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An analysis of the need for commercial development in ward eight of Washington, D.C.

Johnathon Smith
Atlanta University

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AN ANALYSIS OF THE NEED FOR COMMERCIAL DEVELOPMENT IN WARD EIGHT OF WASHINGTON, D. C.

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BY
JONATHAN SMITH

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SMITH, JONATHAN

B.A., The University of Michigan, 1978

An Analysis of the Need for Commercial Development in Ward Eight of Washington, D.C.

Adviser: Dr. Keith C. Simmonds

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The objective of this study is to examine the need for commercial development in Ward Eight of Washington, D.C. To determine the need for development the writer identified and described the existing businesses in the ward, as well as discussed the prevailing economic conditions in the area.

The study demonstrates that the need for commercial development is due primarily to the need for a more diverse and competitive commercial district in the ward. The need for development is also due to the loss of business in consumers' dollars by Ward Eight entrepreneurs to other commercial areas outside of the ward. The analysis demonstrates further that the businesses located in Ward Eight do not nor cannot offer employment to a large number of Ward Eight residents; therefore, a need exists for the kind of businesses that can offer increased employment opportunities for the residents of the area.

The writer finds that the three explanations mentioned above are conditions that help create the need for commercial development in Ward Eight of Washington, D.C.
The information in this study was obtained from primary and secondary sources. Primary data were gathered from interviews and a survey using a structured questionnaire. Secondary sources of information for the study were obtained from books, government publications, magazines, newspapers, and scholarly journals.

A descriptive analysis was used as a methodological approach in this study.
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I. INTRODUCTION

The economic conditions of urban centers in the United States have drawn considerable attention from politicians and academicians. People in these areas are concerned with problems cities encounter as a result of economic distress. Politicians focus on economic issues for a number of reasons. It is their concern because of the roles they play as government officials at the local level. In holding positions in government, officials are perceived to be responsible for insuring economic stability and progress for the city they serve and for the citizens of the city. As a result, the task of politicians with regard to economic matters can be viewed as threefold: (1) to ensure the offering of necessary services to the citizenry; (2) to offer employment and business opportunities; and (3) to sustain and develop a stable revenue source (taxes). Thus, one finds economic concerns to be of vital importance to municipal politicians.

Academicians, on the other hand, are just as much concerned with economic issues as are politicians. The interest they display in this area mainly focuses on the implications that economic conditions may have for a given community. The interest lies with having some knowledge of what will result from the occurrence of one particular economic situation as opposed to another. For instance, the academic community attempts to understand and explain different social phenomena that follow from, or is created by, varying economic or commercial circumstances. For reasons such as these, conditions affecting a community's economic climate are
of immense importance to academicians.

The concern that city governments have had over the presence of businesses, i.e., economic or commercial entities, has grown in importance during the past twenty years. This increased interest is partly generated by the movement of large numbers of people from inner cities to suburban areas. More specifically, it occurred especially when whites and the more affluent citizens migrated from cities, leaving behind blacks and lower class residents. Additionally, as the affluent moved, many businesses also followed the same path in relocating to the periphery of urban areas.

One can attribute the increasing number of commercial firms leaving the central city to at least two factors. First, because of the loss of a needed tax paying public, municipal governments ultimately raised taxes thus leaving the remaining citizens and businesses to absorb increasing tax burdens. Second, during the 1960s when a large population of blacks began to locate in and around cities, along with the fact that these years were very turbulent in terms of race relations, a fear emerged among many white citizens and entrepreneurs alike, influencing their decision to relocate to suburban areas. Furthermore, cities have become infested with high crime and other social maladies. For these reasons city governments have been, and continue to be, faced with a dilemma in regards to their governmental role, especially in the areas of providing basic public services. As a result of an eroding tax base, cities can either continue to provide the same basic services at increasing costs, decrease city services, or raise taxes. Whatever approach is taken, the fact still remains that businesses in some cities continue to leave
inner city areas, resulting in some locations being without certain needed economic facilities. Hence, it is evident that a need exists for some municipal areas to attract new businesses as well as entice existing ones to remain in central city locations; the conditions for economic development are favorable.

To illustrate what is meant by favorable conditions for commercial development, a section of a particular city in the United States will be viewed. This city happens to be the nation's capital city, Washington, D. C., and the particular section to be observed is the area referred to as Ward Eight. This study will look at Ward Eight of the District of Columbia with the intention of demonstrating the need for commercial development in that area. This does not suggest that the needs of this area are unique to Ward Eight alone; however, the main objective is to point out and discuss the particular economic conditions that are endemic to this area. Surely, such development will not eliminate all of the economic problems of the ward. It is recognized that additional improvements must be made. The need for government subsidized infrastructural developments to enhance economic growth and prosperity will also be essential. However, should steps be taken to improve the commercial vitality of Ward Eight, the business sector and the residents could benefit as a result.
II. THE PROBLEM AND ITS SETTING

The Setting

This study originates from an internship served by the writer during the summer of 1980. The internship was sponsored by the National Urban Coalition in Washington, D. C. and the actual internship experience took place in the same city. Washington, D. C.--District of Columbia--is the nation's capital city, a highly metropolitan area, and is bordered by the states of Maryland to the north, and Virginia to the south. "The District of Columbia officially became the nation's capital on Monday, December 1, 1800."1 The city has a population of 638,900; 2 however, many more people enter the city on a daily basis for reasons of employment and because of its tourist attractions.

The actual internship position was held at the District of Columbia City Hall, located at 14th and E Streets, N. W., in the District Building. As mentioned earlier, the internship was obtained through the National Urban Coalition, located at 1201 Connecticut Avenue, N. W., Washington, D. C. Through this agency's efforts, the writer was offered an internship with the District of Columbia City Council in the office of the Council-member Wilhelmina J. Rolark. The internship involved a learning experience of the functions of city government.


The District of Columbia's current form of government has only been in existence for a short while.

The trend toward increasing local control over municipal matters culminated December 24, 1973, when legislation enacted by congress provided a charter for local self-government under an elected mayor and thirteen-member D. C. council.3

Legislation of this sort was of great need because the preexisting political system of the area was less than democratic.

The people were denied the right to vote for their local officials. Local officials were appointed by the President of the United States in Washington, D. C. In addition, the local laws were made by still another group of men, senators and representatives, whom the residents could neither reelect or reject. Efforts to provide the citizens of the nation's capital with home rule (i.e., making of local policy by locally elected officials) have been, to be sure, continuous tremendous struggles.4

These occurring factors prevailed up until the home rule charter was implemented.

The home rule charter was approved by the city residents on May 7, 1972, primary and general elections were held in September and November, and the new elected government took office January 2, 1975.5

As a result, the District's local government would be comprised of a mayor and thirteen councilmembers of which five would be representatives "at large" and the remaining eight to be elected by voters of the


particular political jurisdiction (ward) they reside in. To this effect, Washington, D. C. was divided into eight political jurisdictions of which Councilmember Rolark happened to be a representative of one.

Councilmember Wilhelmina J. Rolark represented Ward Eight of Washington, D. C. In addition to representing the residents of this area, she was also Chairperson of the Committee on Public Services and Consumer Affairs.

The organizational structure of Mrs. Rolark's office consisted of two distinct units. There were an administrative unit and a committee unit. Each component had different and distinct responsibilities. On the administrative side, the concern was with matters such as setting appointments, handling constituent complaints, recording constituent complaints, assisting Councilmember Rolark on specific tasks, and performing clerical responsibilities. The committee unit, on the other hand, was responsible for handling affairs that went before the Committee on Public Services and Consumer Affairs. More specifically, it was responsible for matters relating to government regulation of commercial, occupational and professional activities, civil rights, consumer affairs, affirmative action programs, banking activities as they relate to consumer affairs, and energy matters.  

