

Wealth in Orange County, Florida

Background & Introduction

In our county or community¹ analysis we address four key awareness areas:

- The Transfer of Wealth (TOW) Opportunity Findings
- Indicators of Wealth or Rationale for the TOW Findings
- Scenario Changers
- Donor Opportunity Areas

The following illustrates the kind of information covered in each of these four areas for Orange County, Florida. We have not prepared narrative for this illustration.

Transfer of Wealth (TOW) Opportunity Findings

Figure 1. Findings			
	Orange County	Florida	U.S.
2010 Current Net Worth (CNW) Findings			
Value (billions)	\$69.49	\$1,439.95	\$28,000
Per Household CNW	\$164,700	\$194,000	\$234,700
10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity			
Value of Opportunity (billions)	\$12.46	\$322.35	\$6,200
Per Household TOW	\$29,500	\$43,400	\$51,500
5% Capture (millions)	\$623.25	\$16,117.27	\$310.00
5% Payout (millions)	\$31.16	\$805.86	\$15.50
50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity			
Value of Opportunity (billions)	\$139.01	\$3,152.17	\$75,000
Per Household Value	\$329,500	\$424,800	\$628,100
5% Capture (millions)	\$6,950.67	\$157,608.31	\$3,750.00
5% Payout (millions)	\$347.53	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>			

¹ We are now able to generate CNW and TOW estimates at sub-county levels using zip code or municipal boundaries.

Figure 1A. Findings: Region Comparisons

	Orange County	Central	Florida	U.S.
2010 Current Net Worth (CNW) Findings				
Value (billions)	\$69.49	\$214.85	\$1,439.95	\$28,000
Per Household CNW	\$164,700	\$171,100	\$194,000	\$234,700
10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity				
Value of Opportunity (billions)	\$12.46	\$44.89	\$322.35	\$6,200
Per Household TOW	\$29,500	\$35,700	\$43,400	\$51,500
5% Capture (millions)	\$623.25	\$2,244.42	\$16,117.27	\$310.00
5% Payout (millions)	\$31.16	\$112.22	\$805.86	\$15.50
50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity				
Value of Opportunity (billions)	\$139.01	\$479.74	\$3,152.17	\$75,000
Per Household Value	\$329,500	\$382,000	\$424,800	\$628,100
5% Capture (millions)	\$6,950.67	\$23,987.10	\$157,608.31	\$3,750.00
5% Payout (millions)	\$347.53	\$1,199.36	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>				

Figure 1B. Findings: Urbanization Comparisons

	Orange County	Large Central Metro	Florida	U.S.
2010 Current Net Worth (CNW) Findings				
Value (billions)	\$69.49	\$418.02	\$1,439.95	\$28,000
Per Household CNW	\$164,700	\$165,800	\$194,000	\$234,700
10-Year (2011-2020) Transfer of Wealth (TOW) Opportunity				
Value of Opportunity (billions)	\$12.46	\$84.28	\$322.35	\$6,200
Per Household TOW	\$29,500	\$33,400	\$43,400	\$51,500
5% Capture (millions)	\$623.25	\$4,214.07	\$16,117.27	\$310.00
5% Payout (millions)	\$31.16	\$210.70	\$805.86	\$15.50
50-Year (2011-2060) Transfer of Wealth (TOW) Opportunity				
Value of Opportunity (billions)	\$139.01	\$817.27	\$3,152.17	\$75,000
Per Household Value	\$329,500	\$324,100	\$424,800	\$628,100
5% Capture (millions)	\$6,950.67	\$40,863.58	\$157,608.31	\$3,750.00
5% Payout (millions)	\$347.53	\$2,043.18	\$7,880.42	\$187.50
<i>Per Household Values – These values are computed by taking the CNW or TOW total values divided by the number of households in the geography in 2010. These values are provided to enable cross-geography comparisons.</i>				

