

## Inclusive Growth Score™ Methodology v1.0

### INTRO

The Inclusive Growth Map™ is a web-based service that enables users to learn about measures of inclusion and growth within 8000+ Opportunity Zones across the United States. The Inclusive Growth Map™ is a means by which users can benchmark existing levels of inclusion and growth within particular Opportunity Zones, and by which they can measure whether investments increased or decreased measures of inclusive growth.

The Map presents an Inclusive Growth Score™ for each of the designated Opportunity Zones, or census tracts, that were defined by legislation. The Inclusive Growth Score™ is based on multiple data sources, including census data, firmographic data from 3rd parties, and aggregated and anonymized Mastercard transaction data. It ranks a given Opportunity Zone in comparison to Opportunity Zones within the same state or across the country. The higher an Opportunity Zone's Inclusive Growth Score™, the more likely it is that indicators of inclusive growth are trending in the right direction.

### RESEARCH METHODOLOGY

The Inclusive Growth Score™ is composed of three pillars: PLACE, ECONOMY, and COMMUNITY. Pillars are composed of growth (level of change) and inclusion (rate/distribution) metrics.

The Inclusive Growth Score™ are percentile scores derived from a combination of neighborhood-level (census tract) variables. The percentiles are available relative to all Opportunity Zones in the US, to a state, and to different levels of urbanization.

The average of the percentiles across the three pillars (PLACE, ECONOMY, and COMMUNITY) produces the Inclusive Growth Score™.

For questions or more details, please contact [inclusive\\_growth@mastercard.com](mailto:inclusive_growth@mastercard.com)

## DATA SOURCES

Mastercard – Mastercard is a leading global payments & technology company that connects consumers, businesses, merchants, issuers & governments around the world. The Inclusive Growth Map™ and Score includes insights based on Mastercard's aggregated and anonymized transaction data

Leading POI (point of interest) data providers for firmographic data

Trust for Public Land – The Trust for Public Land is a U.S. nonprofit organization with a mission to "create parks and protect land for people, ensuring healthy, livable communities for generations to come."

HUD – The United States Department of Housing and Urban Development is a Cabinet department in the Executive branch of the United States federal government.

American Community Survey (ACS) – The American Community Survey is the premier source for information about America's changing population, housing and workforce. The Inclusive Growth Map™ and Score uses several data points from ACS including percentage of affordable housing and internet access.

FFIEC – The Federal Financial Institutions Examination Council is a formal U.S. government interagency body composed of five banking regulators that is "empowered to prescribe uniform principles, standards, and report forms to promote uniformity in the supervision of financial institutions". The IG Map and Score leverages a metric on the change in number of business loans.



## PILLARS / METRICS

### PLACE

Housing, Infrastructure, and the built environment

#### NET OCCUPANCY

Growth in population of renter and owner-occupied housing units

Source: ACS, 2017 5-Year, Table B25008

#### RESIDENTIAL REAL ESTATE VALUE

Growth of value of residential real estate

Source: ACS, 2017 5-Year, Table B25082

#### ACRES OF PARK LAND

Percentage of designated tract land area that is park land

Source: Trust for Public Land, ACS, 2017 5-Year, Table B01001

#### AFFORDABLE HOUSING

Percentage of renter and owner-occupied housing units where monthly costs are lower than 30 percent of income

Source: ACS, 2017 5-Year, Table B25106

#### INTERNET ACCESS

Percentage of households with an internet subscription

Source: ACS, 2017 5-Year, Table B28011

#### TRAVEL TIME TO WORK

Percentage of workers with travel time to work under 35 minutes

Source: ACS, 2017 5-Year, Table B08303

## ECONOMY

Business growth, jobs, and spending

### NEW BUSINESSES

Growth of net new businesses based on aggregated and anonymized transaction data

Source: Mastercard

### SPEND GROWTH

Growth of spending based on aggregated and anonymized indexed transaction data within the designated zone

Source: Mastercard

### SMALL BUSINESS LOANS

Growth of the number of small business loans

Source: FFIEC

### MINORITY/WOMEN OWNED BUSINESSES

Minority or women owned businesses as a percentage of all businesses

Source: Commercial Data Provider, Mastercard

### LABOR MARKET ENGAGEMENT INDEX

Measures employment, labor force participation, and percentage with bachelor degree

Source: HUD

### COMMERCIAL DIVERSITY

Business types as a percentage of total possible business types

Source: POI Provider



## COMMUNITY

Economic and social conditions

### PERSONAL INCOME

Growth of per capita income

Source: ACS, 2017 5-Year, Table B19301

### GINI COEFFICIENT

Gini coefficient of income inequality (lower coefficient denotes lower inequality)

Source: ACS, 2017 5-Year, Table B19083

### GROWTH IN SPENDING PER CAPITA

Growth of average spend per person based on aggregated and anonymize indexed transaction data within the designated zone

Source: Mastercard

### EARLY EDUCATION ENROLLMENT

Percentage of under age 5 population enrolled in early education programs

Source: ACS, 2017 5-Year, Tables B14001, B01001

### FEMALE ABOVE POVERTY

Percentage of females living above the poverty in the past 12 months

Source: ACS, 2017 5-Year, Table B17001

### HEALTH INSURANCE COVERAGE

Percentage of the eligible population with health insurance coverage

Source: ACS, 2017 5-Year, Table B27020