

South St. Petersburg's Economy

SNAPSHOT REPORT

■ Business ■ Consumer Market ■ Commercial Landscape ■ Labor Market

Business & Entrepreneurship



Size of the business sector

Census data show 3,200 self-employed residents in South St. Pete and 1,088 business establishments. Citywide, over the last 35 years, the number of black owned firms grew seven-fold (from 300 to 4,481).

Business income

Census data show \$913 million in revenue to private establishments in South St. Petersburg. Excluding Wal-Mart - which was \$113 million of the total - establishments had average revenue of \$500,041.

Self-employment earnings

Census data show total self-employment income of \$87 million for Southside residents; and revenues of \$115 million to black owned firms citywide.

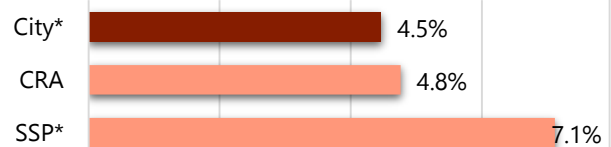
Growth

- CRA residents are closing the gap: the self-employment rate climbed 2 points from 2000 to 2014 (to 8% in the CRA vs 10% citywide).



- Self-employment income is a bigger part of Southside residents' income, compared to others in the City.

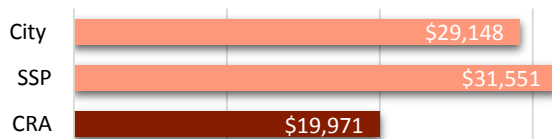
Self-employment as share of all earnings



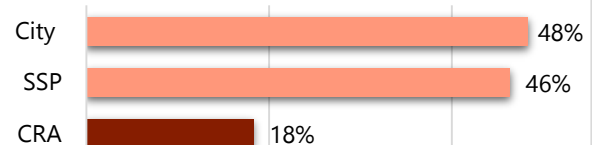
Challenges

- Black owned firms continue to struggle for scale and sustainability. Several larger firms folded in the past decade. Over the last 30 years measured, black owned firms' average revenue fell 63%.
- Businesses in the CRA are smaller, less formally organized, and create fewer jobs. Only 18% of the CRA's self-employed people have incorporated businesses vs 48% citywide.

Average self-employment income



Self-employed w/ incorp. firms



Consumer Market

The aggregate income of African Americans in the City stood at \$1.04 billion in 2013 (11% real growth since the year 2000). That same year, aggregate income for South St. Petersburg residents was \$1.9 billion and for CRA residents was \$485 million.

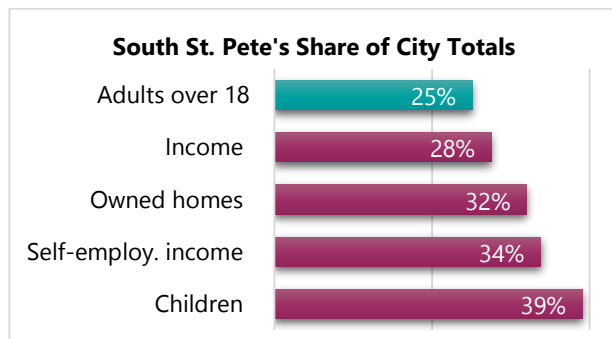
Large share of local spending

Though incomes are modestly lower in South St. Pete (and significantly lower in the CRA), data suggest that the community plays an outsized role in local consumer spending **due to two factors**.

INCOME LEVELS	CRA	SSP	City
Median household	\$28,419	\$40,630	\$44,756
Per capita	\$14,438	\$29,043	\$27,825

#1 Population density makes Southside residents a disproportionate share in factors that fuel spending such as housing costs and children.

For example, South St. Petersburg is home to 25% of adults over 18, but to 32% of homeowners and renters and 39% of the City's children.



#2 The Southside's weight in local spending is driven – paradoxically – by the large number of low-income households there, for two reasons.

Low-income people spend more of their income than middle & upper income peers (who save and invest more). For example, in 2014, CRA residents spent cash equal to 29% of their income for housing vs 20% for other City residents.

Even more impactful, low-income people attract an influx of public and charity spending on poverty-



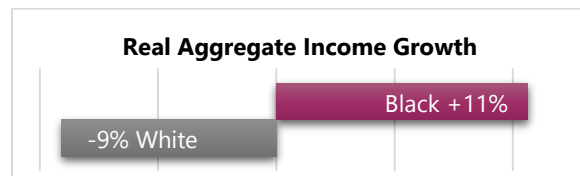
Est. Yearly Expenditures:

- Housing costs \$418 million
- Eating out \$86 million

related services. Of the \$679 million spent yearly on services to Southside residents, some \$950 million flows into the City economy in the spending of non-profit, public and for-profit service providers.

