater Orlando, however, we find a number of high growth/high income areas for both African Americans and Hispanics. For example, in Seminole Country there are four zip codes in which the emerging African American market will be pronounced in 2010, and three areas in Orange County (see Map 8). In Seminole County, we a similar pattern for the emerging Hispanic market, although in Orange county only one area is identified in which the Hispanic market is predicted to be as vibrant. Similar smaller area analysis can be conducted for all of the identified areas outlined in Maps 5 and 6.

Conclusion

Over the next decade, Florida will experience significant growth across all segments of the population. However, it is clear that minority group growth, particularly Hispanics and African Americans, will rise at rates significantly above that of Whites and the overall population growth. It is also clear that there are a number of



Map 9 Emerging markets Central Florida: Hispanic population change versus overall population change

areas within Florida where emerging markets—minority groups with significant income and other economic resources—can be identified.

In the preceding analysis, 44 emerging market areas were identified where very high African American population growth and high median household incomes were co-located. Similarly, 23 emerging market areas were identified where high Hispanic population growth and high median incomes are co-located. These emerging market areas were found in eight "regions" of Florida, primarily along the East coast, Southwest coast and Orlando areas. These areas represent important targets for future growth in financial services, target marketing, and increased entrepreneurial activities.

References

Allimadi, M. (1998). Black wealth through investment [electronic version]. *Network Journal, 6*. http://www.tnj.com. Retrieved 19 Jan 2005.

Beam, K. (1994). Geographic information systems: A new way to look at business data. *I/S/ Analyzer, 32*, 1–20.

Bergman, M., & Tolbert, M. (2005). Minority groups increasing business ownership at higher rate than national average. In *U.S. Census Bureau News*, Washington, D.C.: U.S. Department of Commerce.

Bernstein, R. (2004). Hispanic and Asian Americans increasing faster than overall population. In *U.S. Census Bureau News*, Washington, D.C.: U.S. Department of Commerce.

Birkin, M., Clarke, G., Clarke, M., & Wilson, A. (1996). *Intelligent GIS*. Cambridge, U.K.: GeoInformation International.

Black, S., Powers, G., & Roche, M. (1994). A GIS-based approach to community analysis for targeted marketing. *Economic Development Review, 12*, 69.
Brown, C. (2004). Generating wealth; demystifying the steps to embracing effective financial strategies. *Network Journal, 11*. Proquest Database. Retrieved 26 October 2004.
Camarata, S. J. (1994) Geography for business: Who needs it? In *Proceedings of the GIS in business 1994 conference* (pp. 19–21). Fort Collins, CO: GIS World Books.
Castle, G. (1994). GIS in real estate valuation. In *Proceedings of the GIS in business 1994 conference* (pp. 133–136). Fort Collins, CO: GIS World Books.
Chase, Z. (2003). Turning dinero into dollars. *Forbes.com*. http://www.forbes.com/2003/07/28/cx_zc_0728hispanic_print.html. Retrieved 19 Jan 2005.
Chavez, E., Crowder, K., & South, S. J. (2005). Migration and spatial assimilation among U.S. Latinos: Classical versus segmented trajectories. *Demography, 42*, 497–521.
Clapp, J. J., Rodriguez, M., & Thrall, G. (1997). How GIS can put urban economic analysis on the map. *Journal of Housing Economics, 6*, 368–386.
Darling, M. (1994). GIS: Information technology to leverage and create customer value. In *Proceedings of the GIS in business 1994 conference* (pp. 37–40). Fort Collins, CO: GIS World Books.
Day, J. C. (1996). Population projections of the United States by age, sex, race, and Hispanic origin: 1995 to 2050. In *U.S. Bureau of the Census, Current Population Reports* (pp. 25–30). Washington, D.C.: U.S. Government Printing Office.
Dennis, A., & Carte, T. (1998). Using geographical information systems for decision making: Extending cognitive fit theory to map-based presentations. *Information Systems Research, 9*, 194–203.
Dolan, T. G. (2007). Latina impact on the U.S. *The Hispanic Outlook in Higher Education, 17*, 42–52.
Dueker, K. J., & Kjerne, D. (1989). *Multipurpose cadastre: Terms and definitions*. Falls Church, VA: ASPRS and ACSM.
Foust, B., Botts, H., & Martin, E. (1994). Using GIS to model barriers affecting concumner travel patterns. In *Proceedings of the GIS in business 1994 conference* (pp. 151–159). Fort Collins, CO: GIS World Books.
Grimshaw, D. J. (1994). *Bringing geographical information systems into business*. New York: John Wiley.
Goldman Sachs Group, Inc. (2005). What we see. http://www.gs.com/client_services/urban_investment_group/what_we_see.html. Retrieved 19 Jan 2005.
Green, M. (2004). Winning the Hispanic market. *Best's Review, 105*(5). Wilson Web Database. Retrieved 19 Jan 2005.
Griffin, C. E. (1999). Special report part I: Quick guide for minorities. *Entrepreneur Magazine*. http://www.entrepreneur.com. Retrieved 19 Jan 2005.
Harrington, M. & Yago, G. (1999). Mainstreaming minority business: Financing domestic emerging markets [Policy Brief]. http://www.milkeninstitute.org. Retrieved 19 Jan 2005.
Hinds, V. (2000). Trends in black investments. *Network Journal, 7*(9). Retrieved October 26, 2004. http://www.tnj.com. Retrieved 19 Jan 2005.
Holland, S. (2007). Getting educated on the ethnic homeownership and pricing gaps. *Mortgage Banking, 67*, 123–125.
Hooper, H. (1997). Who's really shopping my store? *Open GIS: Interoperability Becomes Reality, 9*, 34–36.
Inman, J. J., Shankar, V., & Ferraro, R. (2004). The roles of channel-category associations and geodemographics in channel patronage. *Journal of Marketing, 68*, 51–71.
Irvin, N., II (2004). The arrival of the thrivals. *The Futurist, 38*, 16–23. Wilson Web Database. Retrieved 19 Jan 2005.
Longley, P., & Clarke, G. (Eds.). (1995). *GIS for business and service planning*. Cambridge, U.K.: GeoInformation International.
McAlexander, J. H., Schouten, J. W., & Koenig, H. F. (2002). Building brand community. *Journal of Marketing, 66*, 38–54.
McCormick-Jennings, R. (2006). Minority buying power getting stronger. *Business Journal of Milwaukee*, 22 Sept 2006.
Milken Institute (2000). The minority business challenge: Democratizing capital for emerging domestic markets. www.mbda.gov/documents/democratizing.pdf. Retrieved 19 Jan 2005.
Moyer, J. (1993). Strategic market planning in the 1990s: Understanding spatial dimension. In *Proceedings of the GIS in business 1993 conference* (pp. 157–161). Fort Collins, CO: GIS World Books.

