



AMERICAN COMMUNITIES PROGRAM

**A DEEPER, MORE HOLISTIC UNDERSTANDING
OF THE FUTURE OF AMERICAN COMMUNITIES**



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Strong communities are a fundamental driver of sustainable economic growth in America. Vibrant communities enable better quality of life and economic prospects for their residents, generating demand for goods and services; that in turn attracts continued investment and creates jobs. A sustainable growth cycle ensues.

Public- and private-sector organizations in the U.S. are investing billions of dollars every year to build strong communities. Government agencies are vested in ensuring better quality of life and economic opportunity at a local level. Nongovernmental organizations (NGOs) and foundations support initiatives to improve community outcomes. The private sector triggers economic activity and creates jobs in communities.

STILL, MANY AMERICAN COMMUNITIES CONTINUE TO STRUGGLE TODAY, AND THEIR FUTURE PROSPECTS ARE HIGHLY UNCERTAIN.

A central challenge for all of these stakeholders is to understand the connection between community well-being and consumer demand for goods and services, from both the private and public sectors. This is becoming increasingly important as American communities are evolving in highly disparate ways.



AMERICAN COMMUNITIES ARE SHIFTING

- Our previous research found that **over half of American cities and towns will face significant economic challenges going forward.**
- **Poverty has extended to suburban communities:** nearly half of those living in poverty in the U.S. now live in the suburbs, a dramatic uptick from past decades.
- **Low-income household growth is outpacing high-income:** since 2000, the number of households with incomes under \$35,000 grew more than twice as fast as the number of households with incomes of \$75,000 or more, in 2015 dollars. Growth of low income households was fastest in communities that used to be solidly middle income.
- **Housing wealth is increasingly concentrated:** between 2000 and 2013, the top 20% of communities, when ranked by median single-family home value, saw their home values increase by 73%, compared with just 9% for communities in the bottom 20%.



Adding to the complexity, community prospects and their connections to consumer behavior are continuing to shift due to several factors, including urbanization, labor-market changes, wealth inequality, health and education outcomes, access to healthy foods, and environmental quality. Efforts by public- and private-sector organizations to support communities also will lead to ongoing change.

In this complex and changing environment, we see a need for more clarity and dialogue to meet future challenges:

BETTER UNDERSTANDING OF THE INTERPLAY BETWEEN CONSUMER DEMAND AND COMMUNITY WELL-BEING

We see a dearth of robust and practical research about important forthcoming shifts in consumer demand driven by the strengths and struggles across American communities. These demand shifts will have implications for business and policy priorities and strategies, both locally and nationally.

INCREASED PUBLIC AND PRIVATE RESEARCH COLLABORATION

The growing collaboration between public and private sectors can be enhanced by joint insight development, holistically considering the priorities of all stakeholders, for the ultimate good of communities and their residents.

INTEGRATED INFORMATION

We have not come across an integrated system that builds insight from a range of public and private information sources. What is needed is a platform for openly sharing and debating the information and insight, and supporting business and policy stakeholders as they build investment strategies.

INSIGHT INTO LOCATION'S FUTURE ROLE FOR PRIVATE INDUSTRY

There is constant change in the ways consumers interact with their local surroundings in their lives—as they work, shop, use media and entertainment, eat in and out of the home, engage with technology, and commute—and that change is not well understood. Shifts in these consumer decisions will have substantial implications for businesses in their communities.

THE AMERICAN COMMUNITIES PROGRAM

THE DEMAND INSTITUTE'S AMERICAN COMMUNITIES PROGRAM AIMS TO MAKE A SIGNIFICANT, HIGH-PROFILE, DATA-DRIVEN CONTRIBUTION TOWARD UNDERSTANDING COMMUNITIES' FUTURE PROSPECTS FOR SUSTAINABILITY AND GROWTH, AND SHIFTING CONSUMER DEMAND ACROSS AMERICAN COMMUNITIES

The American Communities Program is founded on two core beliefs:

- **Community well-being and prospects, and those of its residents, are connected in fundamental ways.** To thrive, Americans need access to good schools, affordable housing in safe neighborhoods, well-paying jobs, and affordable healthcare, to name just a few critical needs. Once citizens' "basic" demands are satisfied, discretionary spending increases. Collectively, their demand leads to greater economic activity. A virtuous cycle ensues, and the community strengthens, increasing its capacity to provide a range of opportunities and services for its citizens.
- **Consumer demand, which drives economic growth within and across communities, is heavily influenced by local conditions.** Communities are evolving in different ways—for better and worse—resulting in disparate needs and consumption patterns at the local level. By understanding how specific community prospects are shifting, we can identify ways for both the public and private sectors to better serve that community.

Our aim is to provide business leaders and policy makers with insights needed to fuel sustainable economic growth across all American communities.

The Demand Institute has studied and delivered robust insight on the future of consumer demand for American Communities and Housing for nearly five years. We recently concluded an in-depth research program, in collaboration with 18 blue-chip organizations, to better understand the future of home and community demand, providing insights for business leaders and policy makers to address the needs of their consumers and citizens.



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OUR EXAMINATION OF CONSUMER DEMAND IN THE U.S. AND OTHER MARKETS OVER THE LAST FEW YEARS HAS DEMONSTRATED THAT GLOBAL WEALTH DISPARITY IS AS MUCH A COMMUNITY STORY AS IT IS A CONSUMER STORY. WHILE PEOPLE OF SIMILAR ECONOMIC PROFILES HAVE ALWAYS LIVED TOGETHER, THE CONTRAST BETWEEN SUCCESSFUL AND STRUGGLING COMMUNITIES IS ONLY GETTING SHARPER ALONGSIDE GROWING WEALTH AND INCOME INEQUALITY. WHILE THIS CONTRAST PRESENTS NEW OPPORTUNITIES TO SERVE AFFLUENT CONSUMERS IN THE CITIES WHERE THEY LIVE, IT ALSO CREATES A NECESSITY FOR PRIVATE-, PUBLIC-, AND CIVIC-SECTOR LEADERS TO JOIN FORCES AND ENSURE THAT THE STRUGGLING COMMUNITIES AND THEIR CITIZENS ARE NOT LEFT BEHIND. A BALANCED APPROACH IS ESSENTIAL TO MAINTAINING A HEALTHY AND HARMONIOUS GLOBAL ECONOMY.