Understanding the County's TOW

Figure. 2 Wealth Indicators			
Indicators	Orange County	Florida	U.S.
Long-Term Growth Indicators, Annualized Rates of Change, 1970-2010			
Population	5.77%	4.38%	1.29%
Employment	9.41%	5.82%	2.26%
Personal Income	10.57%	9.20%	4.10%
Age Structure, 2010 (Census)			
Under 18	23.60%	21.30%	24.00%
18-64	66.70%	61.40%	62.90%
65+	9.70%	17.30%	13.00%
Housing Wealth Indicators, 2010 (Census)			
Median Home Value	\$142,200	\$130,344	\$154,900
% Owner-Occupied	52.51%	57.00%	59.00%
% Owner-Occupied w/o Mortgages	23.07%	34.60%	31.90%
Business Wealth Indicators, 2010 (BEA, Census & ESRI)			
Labor to Non-Labor Earnings Ratio	67 to 33%	55 to 45%	65 to 35%
Businesses Per 1,000 Residents	42	43	39
% of Creative Class Workers	9.40%	8.50%	8.50%
Housing Unit Growth, 2000-2010	3.05%	2.10%	1.29%
Transfer Payment Dependence	18.18%	20.70%	18.50%
Household Wealth Indicators, 2010 (ESRI)			
Mean CNW	\$365,000	\$408,000	\$419,000
Median CNW	\$63,000	\$89,000	\$93,000
Mean to Median CNW Ratio	5.8	4.6	4.5
Low Wealth	46.20%	39.50%	39.50%
Middle Wealth	29.80%	33.30%	31.10%
High Wealth	24.00%	27.10%	29.60%
Low Wealth = \$0 to \$49,999 CNW – Middle Wealth = \$50,000 to \$249,000 CNW – High Wealth - \$250,000 & Up			
% Millionaires	6.40%	7.20%	7.60%
Dividends, Interest & Rent Income	15.10%	21.30%	13.80%

