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Criminal Justice and the Urban community

Word Count:

Small Businesses Decline in Washington heights

- My Research
- Small businesses struggle in my neighborhood

Over the years while living in my neighborhood I have started to see the decline of small businesses. The lack of success from the established businesses in my neighborhood as well as the displacement in my neighborhood. This has started to concern me and has interested me in doing further research to determine the cause of this decline. In addition to this, I have started to see commercial gentrification in my neighborhood as because of the lack of small business success, businesses with more capital are establishing themselves in my neighborhood further adding to the decline of small businesses. My neighborhood in Washington heights being a majority Hispanic area with low-income residents might not be the best place to start a business, however, the problems and struggles that accompany these businesses is what interests me. I will discuss the problems small businesses have in my neighborhood and why I believe the decline is present as well as my theories on how these problems can be solved.

- Small businesses decline Article Review
- Displacement and Gentrification of businesses in my neighborhood

Ferm, Jessica. (2016) Preventing the displacement of small businesses through commercial gentrification: Are affordable workspace policies the solution” 402-419 [HTTPS:// **doi.org/10.1080/02697459.2016.1198546**](https://doi.org/10.1080/02697459.2016.1198546)

This article speaks on commercial gentrification and the displacement of small businesses that have occurred in London. This article is relatable to my community as I see the same things happening in Washington heights. This article goes into how low-income businesses or small businesses were being restructured and displaced by higher-income businesses with tons of capital such as banks, fast food chains, and retail stores. As well as explaining how policymakers have challenges trying to protect small businesses. This article in addition speaks on why commercial gentrification happens stating “ it’s seen as a sign of economic progress as lands are replaced by better-paid and more skilled jobs while the lower jobs are removed.” The article also references Jane Jacobs as she explains that as a city becomes more successful competition for space develops. However, the article discusses the negatives of this type of gentrification expressing how it impacts civil life as the relationship between the businesses and residents are lost. I feel this is what's occurring in my community businesses are coming in to displace the smaller lower-income ones. I can see how new businesses come in in order to take advantage of

a booming economy however in my neighborhood these businesses are coming in to replace those that failed.

Pastak, Ingmar.(2019) Commercial gentrification in post-industrial neighborhoods: A dynamic view from an entrepreneurs perspective.”Tijdschrift Voor economische en sociale geografie(Journal of economic and social geography). 588-604 <https://doi.org/10.1111/tesg.12377>

This article speaks on what exactly commercial gentrification is as well for the causes for it. It is referenced in the text that commercial gentrification is understood as being the upward transformation of local businesses in terms of social class. It is described as unintentional actions taken by entrepreneurs, local government, and administration influenced by the global market. The article says this starts out with residential gentrification as higher-income residents move in and new shops move in that represent the higher-income residents. The success and potential of these new businesses cause the displacement of others. It is also explained by the demand as increase more value and authenticity of products increase. This text also goes into the impact and cause of business displacement. The article expresses the impact of displacement leads to the gradual fading of local and traditional businesses and the increase of newer high-income businesses. The closing down of one shop leads to a direct effect on another. The affordability is the reason these new entrepreneurs enter the area, combined with the high demand they see lots of potentials. These reasons I find plausible as the high capital businesses moving into my community surely find the affordability a way to make more money. However, these are the only

businesses surviving as other businesses without the luxury of millions of dollars in capital fail at a high rate.

Mitchell, Stacy.(2016)Monopoly power and the decline of small businesses, The case for restoring America's once robust antitrust policies. Self-Reliance and American Antitrust Institute

This is an article that caught my interest as it speaks on the anticompetitive behavior by dominant corporations which use their power to exclude smaller businesses. It also speaks on reasons for bringing back fair and open markets. This begins with arguing that small businesses deliver consumer and market benefits that provide more value and better outcomes than monopolies. In addition to this, they provide a better distribution of wealth as an increase of opportunities and jobs expands the middle class. An example from a north Dakota pharmacy is stated in this text and talks about how in 1963 the state adopted a law that pharmacies may only be owned by pharmacists whose goals are to provide health care in communities, not their bottom line. As explained today north Dakota has more pharmacies per capita than any other state not a single one of them is a Walgreen or Walmart who are are business monopolies. Residents were getting better-valued drug prices as well as more customer satisfaction. This leads to more competition which in turn leads to economic growth. This article expresses how big companies and monopolies arent needed for a community to revive and flourish. I believe this to be true with my community instead of businesses being replaced and displaced by these monopolies our local government should find a way to push are small businesses forward. Doing

this will have highly positive effects for my community. These monopolies are only interested in the profits they will make and don't have a problem with the community suffering.