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MARK LEITER

*CHAIRMAN OF THE DEMAND INSTITUTE
CHIEF STRATEGY OFFICER AT NIELSEN*

A series of publications from The Demand Institute, including [A Tale of 2000 Cities](#), have delivered key findings from that research program. The Demand Institute's research has been featured in major media outlets including *Bloomberg Businessweek*, *the Wall Street Journal*, *Fortune*, *CNN Money*, *Time*, *NPR*, *The Atlantic*, and *the Financial Times*.

Topics under consideration for future work include:

- **2000 CITIES PROJECT**

We continue to see evidence that many communities in the U.S. are struggling and that fresh insight is needed into the causes and potential solutions. Since 2011, The Demand Institute has been building a one-of-a-kind database of metrics on over 2,000 American cities and towns to better understand the current conditions and future prospects for those communities. In our report [A Tale of 2000 Cities](#), we described nine different community types, ranging from places that were struggling to those that were thriving. We plan to expand on this work and provide an updated assessment of how communities are faring and what that will mean for business leaders and policy makers.

- **THE OPPORTUNITY DIVIDE**

There is growing evidence that income and wealth inequality is growing in the U.S. What is less understood is how this inequality manifests across different communities and affects consumer demand. This research will describe the dynamics of inequality at both the national and local levels, identify how it affects communities and low-income households, and reveal how consumer needs and spending change alongside inequality. We will build insight on cross-industry implications for sectors such as education, health, food, retail, media, and technology.

- **LOCATION MATTERS IN THE DIGITAL AGE**

While e-commerce and other location-agnostic digital tools are becoming ubiquitous in consumers' lives, we posit that location will continue to matter in important ways for retailers, financial services, and other consumer industries. We will focus specifically on the evolving role of location and how it will continue to shape consumer shopping and retail demand across different types of American communities.



PROGRAM OUTCOMES

1. INSIGHT

We will publish perspectives on issues pertinent to the future of American communities and the citizens living in them. We will provide detailed implications for the private- and public-sector stakeholders investing in local communities.

2. CONVENING

The Demand Institute will convene senior stakeholders from the public and private sectors. Bringing a select group of experts and leaders around the table to discuss and debate the research findings will provide several benefits to all involved:

- a. Strengthening the network of policy and business leaders with a common interest in the future of American communities
- b. Incorporating perspectives of a broad range of stakeholders to strengthen our conclusions
- c. Delivering a platform to disseminate outcomes of our research and to maximize its impact on decision making

3. DATA-SHARING PLATFORM

Location-specific data and insight have long been essential to decision making in both business and policy arenas. While there is shared importance, however, we don't see enough collaboration in the types of information utilized by public- and private-sector organizations to assess investment opportunities across American communities. This divide could continue to grow in an era of rapidly expanding location-based data sources, including unstructured "big data."

We intend to continually update and expand our distinctive database of 2,200 U.S. cities and towns, incorporating a wide range of measures of community quality of life and economic well-being. Associated with that data are frameworks and analyses for projecting the prospects of communities. Beyond that, we aim to bridge the gap between public- and private-sector uses of data, and reveal opportunities to use new data sources to inform location-based decisions.

The analytic platform can be used to inform decision making by a range of stakeholders:

- Support for local and national efforts to build a standard set of indicators to measure and interpret changes in communities' economic health and quality of life
- Development of evidence-based strategies for public policies and business investment, along with more effective and efficient planning and evaluation of resource allocation
- Establishment of collaboration efforts across stakeholders as they access, share, and discuss data, analytics, and research

JOIN THE AMERICAN COMMUNITIES PROGRAM

We are looking for representatives from the public and private sectors to join us and support our efforts.

Specifically, the project team seeks the following contributions from various organizations:

- **Government agencies** with mandates related to the future of American communities: expertise and information
- **Technology firms:** help with building and maintaining our 2000 Cities database and platform
- **Foundations, individuals, and private-sector organizations:** financial support to meet our operating expenses as well as collaboration in data collection, research, and development of insights
- **Communications organizations:** help in disseminating our research to ensure that it reaches the right stakeholders
- **Academic institutions:** expertise to improve our research

WHY SHOULD YOU JOIN?

- Help us build a vibrant conversation across public- and private-sector leaders to identify tangible ways to help communities become more successful in the future. Doing so will support consumer demand and lead to stronger economic growth for the nation.
- Be part of a network of public- and private-sector organizations with a common interest in the future of American communities, including our parent organizations, The Conference Board and Nielsen.
- Support us to build a first-of-its-kind analytic platform, including a comprehensive database of 2,200 U.S. cities and towns, that unites metrics on community quality of life and economic well-being from a broad range of public and private sources.

FIND OUT MORE

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ABOUT THE DEMAND INSTITUTE

The Demand Institute illuminates how consumer demand is evolving around the world. We help government and business leaders align investments to where consumer demand is headed across industries, countries, and markets. The Demand Institute is a non-advocacy, nonprofit organization that is a division of The Conference Board and is jointly operated by The Conference Board and Nielsen.

To learn more, visit our website, www.demandinstitute.org.