Figure 3. Annual Percent Growth Rate of Population: Orange, Florida

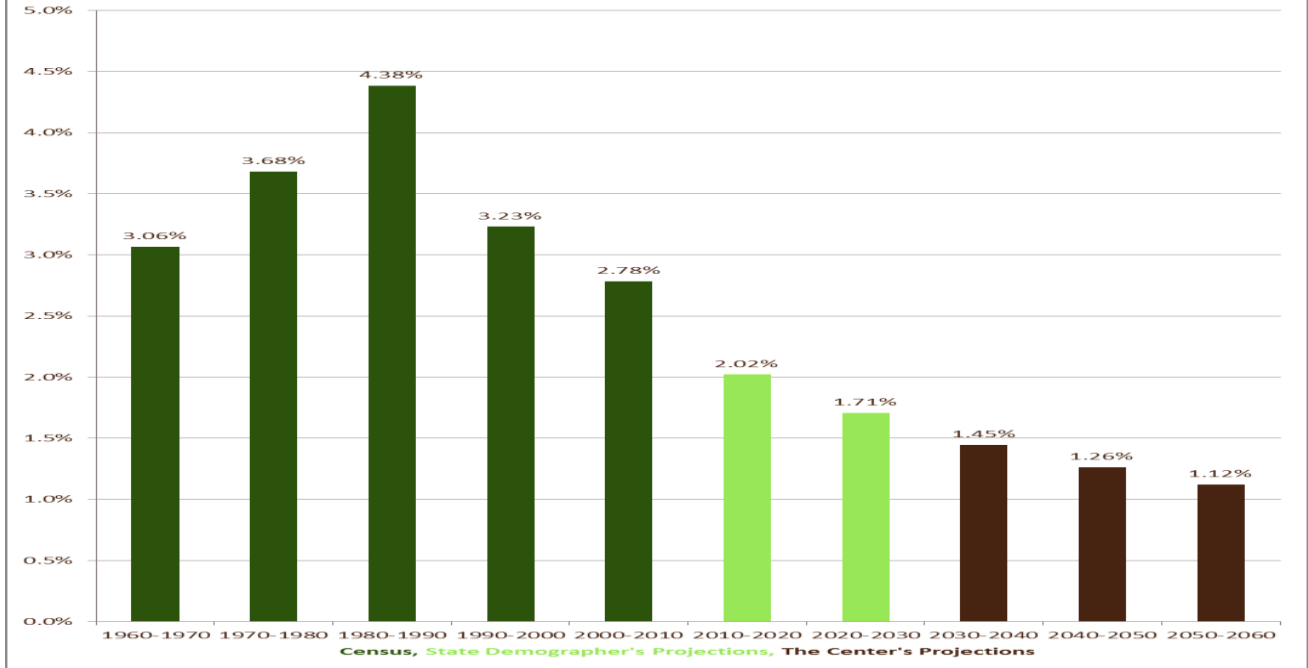


Figure 4. Distribution of Population by Age Cohort and by Year: Orange

