Jefferson Square Business Association Area: Profiles and Prospects

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THE JEFFERSON SQUARE
BUSINESS ASSOCIATION AREA:
PROFILES AND PROSPECTS

by R.K. Piper

Center for Applied Urban Research
University of Nebraska at Omaha

March, 1983
Introduction

The Jefferson Square business area covers approximately 196 acres and is bounded by 13th Street on the east, 24th Street on the west, Cass Street on the south, and Nicholas Street on the north. (See Map 1.) According to the Jefferson Square Business Association, 150 firms in the area employ approximately 3,167 people.

Survey instruments were hand delivered to 103 business firms in the area, and 86 were collected for a response rate of 83 percent. The area contains a wide variety of business types, including retailers and wholesalers, service industries, and light to medium industry and manufacturing. In the Appendix is a list of representative types of businesses located in Jefferson Square. Printing and
lithographing (and related industries), electrical supply and service firms, auto services and parts, and welding services and supplies are among the types of businesses that are strongly represented in the area by several firms.

Results

The 86 firms that participated in the survey reported a total of 2,200 employees, 1,899 or 86 percent of whom were full-time and 301 or 14 percent were part-time. Over three fourths (79 percent) of the employees worked the regular day shift hours. According to the employers males comprised about 57 percent of the workforce.

Because of the depressed state of the economy both locally and nationally, employers were asked about their current employment levels. Over three-fifths (61 percent) reported that their employment levels were normal, 32 percent were below, and 7 percent were above. Those employers with below normal employment conditions reported that a total of 84 employees had been laid off. These layoffs represented only about a 4 percent decline in the size of the labor force under normal economic conditions.

Payroll

Sixty firms reported a total annual payroll of $20,103,283. A breakdown by categories showed that 42 percent of the firms employed less than seven full-time employees and had annual payrolls of less than $100,000. Another 48 percent reported between six and 25 full-time employees and payrolls between $100,000 and $500,000, 5 per-
cent had between 25 and 32 full-time employees and payrolls between $600,000 and $700,000, and 5 percent had 50 or more employees and payrolls in excess of $1,000,000.¹ (See Table 1.)

TABLE 1
TOTAL NUMBER OF EMPLOYEES AND PAYROLLS

<table>
<thead>
<tr>
<th>Number Full-time Employees</th>
<th>Annual Payroll*</th>
<th>Number of Businesses</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;7</td>
<td>&lt;$100,000</td>
<td>36</td>
<td>42</td>
</tr>
<tr>
<td>6-25</td>
<td>$100,000-$500,000</td>
<td>41</td>
<td>48</td>
</tr>
<tr>
<td>25-32</td>
<td>600,000-700,000</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td>&gt;50</td>
<td>&gt;$1,000,000</td>
<td>4</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>85</td>
<td>100</td>
</tr>
</tbody>
</table>

¹ Estimates for businesses that did not provide annual payroll figures were based on individual employee earnings information provided by each employer as shown in Table 2.

The average annual payroll for the 60 firms that reported was $335,000 ($20.1 million/60). Assuming that the average annual payroll figures were representative of the other 90 firms in the association that did not report payroll expenditures, a total payroll of $50,250,000 was estimated for all 150 businesses in the area. This estimate assumed that other major firms with payrolls in the larger categories existed among the 90 firms that did not provide

¹ One employer with an annual payroll of between $100,000 and $500,000 only had three full-time employees and 120 part-time employees and was categorized by payroll size. The largest employer had more than 500 full-time employees and an annual payroll of approximately $6,000,000.
payroll information in roughly the same proportion as in the 60 reporting firms.\(^2\)

**Annual Employee Earnings**

As shown in Table 2, 47 percent of the employees earned between $10,000 and $15,000 annually while another 19 percent earned between $15,000 and $20,000, and 14 percent earned over $20,000.

**TABLE 2**

ANNUAL EMPLOYEE EARNINGS

<table>
<thead>
<tr>
<th>Annual Earnings</th>
<th>Number of Employees</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$10,000</td>
<td>248</td>
<td>19</td>
</tr>
<tr>
<td>$10,000 to $12,000</td>
<td>352</td>
<td>26</td>
</tr>
<tr>
<td>$12,001 to $15,000</td>
<td>286</td>
<td>21</td>
</tr>
<tr>
<td>$15,001 to $20,000</td>
<td>255</td>
<td>19</td>
</tr>
<tr>
<td>$20,001 to $25,000</td>
<td>96</td>
<td>7</td>
</tr>
<tr>
<td>$25,001 to $35,000</td>
<td>72</td>
<td>5</td>
</tr>
<tr>
<td>&gt;$35,000</td>
<td>28</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,337</strong></td>
<td><strong>99(^*)</strong></td>
</tr>
</tbody>
</table>

* Does not equal 100 percent due to rounding.

Assuming that these percentage breakdowns were representative of all 3,167 employees in the area, 1,488 employees earned between $10,000 and $15,000 annually, 602 earned

\(^2\)As non-respondents included several of the larger businesses in the area, this assumption and the larger payroll estimate seem justified. The median annual payroll figure for the 60 reporting firms was $160,000. Using this figure, a total annual payroll of $34.5 million ($20.1 million + $160,000 X 90) would be estimated for all 150 businesses in the Jefferson Square area.
between $15,001 and $20,000, and another 443 earned more than $20,000 per year. Dividing the estimated payroll of $50,250,000 by the 3,167 employees in the area yielded an average annual salary of $15,867 per employee.