Myfawy, Taylor.(2020) The Role of Traders and Small Businesses in Urban Social Movements: The Case of London's Workspace Struggles. International journal of urban regional research. 1041-1056 <https://doi.org/10.1111/1468-2427.12953>

This article talks about workplace struggles in London between 2012 and 2017. Industrial and retail displacement as well as gentrification affected London very negatively. Shows the problems with displaced small businesses and their effects on a community. This article in addition explains the benefits other than contribution to the economy small businesses have including providing goods and services as well as employment to low-income communities. London who was suffering from a workspace crisis had an influx of small business which helped the growth and comeback of London during this period. This article shows how small businesses have the ability to renovate or help recover an area dealing with low- income and lack of financial growth by bringing in more jobs and income.

Wiersch, Ann Marie.(2013) Why Small Business Lending Isn't What It Used to Be. Economic Commentary, vol. 2013, no. 10, 1-4 <https://doi.org/10.26509/frbc-ec-201310>

This article speaks on the decline of small business lending in our country. This is one of the things I feel will help improve the growth of small businesses dramatically. recession.

Concerns include this decline can lead to hampering of economic recovery. Since small businesses employ almost half of the private citizens in our country, their decline can have a huge impact when it comes to employment and income. This article I can use to explain why I feel our government must help small businesses develop as it can lead to strong economic growth for our country as well as for private citizens. Especially for low-income neighborhoods.

Nick Bunkley (2010) Fed chiefs urge more lending to small businesses. New York Times <https://www.nytimes.com/2010/06/04/business/economy/04fed.html?dbk>

This article from the new york times expresses the fact that banks need to increase their lending to small businesses. The article states “ Outstanding loans to small businesses declined to \$660 billion in the first quarter of 2010, from almost \$700 billion two years ago.” As explained in the article healthy small businesses are critical to job growth. This article is pushing for more business lending from the federal government something I agree with. This in my community will not only extend the lifeline of small businesses but allow them time to establish themselves and gain customers.

Carl Campanile (2022)Brooklyn merchants still struggling 2 years after COVID-19 hit: survey. <https://nypost.com/2022/03/15/brooklyn-merchants-still-struggling-2-years-after-covid-hit/>.

This article taken from surveys is expanding of the fact of business struggles in new york specifically in Brooklyn after the pandemic. This article expresses the damage covid has had for small businesses. In my neighborhood, I surely feel covid was a strong reason combined with the lack of help from the government that has caused the mass failure. As stated in the article “ Meanwhile, 72 percent of firms reported sales lower than pre-pandemic 2019 levels, the survey said.” This indicates the struggles businesses have now as they are lower even then their pre-pandemic numbers. In addition, the article states “ A majority — 56 percent of respondents — said they did not meet their post-COVID-19 recovery goals. About 25 percent of businesses said they were unable to operate or had to close for periods of time due to shortages last year.” I feel the government has to take some action as a business can’t just be left out in the open with no help whatsoever, especially in a low-income area like my neighborhood.

- Inside My neighborhood
- Washington Heights (statistics and problems of small businesses)

I have lived in Washington Heights my entire life. My parents moved in when I was younger. From my point of view, I see Washington Heights as a very capable neighborhood with lots of potentials. Being that Washington heights is a low-income minority neighborhood with a lot of Hispanic citizens it has a considerably lower crime rate compared to other low-income minority neighborhoods. Washington heights is filled with lots of Hispanic culture with many

friendly and pleasant people to interact with daily. One of the troubling issues I see with my community is the lack of business success as well as the lack of help from our local government to expand our economic growth. Without the help from our legislatures, my neighborhood will continue to struggle as these unaffordable lease prices hinder the potential for small businesses in my area.

Walking down the streets around the areas of Washington heights you will see a concerning number of businesses closed down. These closed down businesses are then replaced with other small businesses hopeful to succeed but eventually end up failing as well. It's demoralizing to a community to see its small businesses fail knowing how much potential is available in the area. Unfortunately because of the high lease prices and low income, these businesses are trying to survive until they can't anymore. Now I see commercial gentrification taking place in my community as our small businesses are being replaced with more monopolized businesses such as fast food chains, banks, supermarket chains, etc. These businesses with large capital are the only ones that can survive in my neighborhood and are replacing those that fail. While there are some benefits to having these businesses, including more stable jobs they don't help improve the growth of the community as a whole as any other businesses that open will compete with a company with way more capital and power.

