

16th AVENUE BUSINESS SURVEY

Prepared for:

**TRI-CITY PEOPLES CORPORATION
16th AVENUE MERCHANTS ASSOCIATION**

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BACKGROUND

The **16th Avenue Business Survey** interviewed owners of small businesses located on 16th Avenue in the West Side Park area of Newark and adjoining sections of Grove Street in Irvington. [See Appendix A for list of businesses.]

The survey asked business owners to evaluate their neighborhood as a place of doing business; to describe what they like and dislike about the neighborhood; to describe their expectations regarding the future of their business as well as the neighborhood over the next five years; and to obtain their suggestions for how best to improve the neighborhood. [See Appendix B for sample survey questionnaire.]

Twenty-one businesses were contacted by the interviewers, although several owners were unwilling or did not have time to respond to the survey. The survey was conducted by the Rutgers Community Outreach Partnership Center (RCOPC) at the Center for Urban Policy Research of Rutgers University during Summer 2000.

BUSINESS CHARACTERISTICS

The businesses located on 16th Avenue in Newark and the adjacent sections of Irvington comprise an important neighborhood level shopping district providing personal services and convenience shopping for nearby residents. Among the businesses represented in the survey are:

- grocery store
- hair salon
- pharmacy
- variety/hardware
- gas station
- diner
- furniture/appliances
- record shop
- barber

Respondents are about evenly divided between those who own and lease their property.

For most of the survey respondents, their *primary trade area* is the surrounding neighborhood, although there are a few exceptions who draw customers from a wider region. Virtually all of the businesses rely on regular or repeat customers for most of their business.

Most of the businesses have *operated at their current location* for more than 10 years, ranging from 3 years to more than 50 years at their current location. This represents an important source of stability and continuity in a neighborhood that has undergone several cycles of change over the last few decades. About half of the survey respondents live within the community, representing an additional sign of long-term commitment to the neighborhood.

Most businesses employ only a few workers in addition to the owner or manager, but one business has 30 employees and the average business surveyed has about 5 employees. The 21 businesses contacted for the survey are estimated to employ a total of 75 – 100 workers, making these businesses a significant employment resource for the neighborhood.

NEIGHBORHOOD EVALUATION

When asked *why they chose this location* for their business, several owners observed that the neighborhood had once been a “booming” location. Another group of owners inherited the property and/or the business and chose to stay in the community. A few owners feel strongly that their location is a way to provide needed services to residents and to keep business in the community.

Respondents identified the *biggest problems* facing a business at this location. The biggest problems, ranked in decreasing order of importance, are as follows:

<i>Rank</i>	<i>Neighborhood Problems</i>
1	Crime, drugs and drug dealing, stolen cars
2	Low population; not enough business
3	Neighborhood decline, poverty, unemployment
4	Quality of employees
5	City’s indifference; lack of planning and government resources

Survey respondents were virtually unanimous in identifying what they *like best about their neighborhood location*. All the business owners who responded to this question pointed to their familiarity with their customers. This was expressed in several ways but all pointed to the same thing:

- ❑ The ability to keep steady customers
- ❑ I know most of my customers
- ❑ Familiarity with customers
- ❑ Store has an established reputation in the community
- ❑ Sense of community
- ❑ Neighborhood support
- ❑ “No problema!”

That these businesses have established a regular and loyal customer base in the community is no doubt related to the length of time that they have operated at their present location, as reported above.

EXPECTATIONS FOR THE FUTURE

The business owners interviewed for the survey have generally up-beat *expectations for the future* of the neighborhood. Most respondents said they expect the neighborhood to “improve a lot” or “improve slightly” over the next five years. Only two owners think the area will stay the same and *none* of those responding to the survey expect conditions to get worse.

When asked to give *reasons for these positive expectations* for the future, owners pointed to the new housing construction and new building going on in the area. Other owners identified efforts in crime reduction, and one owner specifically pointed to “the many programs in place to weed out crime and build the community.” Another respondent was confident that “responsible individuals will make it happen.”

Survey respondents provided several specific answers to the question: “What would this neighborhood need most in order to improve over the next 5 years?” Their answers are tabulated as follows:

Rank	What This Neighborhood Needs Most For Improvement
1	Better police presence; beat cops who know the community
2	More housing and jobs
3	Larger population; population increase
4	Neighborhood renovation; occupy vacant lots
5	More shops; nice restaurant; laundromat
6	Christmas lights

Somewhat contradicting the respondents’ rather up-beat expectations for neighborhood improvement over the next few years, very few respondents said they would *locate their business in this neighborhood if they were making the decision today*. The reasons for this response were similar to the factors that owners identified as the biggest problems of doing business in the neighborhood: crime, neighborhood decline, and a perception that the location is “too risky.”

But somewhat surprisingly, the owners were evenly divided as to whether they would *encourage someone else to start a business* in the neighborhood. Respondents who answered affirmatively recommended the following types of businesses:

- Laundromat
- Bank/ATM
- Beauty salon
- Dry Cleaner
- Hardware
- Ice Cream Parlor
- Pizza
- Good food
- Activities for kids

All of the survey respondents reported that they *do business with other businesses* in the neighborhood.

BUSINESS PLANNING

Business owners were somewhat divided regarding their *plans for their business* over the next five years. About half of those responding to the survey expect their business to stay pretty much the same as it is now. (Some said they would just try to “hang on” until neighborhood conditions improve.) But about one-fourth of the owners plan to expand their business “somewhat” or “significantly,” while about the same number plan to relocate or permanently close. To summarize these numbers, about 75% of the businesses expect to expand or remain the same over the next five years.

Respondents were largely in agreement over the type of *assistance that would have the greatest impact on the success* of their business. Their answers, ranked in order of importance, are as follows:

<i>Rank</i>	<i>Greatest Impact on Business Success</i>
1	Additional security
2	Façade improvement
3	Increased housing construction
4	Enhanced parking and/or public transportation
5	Financial assistance
6	Neighborhood redevelopment
7	Merchant association or special improvement district
8	Marketing assistance

Proximity to customers and *access to capital* were the two factors identified as most important to business success.

Very few owners report having *received technical assistance* from outside organizations. Several owners have received assistance from Tri-City Peoples Corporation and one owner reported assistance from a university or community college. None of the respondents received assistance from state or city government or from a small business development center. Only one respondent reported benefiting from a program of *economic development incentives*, specifically a tax abatement or exemption.

16th AVENUE MERCHANTS ASSOCIATION

All of the owners responding to the survey said they are *familiar with the 16th Avenue Merchants Association*. Owners also offered specific recommendations of activities for the Merchants Association to undertake:

- Form a community merchant collaborative
- Standardize signs
- Improve lighting
- Assistance with advertising
- Increase merchant awareness of available resources
- Help businesses improve
- Neighborhood beautification to attract customers