New American Alliance. (2004). Diversity in the financial services industry and access to capital for minority-owned businesses: Challenges and opportunities. http://financialservices.house.gov/media/pdf/071504ah.pdf. Retrieved 19 Jan 2005.

Orzel, C., Lea, T., & Crain, R. (2000). Cashing in on market potential. *Business Geographics, 8*, 24–27.

Oswald, L. (2003). Branding the American family: A strategic study of the culture, composition, and consumer behavior of families in the new millennium. *The Journal of Popular Culture, 37*, 309–335.

Pike, D. (1999). Assessing the viability of a life department. *Financial Services Advisor, 142*, 33–34.

PR Newswire. (2004). *Countrywide home loans becomes nation's #1 mortgage lender in emerging markets; loans to African Americans, Hispanics, Asians, and American Indians increase by 65.5 percent*. Infotrac Database. Retrieved 26 Oct 2004.

Pulse Online. (2004). Special programs: Small company focus-18th annual minority enterprise development week focuses on the emerging minority marketplace. http://pulse.tiaonline.org/print.cfm?id=234. Retrieved 19 Jan 2005.

Roper, C. (1993). Spatial interaction modeling helps W.H. Smith pick better store sites. *GIS Europe, 2*, 40–42.

Schwartz, P. (2000). America's emerging market: Will investors play? *Global Business Network*. www.gbn.com/ArticleDisplayServlet.srv?aid=1430. Retrieved 26 Oct 2004.

Skop, E., & Li, W. (2005). Asians in America's suburbs: Patterns and consequences of settlement. *The Geographical Review, 95*, 167–188.

Sleight, P. (1997). *Targeting customers: How to how to use geodemographic and lifestyle data in your business* (2nd ed.). Henley-on-Thames: NTC Publications.

Stillwell, J., Geertman, S., & Openshaw, S. (Eds.). (1999). *Geographic information and planning*. Berlin: Springer-Verlag.

Stone, J. (2000). Location analysis put businesses in their place. *Business Geographics, 6*, 18–21.

Target Market News. (2003). The Hispanic buying power report, 2003. www.targetmarketnews.com/publications.htm. Retrieved 25 Jan 2003.

Target Market News. (2004a). Study details differences between blacks and whites in shopping, media habits. www.targetmarketnews.com/consumernews.htm. Retrieved 26 Oct 2004.

Target Market News. (2004b). Study of black newspaper readers shows most don't read general market dailies. www.targetmarketnews.com/consumernews.htm. Retrieved 26 Oct 2004.

Target Market News. (2004c). African-American investors are returning to the stock market, says Ariel/Schwab study. www.targetmarketnews.com/consumernews.htm. Retrieved 26 Oct 2004.

Target Market News. (2004d). New 'Buying Power' report reveals surge by black households for consumer electronics. www.targetmarketnews.com/consumernews.htm. Retrieved 26 Oct 2004.

Target Market News. (2004e). Study finds that African-Americans over-index whites, Hispanics on owning digital technology. www.targetmarketnews.com/consumernews.htm. Retrieved 26 Oct 2004.

Thompson Media, Inc. (2004). Emerging markets: Closing the gap. *National Mortgage News, 29*, 17.

Wallace, C. E. (2004). Minorities demand increasing attention from franchisors. *IndUS Business Journal Online*. www.indusbusinessjournal.com. Retrieved 19 Jan 2005.

Wood, R. (2004). Minority buying power grows. *The Business Review*. http://albany.bizjournals.com/albany/stories/2004/08/23/story1.html. Retrieved 19 Jan 2005.