The Internship Experience

As an intern, the writer worked with the committee unit. While working with the committee, the internship duties included assisting the

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Committee Clerk, Mr. William P. Lightfood, Jr., as well as the Legislative Assistant, Mr. William A. Sanders, Jr. Assignments included attending committee meetings, legislative sessions, providing written reports on activities involving each (committee meetings and legislative sessions), and providing clerical work. The major task, however, was to develop a questionnaire and conduct a survey in the business community of Ward Eight.

With the assistance of Mr. Herman Neugass, Assistant Director of the Business and Economic Development for the city, a questionnaire was prepared with the intent of soliciting information concerning the business and economic conditions of the ward. In conducting the survey valuable research experiences were acquired in the area of field research. The writer was given ample opportunity to practice interviewing techniques while conducting the survey, in addition to being allowed to interact with the citizens that Councilmember Rolark represented. As a result, the overall experience was most rewarding.

The survey conducted during the intern period was of value for Councilmember Rolark for a number of reasons. Three of the most important reasons will suffice for explaining the value of the survey. First, the survey provided Mrs. Rolark with a listing of an approximate number, as well as the type of businesses located in the ward. General characteristics such as size, number of people employed, ownership composition, and other information of value were collected in the survey. Thus, the survey was informative and it allowed one to determine commercial needs of the community.
A second value of the survey was that it provided a means for getting feedback from community entrepreneurs. The commercial owners were given an opportunity to voice their concerns on matters affecting them. They were allowed to respond to questions related to how they felt government policies affected them, and how the government could best operate in the interest of the business sector. Certainly such information will be of value to anyone who has to represent the interest of the business community and the residents of this area. Therefore, information gathered in this research could potentially influence political decisions made by Councilmember Rolark on behalf of the business community, the ward, and the city.

The third reason of importance of the survey is that it shows the community that their representative of the city council is concerned about the conditions they face. The survey thus serves as a public relations mechanism. It says, "I am here, I am working, I am concerned." For this reason Mrs. Rolark establishes herself among the business community and this is important from a political standpoint.

The Problem Statement

Upon establishing the value of the survey, it now becomes important to discuss the observations that were noted. The observations to be discussed led to the development of the research problem. The findings of the survey revealed that commercially the ward was in need of business development. The need for development can best be demonstrated by describing the nature of the business community of Ward Eight.
Basically, the businesses in the community of the Eighth Ward could be described as "mom and pop" shops. They could be characterized as being small in size, having one, two or three person ownership, and being economically viable only for the owners themselves, thus not being viable for employing a vast number of area residents. These characteristics are common for many of the establishments in the area. It must be noted, however, that other businesses exist in the area which do not fall into the "mom and pop" shop category. These type businesses include banks, fast food franchises, retail stores, and enterprises of this nature. For the most part, however, in most cases small businesses such as barber shops, beauty parlors, and liquor stores, are predominant throughout the vicinity. The following statement illustrates the problematic business conditions that prevail in the ward.

In the most general terms, the problem facing Ward Eight is that it lacks competitive, comparable neighborhood retail services. With this in mind, nearby shopping centers in Prince Georges County, Maryland, bordering the ward, offer strong competition to local merchants for the consumer's dollars in terms of retail trade and services. Another factor involved is the lack of needed parking facilities which in many cases fail to meet both the present demand and future needs for shoppers. And, an additional problem that prevails is the lack of economically developable commercial zoned land areas. This deficiency does not allow for accommodating the expansion needs of existing businesses nor for the creation of new opportunities for competitive comparative shopping within the ward.

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These conditions combine to make it more desirable for some form of commercial development to become a policy goal for Ward Eight. Thereby, it becomes crucial to explore the implications such development would have for the area, its residents, and the city as a whole.

The commercial conditions of the ward present a problem for the area and its residents for the following reasons. First, and foremost, the commercial distress of Ward Eight allows other adjacent areas to compete for this area's consumers' dollars (this fact has been mentioned earlier). As a result, residents reacting to a less viable business market are inclined to patronize establishments in other, and better commercially equipped areas. Consequently, the merchants of Ward Eight are subject to lose profits and tax revenue is lost by the city when consumers patronize businesses in nearby Prince Georges County, Maryland. A second feature that warrants attention, especially as it relates to the residents, is that the existing commercial businesses are not conducive to employing large numbers of people. Thus, unemployment in the area (Ward Eight) has little chance, if any, of being resolved or dealt with effectively by existing commercial businesses. Clearly, commercial businesses in Ward Eight do not have the capacity to ease the problem of unemployment in the ward.

This research project proposes to explore why there is a need for development in Ward Eight. The problem this paper will confront deals specifically with Ward Eight's need for commercial development because of its geographical proximity to Prince Georges County, Maryland, and one of its business districts, which offers Ward Eight residents greater
diversity and quality of commercial enterprises to shop from when compared to those existing in the ward itself. In addressing this problem, this research will look at ways in which the competitiveness between the two areas—Ward Eight and Prince Georges County, Maryland—can be equalized in terms of commercial offerings. In other words, this work will discuss possible ways that the less viable economic and commercial conditions of the ward can be alleviated such that the area’s business district can offer the type of enterprises that will meet the needs and desires of the residents in the ward, thus enabling the ward to compete with the businesses located in Prince Georges County; however, in so doing, the writer will examine possible implications such improvements will have on black business owners and black residents of the predominantly black populated area (Eighth Ward). In order to accomplish these tasks, the writer will also explore the extent to which different levels of government have in the past, and can in the future, play a role in facilitating the type of economic growth and development in which the ward needs for improvement. Thus, such government policies and programs as the Economic Development Act of 1965, the Urban Development Action Grant Program, and the newly proposed Urban Enterprise Zones policy, among others, will be discussed and analyzed with regard to the needs of Ward Eight.
Whenever improvements are made in a community, be they commercial
development or otherwise, they usually add one way or another to the
livelihood of the residents in the community. The elevation of the
community may take place through the construction of new homes, the
development of parks or recreational facilities, or with regard to this
research, through the addition or improvement of businesses in a given
area thus leading to economic growth. John K. Galbraith has written
that,

*economists have generally credited themselves with a special awareness of the social advantages of economic
growth. They saw that it would mean more consumption, more income, more employment, greater tax revenue, more
social services, greater happiness.*

If this is true, the results of commercial development in Ward Eight will
benefit the residents of the ward and also the city itself. More
specifically, such development should yield positive results for blacks
in the ward.

The City of Washington, D.C. has a significantly large black
population. Statistics reveal that the nonwhite population is approxi-
mately 73 percent of the total population. As for the Eighth Ward, the
high concentration of black residents prevail on the same level as it does
for the city as a whole. The 1980 census data show the area having only

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9 John K. Galbraith, *Economics and the Public Purpose* (Boston:

10 Comprehensive Plan Publications, *Ward Eight Notebook* (Washington,
6,600 white citizens, with the nonwhite population being 71,200 during this time period.\textsuperscript{11} Thus, the nonwhite population is approximately 91 percent of the total population of Ward Eight. Justifiably then, when considering any potential plans of development, at least two questions must be raised and addressed: To what extent will black residents of the ward be affected by such development, as well as how will black entrepreneurs be affected? In other words, what will be in store—or what should be—for these two elements of the community, while also taking into account the best interests of the area as a whole? These questions, when properly addressed, have wide-ranging implications for a community such as Ward Eight. Commercial development in the ward, with all of its potential for the area and its residents, could easily lead to a diminishing role for black business owners in that location. The development may also be such that little is done for the area with respect to employment for community residents. Consequently, it becomes crucial to view the economic conditions of the ward in relation to how needed changes will impact upon blacks in the community.

