

ECONOMIC DEVELOPMENT
ATLANTA - MODEL CITIES PROGRAM

The Regional Economic Development and Business Service Center
Atlanta University

The objective of this report is to provide Atlanta's Model Cities officials with a working tool to assist in the planning for Economic Development activities in the Model Neighborhood Program Area. Rather than wait until the Center's work on this subject is complete, we have prepared a preliminary description of two items: One is the various problems and conditions affecting the lives of business people in this area. The other is the reactions of these business people in this area. To what they feel, rightly or wrongly, are the conditions under which they live. A full understanding and empathy with what they face and what they feel is a prerequisite to improving current socio-economic resources and developing new ones. It is also necessary in order to plan effectively for economic development in the area. The style of this preliminary report, therefore, was deliberately chosen to communicate this understanding.

In order to facilitate the use of socio-economic information use in other studies conducted by the Center at the same time, it was necessary to anticipate our final results. This has been done through an analysis of all our available local data and where necessary, an interpolation of this data based on the results of research conducted elsewhere.

The local data has been developed from three major sources, First, we held nearly fifty individual interviews with businessmen operating a business in the program area. During these interviews, the problems, attitudes, and reactions to existing services and conditions were investigated. The second source of data was developed through using graduate students attached to the Center's staff who spent a total of about sixteen (16) weeks primarily in the five different neighborhoods (one or two blocks in size). Their work involved the use of informal and unstructured interviewing techniques as well as simply continuous observation of day-to-day movements. This second approach provided us with much more depth of understanding than could be obtained through more typical survey techniques. The third source of data is the available local statistics on income, employment, family characteristics, health, and other factors.

Most of the local data that we have thus far collected is from the program area. This area of approximately 3,000 acres containing slightly less than 50,000 residents is bound by the East Expressway on the north, the Central of Georgia Railroad on the west, Atlanta and West Point Railroad on the south and east. The six communities of Grant Park, Summerhill, Mechanicsville, Peoplestown, Pittsburgh, and Adair Park compose the target area. Some of our investigations, however, have been conducted in other areas of Atlanta. On the basis of this comparative information, we feel that, while there are

differences among different areas, most of the preliminary conclusions in this report are applicable to other low income areas of Atlanta.

In the overall view of needs and assigning priorities to these needs, it is immediately evident that these represent problems of substantial magnitude for the marginal and sub-marginal businesses in the Model Cities Area.

The provisions of the Model Cities Program, theoretically, created an ideal situation for the small entrepreneur in a relocation situation. At first glance, it would appear that, by and large, these persons would be anxious to relocate in modern, well planned facilities; as opposed to the dilapidated, dingy and antiquated structures in which they presently operate.

We have had an opportunity to converse with many of these businessmen, white and black, within the inner city, and the reaction has been less than pleasant anticipation.

Many realize that their problem is that of selective or captive patronage. This is coupled with the lack of managerial capacity to appeal to a total market. If they are required to move to a new location then they will for all practical purposes, lose their patronage.

Many further feel that if they are eventually moved back to their present locations, they feel that the financial requirement necessary to acquire modern furnishings and fixtures would be prohibitive. Most

persons who have operated for some period of time are of the opinion that they would not be able to be more than marginal operators. The reasons given are age, financial resources, and lack of academic training. Attention to a report submitted by a consultant for the Regional Economic Development and Business Service Center, indicates similar findings as a result of a study conducted in a similar area.

At this point the Center recommends the assigning of top priority in these cases and make the development of managerial training course an integral part of the transition period. It is felt that such a program would contribute immensely to assisting these persons enhance their managerial skills, as well as demonstrating the advantages of appealing to a total market.

Even considering those who would return to present sites, it would do much in improving the ability to render service in his given area. This is presently lacking in most of the small, individual proprietorships in the area.

This could be done through the Center conducting managerial seminars on campus sites and/or in the various communities. These seminars could be conducted and attendance requirement made a part of the relocation subsidy which these persons would receive as a part of the Model Cities relocation provisions.

These seminars would serve to assist in making many of these persons aware of the various government programs available in easing the adjustment of relocation.

The foregoing recommendation would consist of programming the general managerial needs of these neighborhood enterprises. This would include choosing and improving sites, exposure to the various marketing techniques useful to small business, raising of capital, record-keeping and personnel management. Program should be designed to include the above items, but not limited thereto.

Coordination of such a program could be implemented by the Center. Personnel could be selected from the School of Business of Atlanta University, as well as the cooperating universities in the Atlanta area. This would make for a comprehensive program of Economic Development and Technical Assistance. It should be emphasized that these programs and seminars would be geared to the level of academic preparation brought to the seminar by these entrepreneurs of the communities in question. This would be in opposition to many programs heretofore developed which would not lend themselves to meaningful participation by such persons due to limited academic or commercial preparation.

It would be further recommended that the Center would use contact resources to encourage on-going industries to locate in these areas. It would be well to emphasize that such industries would initially install

their own management personnel with efforts made to train and promote local personnel to these position in phases.

The Center could initiate programs which would facilitate the upgrading of the local personnel in the direction of first-line management. There could be further efforts, engaging the sources of the Center, to seek out and determine the feasibility of the expansion and/or creation of service industry enterprises that indicate a possibility of success operating or based in these areas, but again, not limited to the respective communities.

There is an immediate need for the foregoing provisions. There could be immense benefits derived from such an undertaking, and it is felt that from these a meaningful program of Economic Development could be designed for these communities with long-term implications.