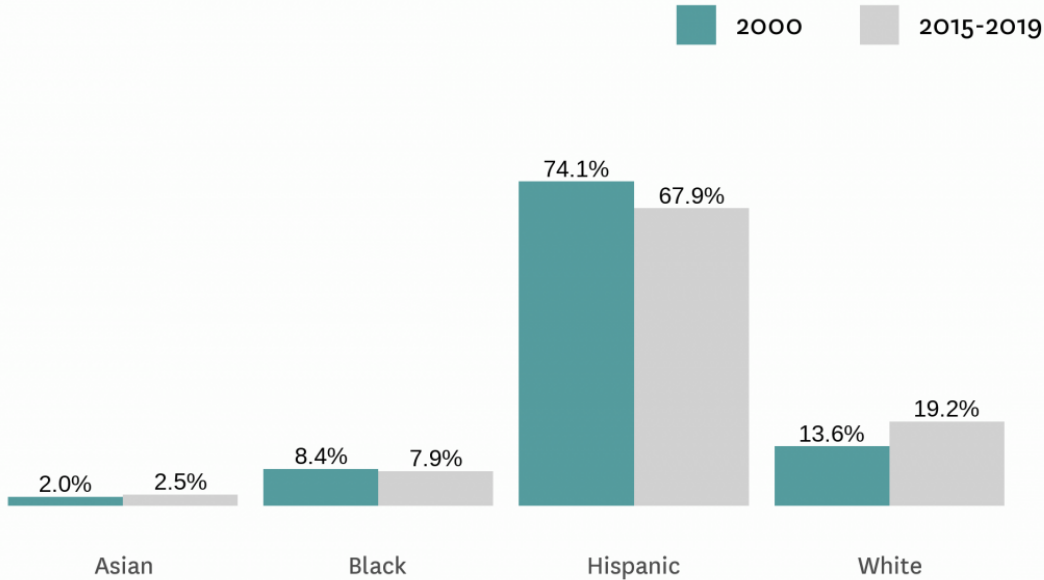


As we see here with these images a number of different businesses in my neighborhood have failed and have not re-opened. These were only a couple of the businesses shown that have failed as there are considerably more. These businesses were all in close radius of each other and as we can see some of the covers of the business covers have started to rot. This shows how other people are hesitant to start a new business knowing the chances of it becoming successful are low. They have just let their businesses fail and left them there. I believe this is one of the reasons why commercial gentrification is in progress in my neighborhood as high-capital businesses are taking advantage of all the space available to them. It has become depressing seeing all these businesses left behind in my neighborhood as it shows the lack of income and care from our government leaders.

As I referred to above most of the racial composition in Washington heights Is Hispanic. It has been mostly Hispanic since the 2000s showing how prevalent Hispanics were in my neighborhood. In the New York City data profiles, it states Washington heights has a population of around 204,096 gotten from data around 2019. This image from this data shows the percentage of Hispanics around 67.9 percent significantly higher than other races. It is important

to know the ethnic composition in my neighborhood as I feel it relates strongly to my community. Being a minority neighborhood we can infer it is likely to have less success and businesses than say a white neighborhood.