A considerable amount of literature exists depicting the economic plight that blacks face in this country. The available literature offers valuable interpretations of prevailing conditions among blacks. The literature offers explanations for existing economic situations, as well as demonstrate common patterns, trends, and relationships. Some of the literature, however, does not specifically address what can be called

\textsuperscript{11}Ibid.
the “black predicament”; however, such literature can still be utilized to examine conditions as they possibly relate to circumstances confronting blacks.

In a report prepared by the Congressional Research Service, conclusions were reached that suggest blacks could see the economic gains they made over the past two decades erode in the 1980s as the economy worsens and as government begins withdrawing support systems from minorities.\textsuperscript{12} An economic analysis such as this spells nothing but increased hardship for blacks in the District of Columbia’s Eighth Ward. This becomes particularly true with regard to employment and business ownership by blacks. Furthermore, the unfortunate economic position held by blacks is reflected in their actual lack of business ownership and in their employment status. In addressing the nature of black-owned businesses, a book entitled, \textit{Economic Opportunity in the Ghetto: The Partnership of Government and Business}, notes that a disproportionately small number of blacks own their own businesses.\textsuperscript{13} Another significant fact was pointed out by the authors of this particular work. They explained that a third of all minority-owned businesses are single proprietorships with no employees, an equal proportion have less than $10,000 per year in gross receipts.\textsuperscript{14} Additionally, only seven percent had more than 10 employees.\textsuperscript{15}

\textsuperscript{12} Henry Eason, “Report Forecasts Hard Times for Blacks,” \textit{The Atlanta Constitution}, April 23, 1982, p. 6A.


\textsuperscript{14} Ibid.

\textsuperscript{15} Ibid.
The report prepared by the Congressional Research Service, *Economic Prospects for Blacks in the 1980s*, has additional comments on the nature of black-owned enterprises. This report, however, takes a less negative posture in describing business conditions of blacks. This report states,

> It was during the Nixon Administration that the U. S. Government began officially to recognize the existence of black-owned businesses. In 1969, a special survey of minority-owned business was conducted, and in 1972, for the first time the U. S. Census Bureau's quinquennial national economic survey measured black-owned businesses separately.\(^{16}\)

Some of the following observations were noted:

> Although the five-year period between surveys (1972-1977) included one of the U. S. economy's worst recession and periods of high inflation, it witnessed an impressive expansion in the total number of black-owned businesses. During this period, black-owned businesses with paid employees expanded from 24,509 to 39,968 firms—an increase of 63 percent. Firms without employees—a classification comprising self-employed craftsmen and professionals and small family businesses—increased only 17 percent, from 163,093 to 191,235. The statistics reveal that the greatest growth among firms with paid employees occurred in small companies with nine or fewer workers.\(^{17}\)

Despite it being argued in the above mentioned report that black-owned businesses grew between the period of 1972 and 1977, their total number remain significantly small when compared to white establishments. Additionally, the report states that growth occurred in small companies; thus, the impact of such growth could have or has had at best a minimum effect on black unemployment. Also, in spite of this growth, the question


\(^{17}\)Ibid.
must be raised concerning what type of businesses actually experienced such growth. Furthermore, one has to consider if this growth adds to the commercial vitality of a given area or does it later become an economic liability. In effect, how have blacks benefited from capitalist ventures in their communities?

According to some writers, capitalism from a black perspective does not fully address the needs of the black community. Robert Allen, writing in the early seventies, had this to say about the phenomenon:

Black capitalism, which a few years ago was peddled as the solution to the black economic crisis, has proven to be a complete myth. Although blacks make up at least 12% of the U. S. population they still control less than 1% of the country's economic assets. Black-owned banks, which were to be the foundation of black capitalism, are in trouble. Almost half of the twenty-six black banks suffered operating losses during 1971.  

Earl Ofari, in his book, The Myth of Black Capitalism, advances a bit further on this point of black initiated capitalism and responds more radically and with disfavor by noting that black capitalism of any kind should be rejected. In fact, he asserts that,

...it has been the black elite who have advocated black capitalism, and the black masses have rarely shown any interest in this scheme as a solution to their economic woes.  

Thus, it appears that so-called black capitalism has been criticized when considered as a viable solution to economic problems that black people face.

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No matter what scheme is to be used in addressing the economic problems of the black community, some definite facts remain as far as black entrepreneurs seeking economic parity with white establishments are concerned. The most important factor has to do with the small size of the black business class. William K. Tabb, in *The Political Economy of the Black Ghetto*, attempts to explain why black businesses have been small in number. He asserts,

The small size of the black business class has generally been explained in two ways: (1) there are barriers to an individual's advancement in business because he is black, and (2) the economic relations between the black ghetto and the white society preclude, for the most part, the possibility of successful black businesses.20

To this effect, black-owned businesses are severed from the possibility of competing successfully for the consumer's dollars. For example,

The consulting firm of Brimmer and Company speculates that the changing residential and shopping patterns of black households might offer some insight into this phenomenon. According to these consultants, most black-owned firms are located in or close to the central core of cities, while many blacks (as their incomes rise) are moving farther out towards the cities' boundaries and suburbs. This shifting residential pattern is matched by a change in shopping behavior. Furthermore, an increasing number of black consumers probably do their buying in outlying areas and suburban shopping centers where few black businesses are located.21

Frank G. Davis responds to the above conditions and circumstances as they relate to the black community, or the "ghetto community," to use


his words, by suggesting what appears to him to be the problem. Davis asserts,

The central problem of the ghetto is to organize a circuit flow of goods and money within the ghetto economy, raising effective demand of the ghetto community for the ghetto produced goods and services it most urgently needs.\(^\text{22}\)

Also, he states further,

The present market organization and economic structure of the black ghetto cannot generate significant changes in income and employment of the black inhabitants residing there.\(^\text{23}\)

Thereby, according to Davis' analysis, no real change in employment or business conditions can be expected without reorganizing the community's economic structure, i.e., in terms of the goods and flow of money within the area. It seems then, that the prospect for community development through the improvement of black businesses will have a limited commercial impact on a given area.

In order for any commercial development to be successful it must improve the business inadequacies and severe unemployment conditions. It is hoped by some, however, that such improvements would support developing black-owned businesses within the community. However, Frederick E. Case maintains that, "given the uncertainty that minority capitalism can take hold, prosper, and rejuvenate the central city, the issue of creating jobs assumes much greater significance."\(^\text{24}\) The value


\(^{23}\) Ibid., p. 92.

of job creation over black business development rests basically with the knowledge of where blacks receive most of their income, along with the observable fact that black businesses do not employ significantly large numbers of blacks within a given community. As a result, because of unfortunate circumstances that are not entirely due to black entrepreneurs themselves, alternatives other than creating a black business zone must be looked into.

Barbara Jones of Clark College in Atlanta, Georgia, asserts that, "wages and salaries are the predominant source of family income for both black and white families and more families receive this type of income than any other."25 Dr. Jones also acknowledged that, "wages and salaries accounted for $82 of every $100 a black family received in 1974."26 David H. Swinton also supports the contention of the importance of wages and salaries. According to Swinton, "in 1980, the overwhelming majority of income for both black (81.5 percent) and white (81.1 percent) was derived from labor earnings."27 This emphatically demonstrates the need for increased employment among blacks, especially with regard to labor intensive enterprises. In order for this to occur in Ward Eight, however, there must be some kind of development within the area, and ways of persuading businesses to locate within the ward must be accomplished.