Growth

From 2000 to 2013, African Americans' aggregate income grew (in real terms) by 11%, compared to a 9% reduction for white residents of the City.



Challenges

- Though African Americans' buying power grew, they are no better off today than they were at the turn of the century. Per capita income shrank by 1.4% from 2000 to 2013 in real terms. Aggregate income is driven more by population growth and aging trends than by real earnings gains.
- Too little local spending flows to community and African American-owned firms. As one indicator, black owned firms' revenue is equal to only 11% of African Americans' aggregate income, while white owned firms' revenue equals 201% of whites' aggregate income.



The Built Environment

Commercial Revitalization

South St. Petersburg has been substantially transformed over the past 20 years. Since Mayor David Fischer began efforts to spur revitalization, City reports reflect 603,000 square feet of construction, renovation and historic preservation of commercial and community facilities.



The new 45,000 sq. ft. Petersburg College Midtown campus is the latest project completed. Over the years, media heralded completion of facilities such as the Manhattan Casino, Childs Park YMCA, GTE Federal Credit Union, Royal Theater and Tangerine Plaza, now anchored by a Wal-Mart.

- ▶ **Commercial space in use:** 4.46 million square feet in 2013, and increase of 4% since 2001
- ▶ **Commercial occupancy;** 90% in 2013

Growth

Positive trends continue with projects such as:

- Construction on the 14-acre Commerce Park site
- Construction of a 9,900 square foot state-of-the-art childcare center on the Mt Zion campus
- Renovation of the 9,000 square foot David Welch Plaza by Pinellas Ex-Offender Re-Entry Coalition
- & more.....

Challenges

- The City and partners are only beginning to form solutions to the redevelopment slow-down that happened from 2009 to 2013, partly as a result of the recession's impact on project financing.

Home ownership & housing

There are 33,857 occupied housing units in South St. Petersburg (including 20,902 owned homes), which is nearly one-third (32%) of the City total.

The homeownership rate is higher in South St. Petersburg than it is citywide (65% vs 62%). Though still lower in the CRA (56%), the area saw its homeownership rate climb 9.3 points, from 1999 to 2012.

	CRA	SSP	City
<i>Total Housing Units</i>	15,047	30,295	127,245
<i>Vacant</i>	3,334	8,152	22,814
<i>Occupied</i>	11,712	22,145	104,431
<i>Owner Occupied</i>	6,547	14,355	64,374
Ownership Rate	56%	65%	62%

Points of progress

- From 1994 to 2013, over 3,800 housing units were newly constructed, rehabilitated or demolished in the CRA (30% turnover)
- From 1999 to 2013, Midtown's share of the City's vacant & boarded units fell from 75% to 44%.

Challenges

- **Mortgages Underwater:** All 3 South St. Pete zip codes rank in the top 10% of zips in America for highest rate of "underwater" mortgages.
- **Housing costs are a bigger burden today than in 2000:** 55% of CRA households are "housing cost burdened" i.e., housing costs in excess of 30% vs 41% who were "cost burdened" in 2000. Among renters, 73% in the CRA pay more than 30% of their income for housing vs 56% citywide.

According to the South St. Petersburg CRA Plan released in 2015, "Housing affordability is undermined by the large number of vacant & boarded units in the CRA - 650 in Dec. 2014, which removes supply from the market and reduces competition for tenants. This partially explains why the median gross rent of \$848/month for CRA tenants is only \$60 less than rent paid throughout the city." (Edited for space).

The Labor Market & Talent Supply Chain

From 2000 to 2014, African Americans:

- ☛ Became a larger share of the City's working age people (22%, up 2.3 pts)
- ☛ Became a larger share of the City's college-enrolled population (27%, up 7 pts)



The Workforce

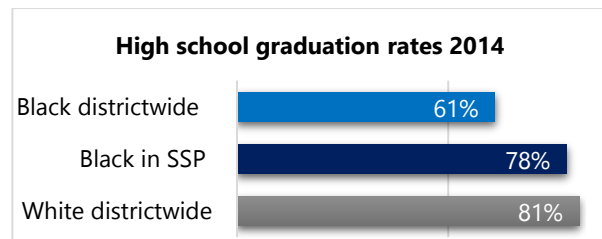
Despite the recession, there are more African Americans employed today in St. Petersburg than there were at the turn of the century. From 2000 to 2014, African Americans added 4,900 to the labor force.