Racial and Ethnic Composition of Washington Heights/Inwood



Sources: Census (2000) and American Community Survey (2019), Furman Center

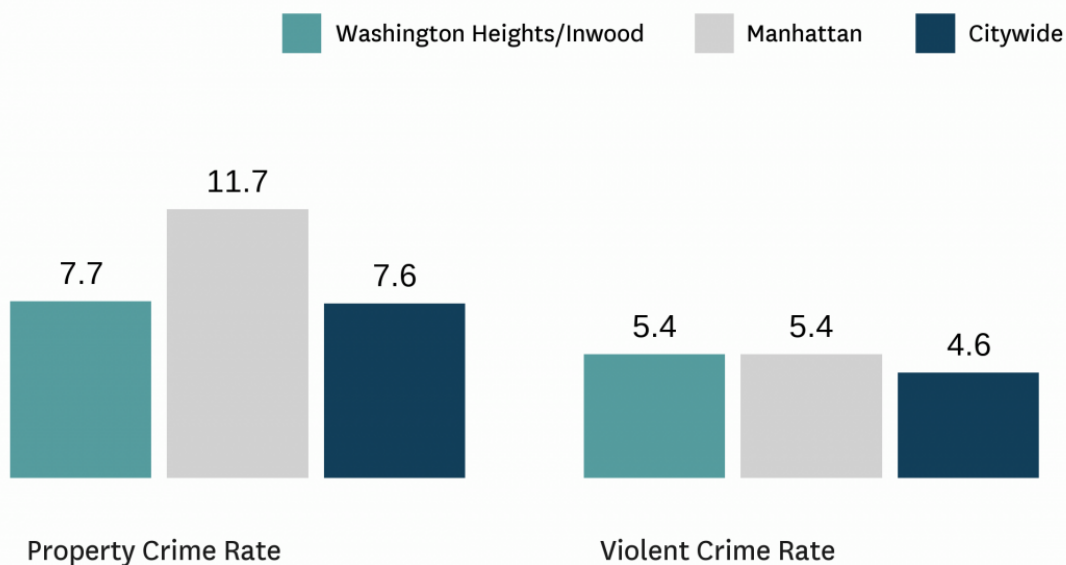
Below is a chart indicating the income and poverty in Washington heights which is crucial when explaining the economy and business potential in my neighborhood. The importance of income shows how much people have the funds to start a business as well as how much people have the money to purchase products from a business. It is very important for a business to look at the

average income of a neighborhood before spending their time and money starting a business in a specific area. If an area has a low income, businesses that have expensive products are less likely to attract customers as people are not willing to pay for something they can't afford. As we can see below the average income for my neighborhood in 2021 was right around 50 thousand a year. Which is above the poverty level and in my opinion a solid amount considering people describe it as a low-income neighborhood. However, the poverty rate is around 30 percent in my neighborhood which is a significant number and I feel it is a reason for the lack of business success. As I explained above businesses cant attract sales if the population is struggling to make money.

Income diversity ratio		5.5	4.7	5.7		
Median household income (2021\$)	\$49,54	\$43,03	\$49,960	\$56,23		
Median household income, homeowners (2021\$)		\$81,14	\$118,32	\$95,31		
Median household income, renters (2021\$)		\$40,43	\$46,410	\$53,06		
Poverty rate	29.8%	28.1%	19.5%	15.5%		
Poverty rate, population aged 65+		21.2%	22.0%	29.2%		
Poverty rate, population under 18 years old		43.3%	26.5%	17.4%		

Moving on I would like to discuss the crime statistics in my neighborhood as it is a statistic businesses take into consideration when moving in. The chart below indicates the serious crime rates in Washington heights including property and violent crime. Having a high crime area will definitely affect businesses as the lack of customers will increase because of fear of entering an area as well as the lack of citizens starting a business. When it comes to the statistics of Washington heights we can see that Washington heights has an about-average property crime rate compared to the rest of the city which shows at times crimes can occur but not significantly more than in any other neighborhood. When it comes to the violent crime rate it has averaged out to the rest of Manhattan but more Than the city. While these statistics show that crimes can occur higher than the rest of the city based on my personal experience I rarely hear of crimes that have been committed in my neighborhood.

Serious Crime Rate Per 1,000 Residents, 2021



Sources: New York City Police Department, NYU Furman Center

- Conclusion
- My thoughts on how to resolve this problem

Finally, when it comes to my thoughts on how to resolve this problem I first believe in order for small businesses to succeed in my neighborhood more lending must be given. Loans help businesses grow as they can hire more employees, expand the quantity and value of products as well as help them create a more attractive business model. In a low-income neighborhood like mine, I constantly see businesses with lots of capital being the one's that last long-term. Without lending, any business looking for a solid start will be left without any help. In addition to helping the businesses, it helps the community itself as the more successful businesses, the more jobs are created and the larger the middle class. As see with this chart below this statistical data taken from business owners in Washington heights shows they are in need of marketing support, financing and legal/ lease support the most. This all requires funding. without

▶ Marketing support	34%
▶ Financing	24%
▶ Legal/lease support	19%
▶ Space improvements	9%
▶ New equipment	5%
▶ Other	4%
▶ Training for staff	4%
▶ Assistance with regulatory compliance	1%

Caption

funds to help market, finance, and pay off their lease. Having more funding will as well allow businesses to expand their products and the quality of products.

Works Cited

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