26 Ibid.

However,

No single formula has been devised for attracting businesses to the central city or its ghettos. But four steps are involved in any design to lure new industry: First, priorities must be established for the desired location of the new business—whether it is to be located within the ghetto, near the ghetto, or anywhere in the central city; second, the special problems of doing business in the specified area must be identified; third, industries that will most effectively satisfy the area's needs must be identified; and fourth, adequate incentives must be offered to attract these businesses.28

Often, the government plays a role in the attempt to attract businesses to certain areas within urban locales. Various government programs have been developed and instituted in an effort to revive commercial businesses in urban settings. For instance,

the Public Works and Economic Development Act of 1965 (PWEDA) exemplified the desire of the federal government to improve the economic and social conditions of areas plagued with chronic economic depression, and in particular, to relieve the high levels of unemployment that characterize such areas.29

Efforts of the government have also involved what has been known as urban renewal projects. These types of projects have, however, come under attack because in many instances they have improved urban areas at the social expense of local residents. They really have done more to help private investors than they have to aid residents of a given area. For example, in Atlanta, Georgia, urban renewal projects involving the


construction of a civic center and a sports stadium have been looked upon unfavorably by many citizens. Clarence N. Stone addresses this problem in his book, *Economic Growth and Neighborhood Discontent: System Bias in the Urban Renewal Program of Atlanta*. Regarding the problem Stone states,

> To some segments of the community, the new stadium and the civic center were a symbol of misplaced priorities. During the time that redevelopment activity was at its height, the city pursued a policy under which one-seventh of its population was displaced by government action. Some neighborhoods were simply demolished to make way for commercial and other forms of nonresidential redevelopment. Relocation activities drastically affected other neighborhoods. Inaction as well as action by the city influenced the quality of residential life. Neglect, overcrowding, and unaverted racial tensions changed the character of many areas.30

Thus, as many writers seem to suggest, to describe the urban renewal programs one can succinctly label them as "urban removal" programs that displaced many citizens and consequently destroyed certain neighborhoods.

Another approach that was taken to address commercial distress, especially as it relates to black neighborhoods, was that which was coined as "black capitalism," which was discussed earlier. Under this title the belief was held that black communities and the businesses within them could prosper through developing black enterprises. One piece of legislation that grew out of this idea, yet failed to be passed was the Community Self-Determination Act. The proposal for the Act was developed by the Congress of Racial Equality (C.O.R.E.) and was introduced in

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Congress in July of 1968. A *Congressional Record* report describes the Act as follows:

The Community Self-Determination Act is a fundamentally new approach to the problems of lower income communities. It is based not on governmental paternalism, but on local self-help, ownership, and decision-making. Instead of creating new government agencies, the Act creates a new institutional structure so that the people of poor communities can achieve economic development and the ownership of productive resources through their own efforts and under their control.31

Thus, the Community Self-Determination Act was an attempt to provide the legal and economic framework to enable a black community to acquire control of its own community instruments.

During the presidential administration of Jimmy Carter, urban policy toward development was approached through what is called Urban Development Action Grants (UDAG). Loretta McNeir, in her degree paper written for the Public Administration Department of Atlanta University, stated that UDAGs are "discretionary grant funds to assist in leveraging private investment for economic development projects which are ready for implementation."32 A closer look at the program shows that it has two primary objectives. First, the attempt is made to assist residential neighborhoods suffering from physical deterioration. Second, UDAG is also an economic development program designed to alleviate economic deterioration through community

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revitalization in areas with population out-migration or a stagnating or declining tax base.33

Thus,

in this connection, the law requires that, in addition to the neighborhood oriented projects, a reasonable portion of UDAG funds be used to reclaim for industrial purposes underutilized real property, and...to renew commercial employment centers.34

The most recent policy that deals with the need for improvements in distressed urban areas has come into existence under the name of Urban Jobs and Enterprise Zones Act. The act was first submitted as a proposal to Congress in 1980. The intentions of the policy are to stimulate, and make favorable, the economic conditions of areas set aside and described or considered as being depressed in economic terms. However, enterprise zones policy comes essentially without any federal economic purse. Thus, the policy for areas designated as "enterprise zones" would be as such with the following potential offerings:

The bill offers a series of tax reductions to businesses that receive at least half their income from zone activities and employ a work force with at least 40 percent of the workers eligible for CETA programs. Among the benefits for firms are the elimination of capital gains taxes, a halving of corporate income taxes, extension of loss carry-forwards from the current seven to twenty years, and a five percent refundable income tax credit for wages paid to CETA-eligible employees.35

For the most part, then, the legislation is primarily based on a series of tax incentives without any direct aid from the federal government.

34 Ibid.
The attempt is made to reduce the cost of doing business in the area designated as an enterprise zone, hoping such a tactic will act as an incentive for businesses to locate within the zones. Additionally, it is a desire that these businesses will hire more people from the area. Should this occur the obvious results would be an approved commercial district, as well as increased employment for the residents in the area, something that is greatly desired and of need in Ward Eight.

One might note, however, that enterprise zones may not produce with success all of the goals that have been established for the policy. In this regard, Andrew F. Brimmer states,

Unfortunately, some of the goals set for enterprise zones may be incompatible. For example, one aim is to promote the growth of businesses in the inner city in the hope that they will create jobs. Many of these are small, minority-owned firms concentrated in retail trade. These are not high growth fields and many of the existing firms are seeking ways to move into more promising lines.36

A personal view held by Gary Waldron, and shared by many others, is that enterprise zones will aptly benefit those who least need help. "The real beneficiaries," he predicts, "will be the large, well-heeled firms with enough capital to transfer a subsidiary into an enterprise zone."37 According to Waldron, "such firms can, with little difficulty, reroute expenses and costs through their satellite plants and funnel the tax savings back to the parent company."38 Thus, Waldron believes that


38 Ibid.
enterprise zones will be a windfall for certain businesses, and a lot of new employment will not occur as a result of their creation. With this in mind, one can only wait patiently to see if these predictions manifest themselves, or whether enterprise zones will in fact aid the business community through the provision of tax incentives and at the same time have a trickle down effect on employment within the zones.
IV. METHODOLOGY

The research provided in this study is of a descriptive nature. The intent is to describe the business conditions that exist in Ward Eight while presenting an empirical analysis of these conditions. In doing so, two types of data are used in this study: primary and secondary data. Together, these types of data are employed to examine the commercial and economic conditions of the ward. A discussion of the two sources of data now follows.

Primary Data

In order to perform a descriptive study of the business conditions in Ward Eight, the writer chose to conduct a survey of the business community in the area. A questionnaire used for the survey was developed by the writer with the assistance of Mr. Herman Neugass, Assistant Director of the Office of Business and Economic Development in Washington, D. C. The purpose of the survey was to gather information on business conditions of the ward. The survey included questions which attempted to obtain information on the following:

1. the type of businesses in the ward;
2. the length of time an establishment had been in business at a particular location and the type of business previously located there;
3. the hours of operation for businesses;
4. the ownership composition, i.e., sexual, racial, and institutional type, e.g., partnership, corporation, etc.;
5. the amount of sales volume for businesses;
6. the number and ages of people employed by businesses;
(7) the size of a business, i.e., square footage; and
(8) the number of people owning the building that the business occupies, as compared with those who leased their building.

In addition to seeking the information mentioned above, other questions were posed regarding whether any government assistance had been received by businesses in the area in an effort to improve their operations. Also, an attempt was made to find out what business owners thought the government could do in assisting them to improve business and economic conditions of the ward. Another concern focused on whether business owners of the ward believed they were losing business to other wards or areas. Along with this, a desire to answer the question as to what could be done to decrease or prevent future loss of business to other areas, prevailed (see Appendix).

Secondary Data

The second research method used in this study made use of secondary data. This type of data was gathered from a number of written sources. The sources used include books, government publications, magazines, newspapers, and any other important literature. Through research efforts utilizing these sources of data, an attempt is made to extract the necessary information that can best analyze the economic conditions of the ward.