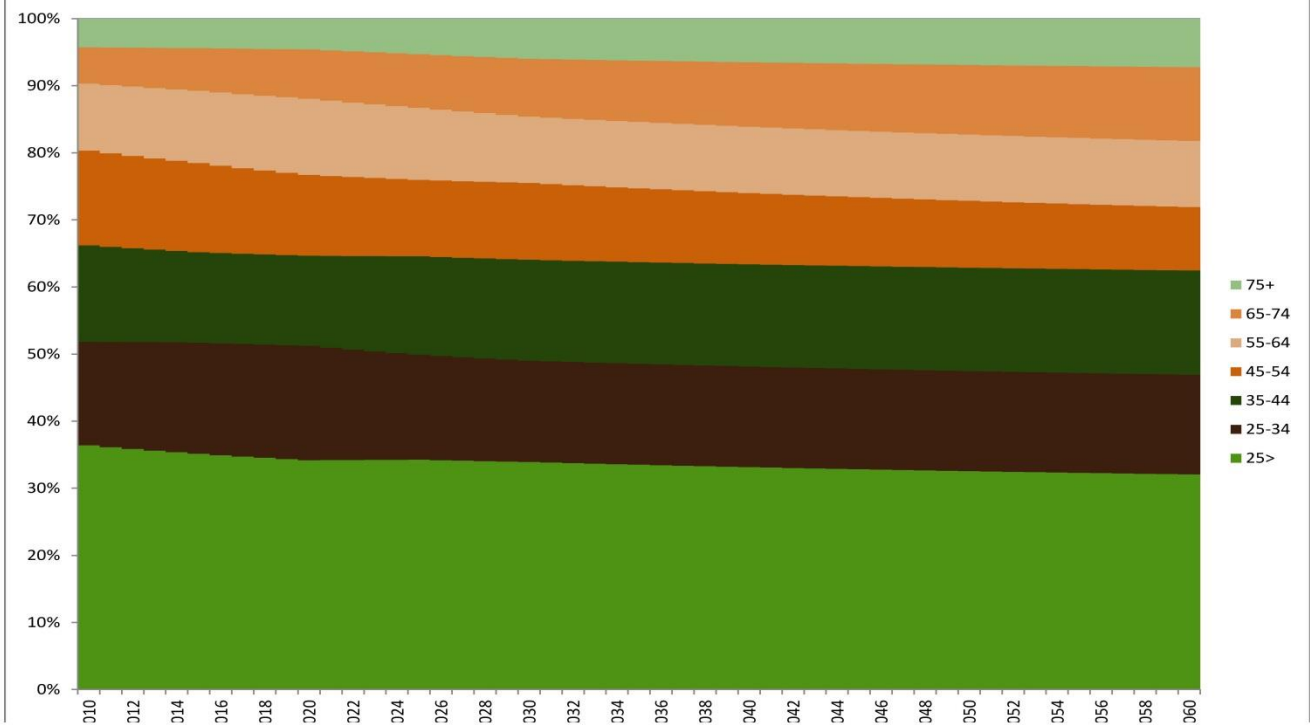


Figure 5. Distribution of Wealth Holding by Age Cohort and by Year: Orange

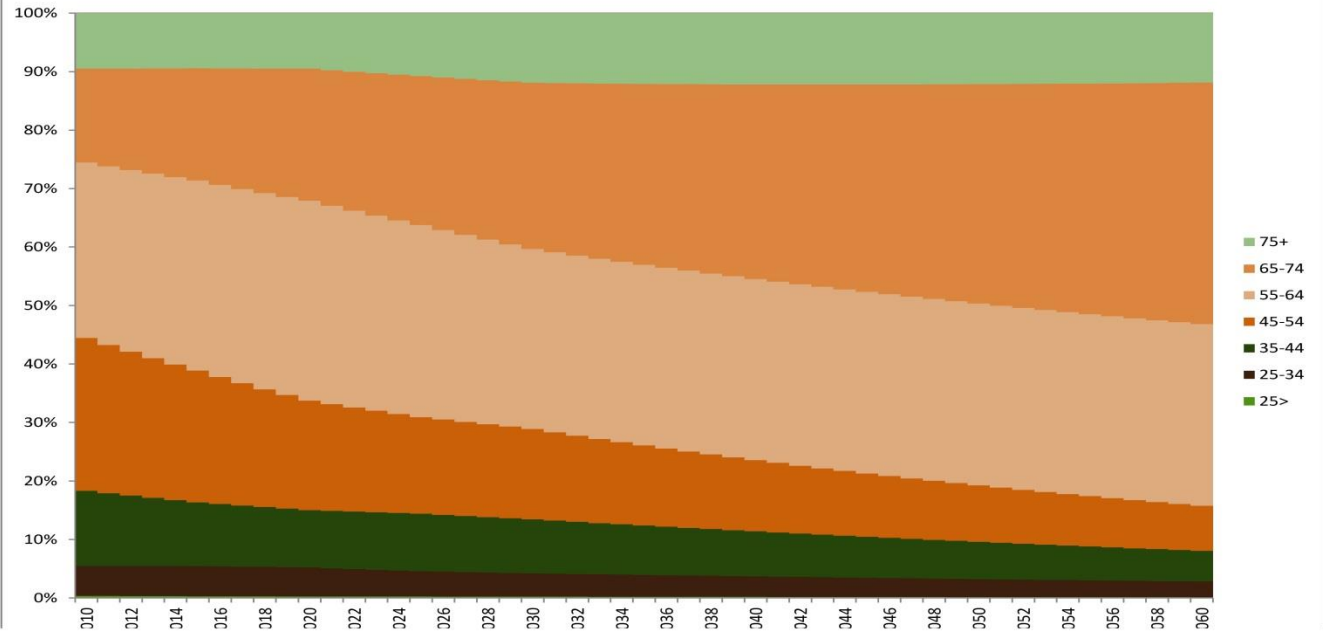
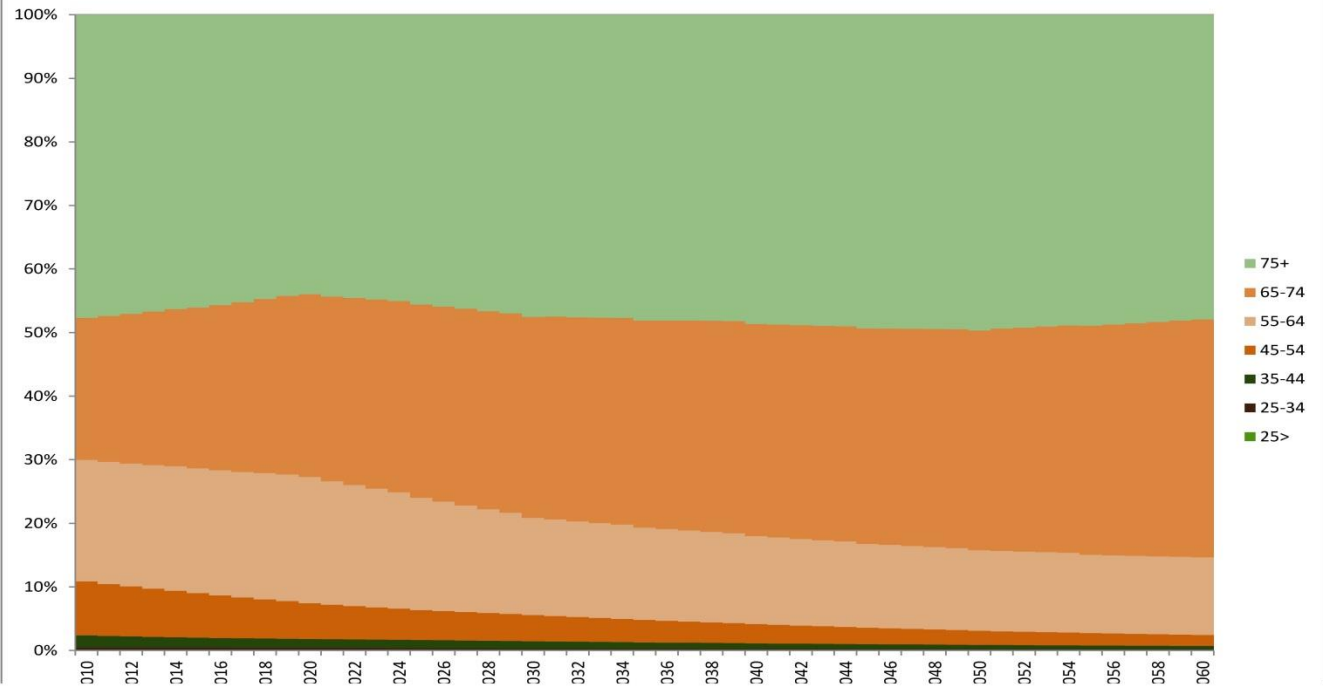