	2014	Increase since 2000
<i>Working Age People</i>	45,704	18%
<i>In the Labor Force</i>	28,921	20%
<i>Employed</i>	24,421	12%
<i>Unemployed</i>	4,318	89%
Share of City Workforce	21.6%	+2.3%

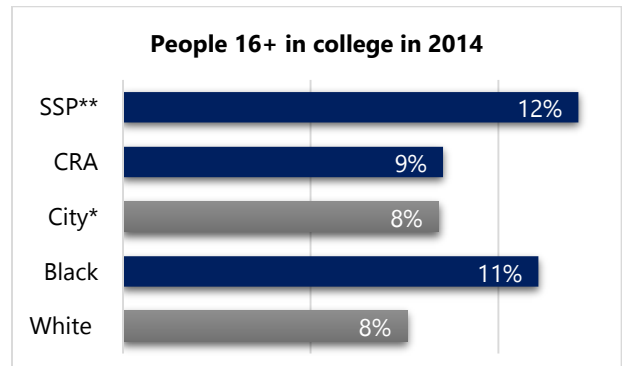
Talent Supply Chain/Labor Supply

More black and Southside residents are earning secondary and post-secondary credentials.

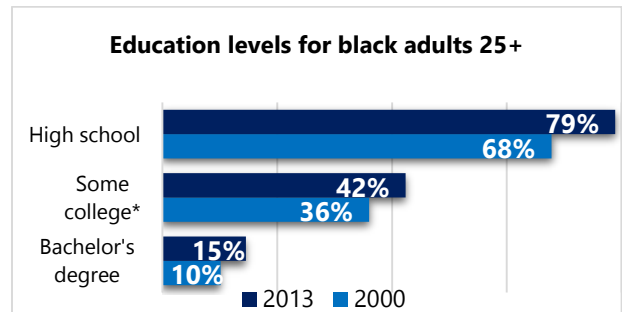
☛ The black student high school graduation rate is up across Pinellas; results are even stronger in St. Petersburg. From 2000 to 2014, the number of black adults with a high school credential or higher grew by 7,849 (36%).



☛ Black & Southside students are entering college in greater numbers than other City residents. From 2000 to 2014, the number of black college-enrolled students grew by 91% vs 14% for white students.



☛ The City's black and Southside labor force is far better educated today than in the year 2000. E.g., as this graph shows, the share of African Americans 25+ with a high school credential or higher rose 11 pts, from 2000 to 2013 vs a 7 pt gain for whites.



African Americans are moving the needle

St. Petersburg’s African American community and the neighborhoods where the majority of African Americans reside are far better off today than they were at the turn over the century.

Thanks to hundreds of organizations and thousands of people who rolled up their sleeves to make a difference, the needle is moving in the right direction for dozens of life quality metrics.

This table offers a summary view of the 100+ progress indicators being tracked by the 2020 Plan Task Force to show where we stand in the journey to fulfilling the American dream for the City’s 60,000 black residents (2013).

The Next Era of Progress

The red symbols in the table indicate areas of life where trends are negative or where gaps have widened or remain stuck. They also represent the focus of a growing network of organizations working collectively to accelerate progress in the years ahead.

Among the biggest priorities:

- Strengthening men in their most vital roles as fathers, breadwinners and husbands
- Reducing the staggering toll of crime and imprisonment, including the urgent number of ex-offenders unable to secure decent-paying jobs
- Reducing the size of the “underground economy” of illegal and informal trade
- Improving the community’s health – physically, mentally and financially
- Growing micro & small businesses as a source of new revenue and jobs
- Growing the rate of wealth accumulation through savings, investing and home ownership

	Trend positive?	Gap closing?
From Cradle to College		
Healthy births	✓	✗
School readiness	✓	✓
School success K-8	✗	✗
H.S. graduation rate – boys	✓	✓
H.S. graduation rate – girls	✓	✓
College enrollment	✓	✓
College graduation	✓	✓
Workforce & Economy		
Employment – men	✓	✗
Employment – women	✓	✓
Aggregate income	✓	✓
Per capita income	✗	✗
Family income	✓	✗
Household income	✓	✗
Earnings – men	✓	✗
Earnings – women	✓	✓
Business ownership	✓	✓
Business revenue per firm	✗	✗
South St. Petersburg		
Community Housing Stock	✓	✓
Commercial Development Pace	✓	✓
Commercial Occupancy	✓	✓
Vacant & boarded properties	✓	✓
Home ownership – In CRA	✓	✗
Family Strength		
Children born to unwed mothers	✗	✓
Children raised by single parents	✗	✗
Children raised by non-parents	✗	✗
Adults married	✗	✗
Men able to support families*	✗	✗
Crime offenses	✓	✗
Juvenile delinquency	✓	✗
Incarceration	✓	✗
Recidivism (repeat offending)	✓	✗
Health		
Cancers	✗	✗
Diabetes	✗	✗
HIV/AIDS	✓	✗

*Men able to support families = Men earning enough to support a family of 3 above low-income level