In addition to the above stated research methods, personal observations of the writer are included in the paper. Also, information and ideas acquired from informal conversations with business leaders and city officials provide for additional data.
Research Problems

Under very few circumstances can research be conducted without the occurrence of problems. In fact, it can easily be concluded that most research efforts are rarely problem free. Although problems often prevail, however, this does not necessarily suggest that a particular research project is without any value. The identification of problems only demonstrate where certain difficulties and weaknesses prevail in the research. This allows for understanding and possibly improving research deficiencies wherever they may exist.

The writer is of the opinion that there were at least two problems associated with this particular research project. The problems encountered did not and do not render the research to be of no value; however, by identifying the problems in the research, the reader is given the opportunity to understand the existing shortcomings in conducting the study.

As mentioned earlier, the primary data for this project was gathered by conducting a survey in the business community of Ward Eight through the use of a questionnaire. Although the survey gathered useful information regarding the research problem, there still were problems in generating needed data, for which reasons will be given.

First, in conducting the survey there was no guarantee of receiving an adequate return of completed questionnaires. Many of the local business persons in the area were reluctant to complete the questionnaire and some were vehemently opposed to doing so. In the writer's judgement, this was due primarily to social and political apathy, as well as to mistrust for the government.
Second, of the questionnaires that were completed, many were done so without providing answers to all of the questions that had been asked. Numerous reasons for not answering all of the questions might be given. For example, it could have been as a result of oversight, misunderstanding a question, or purely and purposely neglecting to answer a given question. In any event, of the questionnaires returned, some questions generated more responses than others, while at the same time, a number of questions failed to generate any response or answers. These are only two of the problems that were encountered with regard to conducting research and gathering data from primary sources.

With regard to secondary data, the most obvious problem prevailed, i.e., the amount of information related to the topic was too great to be covered and discussed entirely. Thus, there are limitations in conducting, compiling, and discussing research data that is derived from secondary sources. Therefore, it can be concluded that an exhaustive study of secondary information was not practical to accomplish in this research paper.
V. ANALYSIS OF THE PROBLEM

The primary purpose of this section is to examine the economic conditions of Ward Eight in order to determine whether there is a need for commercial development in the area. One must be reminded again, however, that the data gathered for this study does not represent the entire business community of Ward Eight in Washington, D. C. This study represents what would be considered a microcosm of the Ward Eight business community. There are two reasons for this. First, there were two hundred and five (205) businesses located in Ward Eight and sixty-four (64) completed questionnaires were received by the researcher to use for the study of the business conditions in the ward. Therefore, the participation of businesses in this study amounted to thirty-one (31) percent of the existing commercial enterprises. Second, as mentioned in the previous chapter, of the questionnaires received, a number of them contained questions that did not generate any response from the person(s) who completed the survey. As a consequence, the survey reflects not only a small portion of the actual number of businesses located in Ward Eight, but in some instances, a small number of the businesses who actually participated in the study in that many of them failed to answer specific questions.

The writer begins the examination by describing the nature of the business community in the ward. After conducting the survey of commercial establishments in Ward Eight, the different types of businesses located in the area were placed in three main categories: (1) services,
Of the businesses surveyed, 50.0 percent were classified as service oriented. The number and type of service-oriented businesses consisted of thirteen (13) hair care establishments (ten beauty salons and three barber shops); five (5) dry cleaners; four (4) gas stations; one (1) laundromat; and nine (9) businesses categorized in a class labelled "other." Those businesses classified as "other" consisted of three (3) medical firms; two (2) day-care centers; a real estate office; an income tax office; a pest control business; and a landscaping establishment (see Table 1).

Establishments in the retail merchandise category held the next highest percentage of businesses in the survey with 29.7 percent. The businesses found in this category were comprised of nine (9) liquor stores; three (3) variety stores; two (2) clothing stores; one (1) drug store; and a category for establishments that were listed as "other," numbering four (4). These commercial enterprises were comprised of a store that sold records and tapes, an auto parts store; an auto tire store; and an establishment that sold ceramics (see Table 1).

The third category came under the title food establishments. This category amounted to 20.3 percent of the businesses surveyed. In this category six (6) prepared food establishments and five (5) grocery and produce businesses were found. Two (2) businesses were classified as "other" and they were a dairy store and a convenience store (see Table 1).

Upon looking at the three major categories—service, retail merchandise, and food—some important observations must be noted. For example, in each separate category the largest number of businesses
TABLE 1
TYPES OF BUSINESSES IN WARD EIGHT

<table>
<thead>
<tr>
<th>Nature of Business</th>
<th>Total Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Services</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hair care</td>
<td>13</td>
<td></td>
</tr>
<tr>
<td>Dry Cleaning</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Gas and service station</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Laundromat</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>32</strong></td>
<td><strong>50.0</strong></td>
</tr>
<tr>
<td>(2) Retail Merchandise</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Liquor store</td>
<td>9</td>
<td></td>
</tr>
<tr>
<td>Drug store</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Variety store</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td>Clothing store</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>19</strong></td>
<td><strong>20.3</strong></td>
</tr>
<tr>
<td>(3) Food</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepared food</td>
<td>6</td>
<td></td>
</tr>
<tr>
<td>Grocery and produce</td>
<td>5</td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td>2</td>
<td></td>
</tr>
<tr>
<td></td>
<td><strong>13</strong></td>
<td><strong>29.7</strong></td>
</tr>
</tbody>
</table>

Source: Data compiled from business survey conducted in Ward Eight of Washington, D. C., 1980.

Consisted of hair care establishments, liquor stores, and prepared food operations. Because the majority of the businesses were found to be of these type establishments, the survey clearly shows there is little commercial diversity in the ward. There were no industrial nor
manufacturing firms in that location. Furthermore, the writer observed few entertainment facilities--such as bowling alleys, movie theaters, etc.--were found in Ward Eight.

The types of businesses located in the area typically consist of what has been described as "mom and pop" operations. The businesses in the ward are described in that manner because they basically are small in size, they serve a small market, and the potential for employing large numbers of people is quite remote.

Regarding business ownership, 46.9 percent of the businesses surveyed were owned by a single person. Additionally, thirty-nine (39) or 60.9 percent of the establishments were owned by minorities. This figure is based on the summation of thirty-one (31) black-owned businesses; seven (7) Asian-owned businesses; and one (1) Hispanic-owned business. Furthermore, of the thirty-nine (39) minority-owned enterprises, twenty-seven (27) or 69.2 percent of them were owned by a single proprietor (see Table 2). Also, data from the survey shows that males owned more businesses in Ward Eight than females. Of the commercial establishments in the ward that completed the questionnaire for the research, 42.2 percent were owned by males, while 15.6 percent were female-owned.

With regard to employment in Ward Eight, the survey showed there were three hundred and seventy-six (376) people employed by businesses in the area that completed the questionnaires. Although there were nine businesses that did not answer this portion of the questionnaire, of the fifty-five businesses that did respond there was an average of 6.8 employees for each business (see Table 3).
<table>
<thead>
<tr>
<th>Ownership Composition</th>
<th>Total Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>(1) Race</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
<td>31</td>
<td>48.4</td>
</tr>
<tr>
<td>Asian</td>
<td>7</td>
<td>10.9</td>
</tr>
<tr>
<td>Hispanic</td>
<td>1</td>
<td>1.6</td>
</tr>
<tr>
<td>White</td>
<td>7</td>
<td>11.0</td>
</tr>
<tr>
<td>* No response</td>
<td>18</td>
<td>28.1</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>(2) Sex</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>27</td>
<td>42.2</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>15.6</td>
</tr>
<tr>
<td>Joint</td>
<td>13</td>
<td>20.3</td>
</tr>
<tr>
<td>* No response</td>
<td>14</td>
<td>21.9</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
<tr>
<td><strong>(3) Type</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Single</td>
<td>30</td>
<td>46.9</td>
</tr>
<tr>
<td>A. Minority-owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. White-owned</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Partnership</td>
<td>7</td>
<td>10.9</td>
</tr>
<tr>
<td>Corporation</td>
<td>22</td>
<td>34.4</td>
</tr>
<tr>
<td>No response</td>
<td>5</td>
<td>7.8</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* No response given to particular question on ownership, sex, type, respectively.