Figure 6. Distribution of Transfer of Wealth Holding by Age Cohort and by Year: Orange



Scenario Changers

We generate **scenarios** of a likely future based on historical trends, current developments and conservative assumptions of the future. These are not predictive forecasts. Forecasting 50 years into the future is challenging and that is why we do scenarios versus predictive forecasts. Reflecting on the dramatic changes that have occurred over the past 50 years – we assume great change in the coming 50 years. For this reason, our scenarios are prepared in a transparent manner so that users of this research can appreciate how and when changes might alter their TOW opportunities. With this in mind we offer the following **scenario changers** or issues or trends that could dramatically increase or decrease this community's TOW opportunity.

Figure 7: Scenario Changers	
Tourism	National Economy
Tourism and seasonable visitors are important to your community. Changes in tourism activity could increase or decrease economic prosperity, wealth formation and future TOW opportunity.	How the national economy recovers and performs will directly shape how quickly this community's economy will recover and move back to traditional rates of household wealth creation.
Migration	Low Wealth
In the past your community has been significantly shaped by migration (particularly from retirees) from other parts of the country. Changes in migration levels and patterns will alter your TOW potential.	Your community has a large portion of its households that are low wealth (less than \$100,000 in current net worth). Continuation of this pattern will slow economic growth, wealth formation and TOW opportunity.

A Note on Demographics. The decade of the 2000s provides a potentially important insight into the future of this community and its potential for wealth creation and its TOW opportunity. The county has a net zero natural population change where births and deaths nearly equal. Demographic growth was realized through immigration – both domestic and international. This has and is skewed to older demographics (therefore relatively high death and low birth rates in a growing community). Immigration accounted for about 92% of all demographic growth in the 2000s! This growth was nearly divided between domestic immigration (+79,000) and international immigration (+72,000).

