

The Media Audit

NEWS RELEASE

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CONTACT: Robert Jordan (713) 626-0333
CONTACT: Phillip Beswick (845) 398-8000

International Demographics, Inc.
3355 West Alabama, Suite 500
Houston, Texas 77098-1718
1-800-324-9921

Financial Optimism Blankets the South But is Rejected in Pittsburgh & Peoria; Optimism is Influenced by Race & Age

Houston – (9/18/03) – If you plan on relocating from Pittsburgh to Colorado Springs you'll need a serious attitude adjustment.

Fifty six percent of the adult (age 18+) residents of Colorado Springs are "financial optimists" and that is the highest percentage in the 85 metro markets surveyed in 2002 by The Media Audit. Pittsburgh has the lowest percentage, 37.3, and Peoria is next with 37.4 percent.

The percentages are determined by responses to this question: Do you expect to be better off six months from now? Of the 386,000 adults (age 18+) in the Colorado Springs metro area, 56.0 percent or 216,000 adults said they expect to be better off in six months. In Pittsburgh, 37.3 percent or 683,000 adults from a total adult population of 1,833,000 said yes, they expect to be better off in six months.

"It's become apparent over the years that the answer to this question is influenced by factors other than area economics or even individual financial prospects," says Bob Jordan, co-chairman of International Demographics, Inc., a 32-year-old market research firm that produces The Media Audit.

African-Americans and Hispanics have greater percentages of the financial optimists in their groups than do Caucasians and Asians. In addition, younger adults, ages 18-35, have a greater percentage of financial optimists than older groups.

Colorado Springs & Pittsburgh

In Colorado Springs 31.1 percent of the population is over age 50 and 16.9 percent of all adults are African-American or Hispanic. In Pittsburgh, 45.3 percent of the population is more than 50 years old and just 8.6 percent of residents are African-American or Hispanic. Colorado Springs has the greatest number of financial optimists in the 85 markets served by The Media Audit and Pittsburgh has the fewest.

“This analysis shows only that race and age do play a role in financial optimism,” says Jordan, “but obviously, there are other factors involved. Some of the factors may be unique to an individual market. The New York City metro market area is only 52.9 percent Caucasian and 39.5 percent of the population is 50+. If we were to apply the Colorado Springs/Pittsburgh analysis, we would expect NYC metro to have a level of optimism higher than Colorado Springs. It has fewer people over 50 and more African-Americans and Hispanics. But only 41.5 percent think they will be better off in six months. Obviously, there are other factors impacting financial optimism.”

The ten markets with the highest percentage of financial optimists are: Colorado Springs, 56.0; Atlanta, 54.6; Charleston (SC), 53.1; Columbia (SC), 52.7; Memphis, 52.7; Norfolk-Virginia Beach, 52.3; Jacksonville, 52.1; Las Vegas, 51.8; Reno, 51.4; and Houston-Galveston, 51.1.

The ten markets with the lowest percentage of financial optimists are: Pittsburgh, 37.3; Peoria, 37.4; Madison, 37.8; Des Moines, 38.0; Hartford, 38.5; Buffalo, 39.0; Wichita, 39.5; Spokane, 39.7; New Haven, 39.9; and, Columbia-Jefferson City (MO), 39.8.

The Impact of Age

The aggregated numbers for all 85 markets show that 45.5 percent of all adults are optimistic, at least in the short-term, about their financial future. They believe they will be better off six months from date of the survey interview. The total adult population of the 85 markets is 131,417,000.

The percentage of optimists in each of six age groups shows a significant decline from the younger groups to the older groups. Among those who are 18-24, 58.6 percent are financial optimists. In the 25 to 34 age group 59.8 percent are optimists. For the 35 to 44 age group 52.4 percent expect to be better off in six months. For the 55-64 age group, the number of optimists drops to 35.1 percent. And, among those over 65, just 11.6 percent expect to see their personal financial position improve in six months.

“These numbers do not prove that the young are more optimistic than the old,” says Jordan. “Those over 55 may be accurately assessing their financial circumstances. Certainly, most of us, will see a decline in income when we enter retirement,” Jordan adds.

The Impact of Race

Race also has a significant impact on financial optimism. Of the 17,968,000 African- Americans in the 85 markets, 58.2 percent expect to be better off in six months. Among Hispanics, 54.7 percent are optimistic while only 41.3 percent of Caucasians and 39.9 percent of Asians are optimistic.

“The impact of race on financial optimism is fascinating,” says Jordan, “it appears that the income differences that exist between races have little or no impact on an individual’s financial outlook. African-Americans are still significantly less affluent than the general population, but are steadily becoming more affluent and that, we assume, is the basis for their high levels of financial optimism.”

According to The Media Audit data, African-Americans earning more than \$50,000 a year increased from 32.9 percent in 2000, to 34.0 percent in 2001 and 34.2 percent in 2002. During the same years, the general population earning \$50,000 or more per year was increasing from 42.4 to 44.2 to 45.1 percent.

The Impact of Income

It will come as no surprise to find that income impacts an individual's financial optimism. What may come as a surprise is that the level of financial optimism among the young, ages 18-34, is higher (59.3 percent) than it is among those who earn \$100,000 or more a year (54.4 percent).

"When income is the only factor considered," says Jordan, "financial optimism increases with income." Just 32.3 percent of those earning under \$25,000 expect to be better off in six months. When incomes are between \$25,000 and 34,999 the percent of financial optimists is 41.3. In the \$35,000 to \$49,999 income bracket there are 46.3 percent who expect to be better off in six months. In the \$50,000 to \$74,999 bracket there are 49.4 percent. Over \$75,000 a year the percent is 52.6 and over \$100,000 is 54.4 percent.

The Source of the Data

The Media Audit, a syndicated media ratings service currently covering 85 markets, provides both quantitative and qualitative data for media web sites as well as for traditional media.

Traditional media – print, broadcast and outdoor – have used The Media Audit data in sales, marketing and management for more than 30 years. In 1998, the survey started providing data on local media web sites. The surveys now contain more than 400 fields of qualitative information in addition to quantitative measurements of local web audiences.

The Media Audit is a product of International Demographics, Inc., a 32-year-old Houston firm that is engaged exclusively in syndicated, multimedia surveys conducted at the local market level.

Note: If you would like to periodically receive market survey data from The Media Audit, please contact Bob Jordan by email (bjordan@TheMediaAudit.com) and leave your name, title, company affiliation and email address.