Source: Data compiled from business survey conducted in Ward Eight of Washington, D.C., 1980.
There were also numerical differences noted in the survey regarding male and female employees in the ward, as well as difference between the number of minority and white Ward Eight employees, the number of male and female employees of minority-owned businesses, and between the number of male and female employees in white-owned establishments. The survey revealed that there were more male (216) than female (160) employees in the ward. On the average, for the 55 businesses which responded to the question, there were 3.9 male and 2.9 female employees for each business. Additionally, there were more people employed by minority establishments (253) in the ward than by white (123) businesses. The larger number of people employed by minority businesses in the ward is probably due to there being more minority-owned businesses in the area. As for comparisons between the number of males and females employed by minority-owned businesses in Ward Eight, a larger number of females (144) than males (109) were employed by minority firms. This, however, was not the case in white-owned establishments because more males (107) than females (16) were employed by these businesses (see Table 3). Any number of reasons can be given to explain the higher number of employed females in minority-owned firms as opposed to white-owned businesses; however, probably the best reason for the high number of females employed by minority enterprises is the existence of a high number of black-owned hair care facilities in the ward. As indicated in Table 1, there were more hair care establishments (13) than any other business in the survey of Ward Eight, and ten (10) were beauty parlors which employ, for the most part, female workers. From this observation it is easy to conclude
that these female-owned and operated businesses offer a significant amount of employment to female workers. Despite this fact, these types of businesses, regardless of the importance they have in employing female workers, are still not of the kind of establishments that the area needs for commercial growth.

Data was also gathered on the number of full-time and part-time workers employed in the ward. Forty-seven (47) businesses in Ward Eight responded to the question in the survey concerning the type of hours (full- or part-time) the employees worked. Among these forty-seven businesses, the survey revealed there were one hundred and seventy-three (173) full-time employees and one hundred and thirty-one (131) part-time employees (see Table 3). Thus, in calculating the average, the survey revealed that the forty-seven responding businesses employed 3.7 full-time and 2.8 part-time workers. These low figures demonstrate how serious the need is in the ward for commercial enterprises that could potentially employ more people.

Next, with regard to employment in Ward Eight, there is another category in the survey that provides information on employment by age. In this category fifty businesses provided answers to the question concerning the number of people they employed in four specific age ranges. Table 3 shows that there were one hundred and eleven (111) employed persons 25 years old and under; one hundred and twenty-one (121) persons between the ages of 25 and 40; fifty (50) persons between the ages of 40 and 60; and five (5) persons aged sixty years old and over. Again, these figures indicate the necessity for developing a commercial district
### TABLE 3
WARD EIGHT EMPLOYMENT

#### Employment by Sex

<table>
<thead>
<tr>
<th>Business Composition</th>
<th>Number of Males</th>
<th>Number of Females</th>
<th>Total Employed</th>
<th>* No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>109</td>
<td>144</td>
<td>253</td>
<td>7</td>
</tr>
<tr>
<td>White-owned</td>
<td>107</td>
<td>16</td>
<td>123</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>216</strong></td>
<td><strong>160</strong></td>
<td><strong>376</strong></td>
<td><strong>9</strong></td>
</tr>
</tbody>
</table>

#### Employment by Type of Hours

<table>
<thead>
<tr>
<th>Business Composition</th>
<th>Number of Part-time</th>
<th>Number of Full-time</th>
<th>Total Employed</th>
<th>* No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minority-owned</td>
<td>90</td>
<td>88</td>
<td>178</td>
<td>3</td>
</tr>
<tr>
<td>White-owned</td>
<td>41</td>
<td>85</td>
<td>126</td>
<td>14</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>131</strong></td>
<td><strong>173</strong></td>
<td><strong>304</strong></td>
<td><strong>17</strong></td>
</tr>
</tbody>
</table>

#### Employment by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>White-owned</th>
<th>Minority-owned</th>
<th>Total Employed</th>
<th>* No Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 25</td>
<td>16</td>
<td>95</td>
<td>111</td>
<td>X</td>
</tr>
<tr>
<td>25 to 40</td>
<td>32</td>
<td>89</td>
<td>121</td>
<td>X</td>
</tr>
<tr>
<td>40 to 60</td>
<td>11</td>
<td>39</td>
<td>50</td>
<td>X</td>
</tr>
<tr>
<td>60 and over</td>
<td>4</td>
<td>1</td>
<td>5</td>
<td>X</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>63</strong></td>
<td><strong>224</strong></td>
<td><strong>287</strong></td>
<td><strong>14</strong></td>
</tr>
</tbody>
</table>

* No response given to particular question on employment by sex, type of hours, age, respectively.

Source: Data compiled from business survey conducted in Ward Eight of Washington, D. C., 1980.
that can help meet the employment needs of the area. This is because if these figures are a true representation of the employment potential of Ward Eight businesses, then they would employ on the average (with regard to the 50 respondents), 2.2 persons under the age of 25 years and 2.4 persons between the ages of 25 and 40 years old. This suggests to the writer that unemployment, especially among youth, is extremely high in the area and is not or cannot be adequately dealt with by the current business community of Ward Eight. This has been exactly the case because, "the rate of unemployment in Ward Eight, especially among young adults, has been one of the city's highest over the last decade."³⁹

With regard to Ward Eight's geographical proximity to Prince Georges County, Maryland, it has been alleged that because of the ward not having a competitive nor diverse business district, it would be likely that it (Ward Eight) would lose business to the more diverse commercial district in Prince Georges County, which borders the ward. In response to this claim, thirty (30) of the business owners surveyed were of the opinion that they experienced a loss of business to other areas, particularly to Prince Georges County. Data from the survey show that 18.8 percent of the businesses estimated experiencing a loss of $20,000 or more each year, and 18.8 percent claimed to experience an estimated loss of under $5,000. Additionally, in the $5,000 to $10,000 bracket, 3.1 percent of the businesses surveyed reported a loss, while 6.3 percent of the commercial establishments reported a loss of $10,000

to $20,000 in business on a yearly basis (see Table 4).

TABLE 4

ESTIMATED LOSS OF BUSINESS BY WARD EIGHT ESTABLISHMENTS TO OTHER AREAS

<table>
<thead>
<tr>
<th>Estimated Loss in Dollars</th>
<th>Total Number of Businesses</th>
<th>Percentage of Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under $5,000</td>
<td>12</td>
<td>18.8</td>
</tr>
<tr>
<td>$5,000 to $10,000</td>
<td>2</td>
<td>3.1</td>
</tr>
<tr>
<td>10,000 to 20,000</td>
<td>4</td>
<td>6.2</td>
</tr>
<tr>
<td>20,000 or more</td>
<td>12</td>
<td>18.8</td>
</tr>
<tr>
<td>* No response</td>
<td>34</td>
<td>53.1</td>
</tr>
<tr>
<td>Total</td>
<td>64</td>
<td>100.0</td>
</tr>
</tbody>
</table>

* No response given to particular question on estimated loss of business by Ward Eight establishments to other areas.

Source: Data compiled from business survey conducted in Ward Eight of Washington, D.C., 1980.