Donor Opportunity Areas

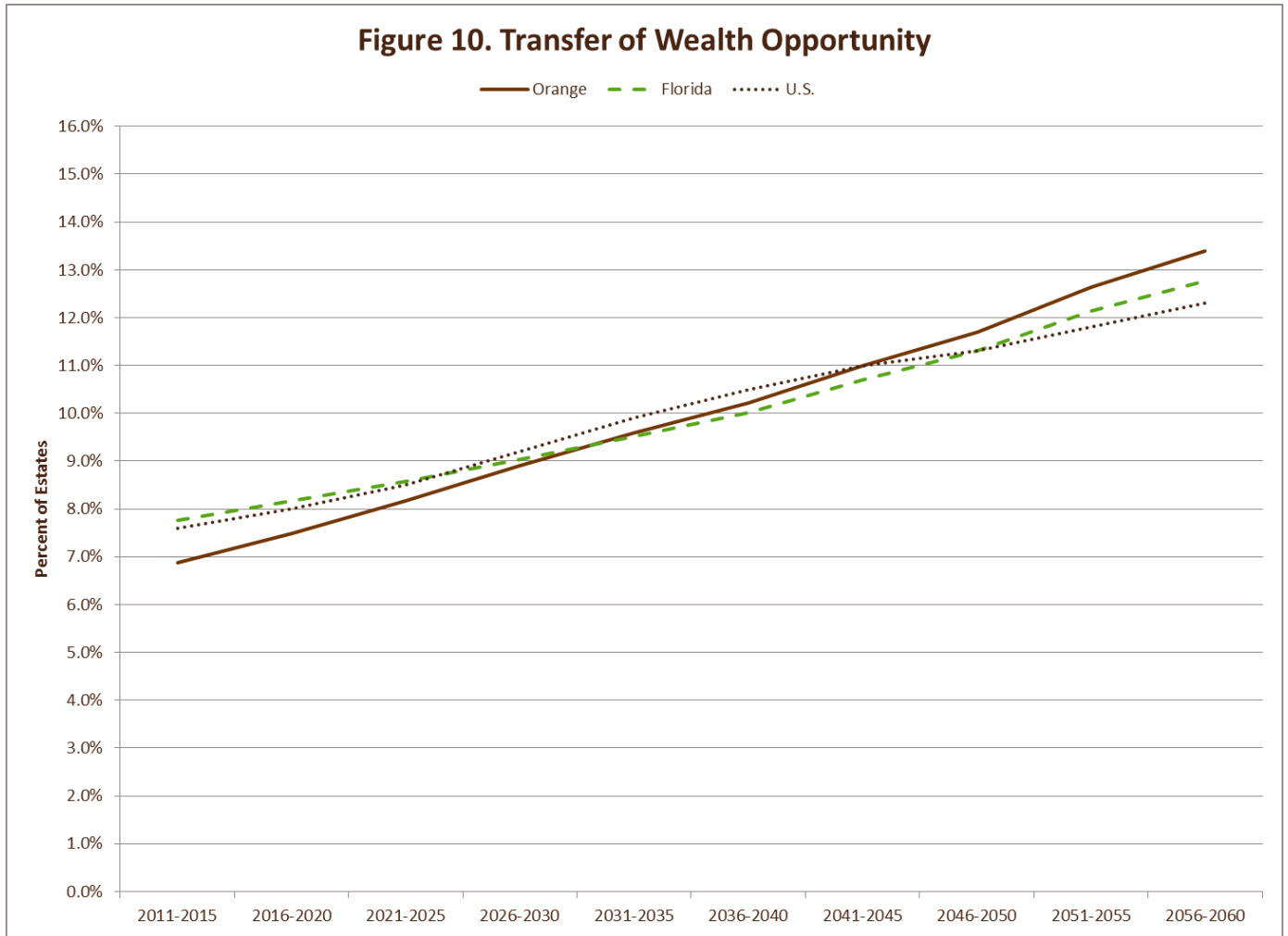
ESRI is one of America’s leading market research firms. We have purchased from ESRI this research for every county in Florida for use in this project. It organizes all American households into 1 of 66 household types (Tapestry Segments) based on household life stage, consumer habits and wealth. These 66 household types are also organized by LifeMode Groups or groups of household type that are similar such as retirees. Finally, ESRI profiles all households by degree of urbanization from remote rural to central city. These profiles can help foundations engage in more strategic donor understanding, identification and development. *These reports are in the Electronic Library along with a description of ESRI’s LifeMode Groups and Tapestry household types.*