The survey not only asked how much money was estimated to be lost by businesses in the ward to other areas, it also made an attempt to find out what the entrepreneurs in Ward Eight thought could be done to decrease, or prevent all together, the loss of business to other areas. Answers to this question received similar responses to that of the question in the survey that asked for suggestions on how the District of Columbia city government could assist in improving business conditions.
The responses given by the businesses in the survey regarding the questions on preventing business loss and suggestions for government assistance in improving business conditions highlighted various needs. Many of the business owners believed that added police protection would serve to deter existing criminal elements in the ward's business district. In doing so, entrepreneurs of the area believe the fear of working in, as well as patronizing the businesses in the ward would be greatly diminished. As a result of increased police protection, they (business owners) assume that Ward Eight residents will be inclined to do more business in the area. This might partially address the problem of losing business to other areas; however, it does not specifically mention how commercial establishments in Ward Eight will deal with losing business opportunities due to its deficiency of competitive and diverse enterprises. Despite overlooking this problem, other suggestions were made by the owners of the businesses that were surveyed. Along with the need for greater police protection, community business leaders believe that area businesses need more parking facilities along with the removal of existing parking meters in certain areas, lower taxes, a lottery (within the District of Columbia), government loans, job training programs, increased truancy control for school children, and more concern by the government for the beautification of the area.

Although most of the respondents gave general comments regarding the needs and the problems of the business community, some of them did offer answers that were more specific. For instance, one store owner had much to say regarding the prevailing problems and how they could
be alleviated through government assistance. For the most part, the problems were perceived with racial overtones. This particular owner made the following comments:

The federal or District of Columbia municipal government should provide assistance by insuring that black-owned businesses are able to secure SBA loans, grants, etc., on equal terms with white-owned businesses that do not seem to have any problem getting government funds or anything else. White businesses receive loans without collateral, but a black business cannot get packaged for a loan without collateral. People who have that much collateral do not need loans in the first place. Additionally, whites and others get business tax exemption plans in order to facilitate business improvement, whereas no such plans seem to exist for black businesses. And furthermore, white businesses receive special police protection in D. C., especially in black areas, but black-owned businesses are virtually ignored.40

The validity of the claims made in the above statement cannot be proven without further investigation. One must take particular notice, however, of how these claims are in agreement with William Tabb's explanation of why black businesses are small in number, when he states that there are barriers to an individual's advancement in business based upon skin color. This observation is seemingly in concurrence with the opinions of the complaining store owner. Furthermore, Tabb also suggests that the "economic relations between the black ghetto and the white society preclude, for the most part, the possibility of successful black businesses." 41 If the economic relations between the

40 Written response to a survey question by a business owner in Ward Eight.

black ghetto and the white society have an impact on the success of black businesses, surely the sociopolitical relations will have a similar effect. This might explain why this particular store owner believes that inequitable police protection prevails in Ward Eight. Consequently, if the police fail to provide adequate and equal protection to black business owners, or the black community in general, this could be viewed in terms of how the social and political institutions in the wider society relate to the black community. It is important to note, however, that there were white business owners in the community who also believed that police services could and should be improved. Thus, police protection or the lack thereof in Ward Eight does not depend entirely on one's race. It seems to be a problem that is endemic to the area more so than to particular individuals, i.e., blacks as opposed to whites. But even then, racial factors may very well influence the lack of adequate protection in the area because of the ward being a predominately black residential district.

Taking into account Tabb's explanations as to why black businesses experience difficulties in achieving success, one must wonder if it could ever be possible for Ward Eight to thrive commercially with 60.9 percent of the businesses being minority-owned, as indicated in the survey. Furthermore, of this 60.9 percent figure, 48.4 percent of these businesses were owned by blacks.

Because of the high number of black-owned businesses in Ward Eight, in addition to the potential problems these owners encounter due to their race, one must question the extent to which the business community can
prosper at all. According to Frederick Case, there is a sense of uncertainty that minority enterprises can "take hold, prosper, and rejuvenate the central city." Thus, the prevailing conditions in the ward offer no immediate solution to the problems of a suffering business community. Also, although it seems necessary to develop this area commercially, such development would seem to lead to a diminishing community of minority entrepreneurs because the type of development that Ward Eight needs is the kind that would offer the residents of the area diverse and competitive places to shop, as well as the kind of development that would offer increased employment—currently black-owned businesses of the ward do not provide for either of these needs. This is why Case takes the position that "the issue of creating employment has greater significance than the development of minority-owned businesses." It seems, therefore, that it is crucial for commercial development in Ward Eight to lead to the enhancement of the quality of goods and services offered in the area, as well as increase the possibility for creating jobs, thus offering greater employment opportunities for the residents within the ward.

To address the commercial needs of Ward Eight it is necessary for planners and politicians alike, to become familiar with the existing problems. It is also crucial to know what impact any future plans for development will have on the existing business community. Having

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43 Ibid.
knowledge of future development plans, business leaders of the ward can anticipate if and how they will be affected, as well as make preparations to adjust to the changing commercial environment that will ensue.

According to a report prepared by the District of Columbia Office of Planning and Development, "the general lack of commercial investment in the ward has dramatically affected the delivery of commercial services in the ward." Consequently, the lack of investment in the area helps to create the commercial conditions that demand a new and revitalized district of businesses in Ward Eight. As a result, the municipal government of the District of Columbia has developed strategies for addressing the commercial needs of the ward. Succinctly stated, the economic policy of the City of Washington, D.C., is to "promote appropriate commercial, industrial, and related development to serve the economic needs of the city and its neighborhoods." Additionally, the opinion is held that, "future retail services in Ward Eight should be located either in or immediately adjacent to existing major commercially zoned districts." Two other important positions are held regarding commercial development in the ward:

(1) Future commercial development activities should be located and coordinated with existing commercial areas so as to strengthen existing commercial facilities; and


46 Ibid.
(2) Future commercial and light industrial uses should provide both needed retail services as well as be more labor intensive, so as to provide needed job opportunities within the ward.47

Acceptance of these few suggestions are, for a number of reasons, imperative for the development of the ward. First, in stating where future retail services should be located—either in or immediately adjacent to existing major commercially zoned districts—policy makers have set priorities for where commercial revitalization should take place. Levitan, Mangum, and Taggart cite this as an important and necessary step in the attempt to attract different businesses in an area. In the words of these authors, "priorities must be established for the desired location of the new business—whether it is to be located within the ghetto, near the ghetto, or anywhere in the central city."48 Second, these same authors state, "the special problems of doing business in the specified area must be identified."49 Both the government and the business leaders of the community have done this. For instance, they acknowledge that crime in the area often discourages potential shoppers from doing business in Ward Eight. Furthermore, "the parking facilities in many instances are inadequate and fail to meet both the present demand and future needs of shoppers."50 Obviously, the proprietors along with


49Ibid.

government officials are aware that the close proximity of Ward Eight to Prince Georges County does not help facilitate any growth to the ward's business district. Thus, in recognizing the difficulties of doing business in the area, it becomes possible through careful planning to address the concerns that can potentially lead to the alleviation or elimination of undesirable problems. Levitan, Mangum and Taggart also suggest identifying those enterprises that will satisfy the needs of the area. In accordance with this suggestion, D. C. government officials report that,

The most badly needed commercial facilities within the ward are major shopping facilities that would provide such services as: one or more major grocery stores, one or more large drug stores, a sizeable department store, and a host of other retail and service facilities.51

Leaders of the city and the community also mentioned the need for light industrial and manufacturing areas in the ward. The desire is that they will be more labor intensive, thus providing further employment opportunities for residents of the ward. Thus, the establishment of additional commercial enterprises in the area that will provide needed goods and services, as well as employment opportunities to Ward Eight residents is viewed as essential.

Another important point that warrants discussion is the coordinating of future development with existing commercial areas. It is necessary to coordinate future development efforts with prevailing commercial areas in order to complement and strengthen existing commercial facilities

as opposed to destroying or weakening such establishments. This is why the writer has raised the question concerning the impact that future development plans will have on the existing business community. Because of the high concentration of black-owned businesses in the area, such coordination is extremely crucial for them, especially if the possibility prevails for weakening their economic positions in the community. Hence, coordinating future development efforts with current commercial establishments should be done to insure that the economic roles of the present businesses in the community are not substantially diminished, or lessened at all.

In conclusion, the government of the District of Columbia views the primary objectives of future commercial development in Ward Eight as follows:

- To increase the delivery of retail services within the ward...
- To coordinate the increase in services with existing businesses so as to complement and revitalize existing businesses throughout the ward....
- To provide for increased business and job opportunities for Ward Eight area residents, and ....
- To provide for increased revenue for the district and in turn increase the delivery of city services to both commercial as well as residential land uses.52

According to government officials, "the Ward Eight area contains enough of a market to support a major shopping area that could compete with the market-drawing potential in Prince Georges County."53 One key

53 Ibid., p. 15.
factor in the success of a major shopping area, however, is the procurement of commercially provided recreation facilities. "The lack of facilities such as movie theaters, bowling alleys, amusement parks, night clubs, are generally cited by residents who say there is nothing to do in the ward." Consequently, the assumption is made that such "magnet" type services will enhance and facilitate future shopping in the area. As a result of this activity, Ward Eight, its residents, and the city itself, could benefit from the additional improvements to the area.

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IV. CONCLUSIONS AND RECOMMENDATIONS

The purpose of this study has been to examine the economic conditions of Ward Eight in Washington, D. C., to determine if there is a need for commercial development in the area. In looking at the economic conditions of the ward, the intent has been to demonstrate why there is a need for commercial development. Upon establishing this need, a final objective is to suggest the kinds of development that can potentially alleviate any economic distress that the Ward Eight business community and the residents of the area encounter.

Based upon the findings of the study, it is evident that the Ward Eight business community is in need of commercial development. The desire to stimulate economic growth in Ward Eight, through commercial development, arises out of the need for a more diverse and competitive commercial district in the area. The need for further development is due primarily to the loss of business in consumers' dollars by Ward Eight entrepreneurs to other commercial areas, especially to Prince Georges County, Maryland, which borders the ward and provides a better alternative for shopping for Ward Eight residents. Second, the businesses that are located in the area do not nor cannot offer employment to a significant number of Ward Eight residents; therefore, a need exists for the kind of businesses that can offer increased employment opportunities for the citizens of Ward Eight.

In order to alleviate existing distressful economic conditions in Ward Eight, the following recommendations are proposed by the writer.
To begin, there is the need for a combination of financial assistance from both the federal government and the local government of Washington, D.C. Such assistance should come in the form of both direct grant programs and indirect aid by offering incentives to private investors to locate within the area. Low-interest loans should also be made available to businesses presently located in Ward Eight in order that they can make improvements to their establishments.

One type of development that is needed in the community is the construction of a major shopping complex. By constructing such a complex, two of the most important economic problems of the ward can be addressed: unemployment and the provision of diverse and competitive shopping. Commercial development of this kind is very essential for the future growth and stability of Ward Eight.

Additional recreational facilities in Ward Eight could also benefit the development of the area. The ward could definitely utilize a movie theater, a bowling alley, a roller skating rink, and possibly a night entertainment establishment offering beverages and featuring music for adults. These types of recreational facilities should be located within the shopping complex or be strategically located near the complex. This will allow the two business entities--commercial and recreational--to economically complement each other in terms of attracting and exchanging customers.

Another option for developing Ward Eight has to do with the potential for minority-owned businesses to position themselves to compete with non-minority-owned establishments. This can be accomplished through the
consolidation and merging of similar black-owned establishments in Ward Eight. Thus, as Earl G. Graves, publisher of *Black Enterprise* magazine states, "joint ventures and mergers are the necessary prescriptions for our future."55

Although the above recommendations are conceptually sound, the writer is aware that the endemic economic problems of Ward Eight preclude the possibility of their effective implementation. There are a number of factors that will have the tendency of negating the development potential of the area. For instance, the low education levels, low-level of skill, and high unemployment among the residents of Ward Eight are not conditions that are conducive for attracting new businesses into the ward. These conditions, more or less, hinder the development of communities due to the negative effect they have on consumption patterns and on the available financial resources of the residents. As a consequence of these pernicious economic circumstances, the chance of businesses wanting to locate in an area experiencing these difficulties are quite remote.

Due to the geographically unique economic circumstances impacting upon Ward Eight, a more feasible solution to the economic problem of the area would be to make it a better community for low and moderate income residents to live in. This can be accomplished in addition to the proposed commercial development of the ward. The primary intent,  

however, should be on raising the standard of living of the residents by finding ways of transporting them to areas surrounding the District where employment opportunities in labor intensive industries and manufacturing factories are available. In these areas of employment, residents of the ward stand a greater chance of finding jobs that do not require high education levels and high skills, which many of the residents of Ward Eight do not possess. Thus, this will eliminate the need for attracting such firms into Ward Eight, and if any development should take place it can focus on establishing businesses in the area that concentrate on the provision of quality goods and services.

In a final note, the prospects for future commercial and economic growth in Ward Eight depends upon the creation of new and diverse business enterprises, as well as upon infrastructural improvements leading to better transportation for the residents of the ward to existing areas of employment outside of Washington, D. C. Improvements and additions are greatly needed in these areas in order to allow Ward Eight to maintain any economic existence or grow in the future. It is through development and changing economic patterns similar to the ones presented in this study that will allow government officials the opportunity to adequately address the commercial and employment needs of the community.
APPENDIX

QUESTIONNAIRE: BUSINESS SURVEY OF
WARD EIGHT IN WASHINGTON, D. C.
COUNCILMEMBER WILHELMINA J. ROLARK

BUSINESS SURVEY OF WARD EIGHT

1. What is the nature of your business?
   - Prepared food
   - Grocery and produce
   - Liquor store
   - Drug store
   - Variety store
   - Beauty shop
   - Dry cleaning
   - Service station
   - Laundromat
   - Entertainment (type)
   - Barbershop
   - Other (type)

2. How long have you been in business and what type of business existed here before you opened your establishment?
   - 0 - 1 year
   - 1 - 5 years
   - 6 - 10 years
   - 10 or more years
   - Same business
   - Other (type)

3. What are your hours of operation?
   - Monday
   - Tuesday
   - Wednesday
   - Thursday
   - Friday
   - Saturday
   - Sunday

4. What type of ownership does this business have?
   - Male
   - Female
   - Joint
   - Minority
   - Black
   - Asian
   - Hispanic
   - Single
   - Partnership
   - Corporation
   - Other (please list)
   - Other (please list)
   - Nonminority
5. What is the approximate sales volume of your business each year?
   __ Under $10,000  ___ $50,000 to $100,000
   ___ $10,000 to $50,000 ___ $100,000 or more

6. How many people does your business employ? (Exclude yourself.)
   ___ Male  ___ Part time  ___ Age 25 and under
   ___ Female  ___ Full time  ____ 25 - 40
   ___  ____ 40 - 60
   ___  ____ 60 and over

7. A. What is the approximate size of the building you occupy?
   ___ Square feet
   B. Do you own or lease the building?
      ___ Own  ___ Lease

8. Has the federal or D. C. government done anything to assist your business? If yes, please describe the service offered.

9. A. How much business would you estimate to be lost by your establishment to other wards/areas each year?
   __ Under $5,000 ___ $10,000 to $20,000
   ___ $5,000 to $10,000 ___ $20,000 or more

   B. What can be done to prevent or decrease the loss of business to other wards/areas?

10. Do you have any suggestions as to how the federal or D. C. government can assist you to improve your business?