Figure 8: Tapestry Segmentation Profile		
Orange County		
LifeMode Groups	Percent of Households	Cumulative Percent
L9. Family Portrait	21.60%	21.60%
L8. Global Roots	13.60%	35.20%
L4. Solo Acts	12.70%	47.90%
L7. High Hopes	11.10%	59.00%
L2. Upscale Avenue	10.00%	69.00%
Balance – Other Groups	31.00%	100%

Based on this analysis and other research we conducted as part of this project, we have identified the following Donor Opportunity Areas for this county. A complete directory of Donor Opportunity Areas for the United States can be found in the Electronic Library.

Figure 9: Donor Opportunity Areas	
Developers	Growth Entrepreneurs
<p>Since the end of World War II and the rise of the middle class and suburbia, the mainstays of many growing American communities are developers. Every reasonably sized and growing community has developers. In most cases they have wealth and deep ties to the communities that enabled their wealth.</p>	<p>Since the early days of Benjamin Franklin and the founding of the republic, America has been blessed with entrepreneurial spirit and growth entrepreneurs. These are folks who innovate and renew businesses and business ideas. In doing so they often create wealth for themselves, their employees and investors (often family, friends and fools).</p>
Specialized Talent	
<p>Community residents with specialized talent are often highly educated, have unique skills, and may be part of the creative class. Their unique skills may be in high demand and they are often richly rewarded for their work. While they may have started with little, they have the potential to become wealthy and build a large estate.</p>	

Transfer of Wealth (TOW) Timing



Questions & More Information:

Ahmet Binerer
402.323.7339 - abinerer@e2mail.org
www.energizingentrepreneurs.org

The Center for Rural Entrepreneurship's vision for rural America is one of vibrant communities and regions that embrace entrepreneurship, that find new sources of competitive advantage in their inherent assets, and that invest in a new more sustainable future for both present and future generations. The Center's mission is to help our local, regional and state partners achieve this future by connecting economic development practitioners and policy makers to the resources needed to energize entrepreneurs and implement entrepreneurship as a core economic development strategy.

These development efforts require financial resources. Most traditional sources of funding are challenged as governments, businesses and foundations struggle to meet rising community needs. A core program area for the Center is Community Development Philanthropy, where our team helps your community, region or state build a community wealth road map. Our Transfer of Wealth (TOW) research offers insight into possibly the greatest opportunity to tap new, significant and sustainable funding streams in support of growing better and stronger communities. For many communities and regions, TOW research can help jump start important conversations leading to greater community giveback.

The Center has conducted TOW studies for clients around the nation for more than 10 years, and has published a book titled, *Transfer of Wealth in Rural America: Understanding the Potential, Realizing the Opportunity, Creating Wealth for the Future*. More product offerings are planned under our Community Development Philanthropy area.

To learn more about the Center's history and program areas, go to www.energizingentrepreneurs.org.

The Rural Policy Research Institute (RUPRI) provided founding support to create the Center for Rural Entrepreneurship in 2001. RUPRI's mission is to provide independent analysis and information on the challenges, needs, and opportunities facing rural people and places. The work of the Center for Rural Entrepreneurship, along with other centers and collaborations, helps RUPRI achieve this mission. To learn more about RUPRI, visit www.rupri.org.