Investments

One important element that serves as an indicator of change occurring in an area is total investment. Almost three-fourths (73 percent) of the respondents reported that their businesses had made investments or improvements in the area since 1977. Fifty firms reported a total investment of approximately $9.4 million in the area in this time period. A breakdown is shown in Table 3.

<table>
<thead>
<tr>
<th>Dollars</th>
<th>Number of Businesses</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;$25,000</td>
<td>25</td>
<td>50</td>
</tr>
<tr>
<td>$25,000-100,000</td>
<td>12</td>
<td>24</td>
</tr>
<tr>
<td>$100,001-500,000</td>
<td>11</td>
<td>22</td>
</tr>
<tr>
<td>$500,001-$1 million</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>&gt;$1 million</td>
<td>2</td>
<td>4</td>
</tr>
</tbody>
</table>

In addition, almost half (48 percent) of the businesses had plans for investments or improvements in the area, and another 5 percent were not sure at the time of the survey. A survey conducted in 1976 by CAUR of businesses in basi-

3One firm reported a total investment of $4.5 million during this time period.
cally the same area showed that only 36 percent had such intentions at that time.\textsuperscript{4}

Forty-five percent of the businesses also reported that they had plans for expansion in the area (assuming that the economy returns to normal), and another 6 percent were not sure at this time. In the 1976 study only 18 percent of the businesses had such intentions.

Of those with plans for investments or improvements in the area, 75 percent indicated that they would seek private financing, 22 percent a combination private financing, and 3 percent said that they would seek only Industrial Development Act (IDA) revenue bonds or other public financing tools.

Assuming that 73 percent or 110 of the 150 businesses (73 percent of the respondents made investments) made the average investment of $188,293 ($9,414,650/50), a total investment of $20,712,230 was estimated for the entire area (110 X $188,293).

As with payroll, this estimate assumed that several major firms made investments in the largest investment categories in roughly the same proportion as did the 50 reporting firms. This estimate seems justified based on the fact that several of the larger business were among the known non-respondents.

The median investment for the 50 reporting firms was $22,500.

\textsuperscript{4}Center for Applied Urban Research, \textit{Omaha's Traditional Business Districts} (July, 1976).
Business Trends

Businessmen were also asked their opinions about general conditions and business trends in the area.

Forty-nine of the businesses in the area that said they served walk-in sales traffic reported a total of 15,112 customers in a five-day average week or 3,022 per day. In addition to these customers and employers the 86 businesses surveyed also reported that they drew an additional 4,613 individuals to the area on a weekly basis. This category included individuals such as sales people, service people, and distributors, etc.

A total of 29 percent of the businesses that had walk-in traffic indicated that their sales over the past three years had improved or improved considerably, 38 percent said sales had stayed about the same, 24 percent said that sales had declined, and another 9 percent said that sales had declined considerably.

Improvement in their walk-in sales was expected by 44 percent while 53 percent expected them to stay the same. Only 4 percent expected their walk-in sales to worsen in the future.

In terms of future walk-in sales for the entire area, 36 percent expected them to improve, 58 percent thought they would stay about the same, and only 5 percent expected them to worsen.

General Conditions/Improvements Needed

Respondents also commented about their perceptions of the general conditions in the area. Slightly over half
(51 percent) said that conditions were improving, 37 percent said they were remaining about the same, and only 12 percent thought conditions were declining.

When asked what they thought would most improve retailing in the area, businessmen most often mentioned improving the area's appearance through the renovation and clean-up of buildings, along with other public improvements. Also cited frequently were removing the undesirables, drunks, and transients from the area, increasing the number of businesses and retail shopping opportunities, and improving traffic flow on 16th and 17th Streets. (See Table 4.)

When asked what still needs to be done for the general improvement of the area, most businessmen repeated those improvements that would benefit retail sales. Improvement of the general appearance of the area through renovation and clean-up of buildings plus public improvements was cited most often, followed by expanding the number of businesses and employment in the area, improving traffic flow and parking, and increasing the number of retail shopping opportunities. The improvements mentioned above are almost identical to the findings of the 1976 study conducted by CAUR when the renovation and rehabilitation of buildings was also cited most often.

Needs for Services, Retail Establishments

Employers were also asked if they felt that their employees needed certain services or retail establishments in the area. Almost two-thirds (64 percent) indicated they
TABLE 4

IMPROVEMENTS THAT WOULD MOST BENEFIT RETAILING

<table>
<thead>
<tr>
<th>Improvement</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Improve area's appearance, improve buildings, public improvements</td>
<td>10</td>
</tr>
<tr>
<td>2. Increase the number of businesses and retail shopping firms in the area</td>
<td>5</td>
</tr>
<tr>
<td>3. Remove undesirables, drunks, and transients</td>
<td>5</td>
</tr>
<tr>
<td>4. Traffic flow improvements on 16th and 17th Streets</td>
<td>5</td>
</tr>
<tr>
<td>5. Improve parking</td>
<td>2</td>
</tr>
<tr>
<td>6. More residential development</td>
<td>2</td>
</tr>
<tr>
<td>7. Increase public safety</td>
<td>2</td>
</tr>
<tr>
<td>8. Child care center</td>
<td>1</td>
</tr>
<tr>
<td>9. Provide business incentives</td>
<td>1</td>
</tr>
<tr>
<td>10. Increase availability of bank financing</td>
<td>1</td>
</tr>
<tr>
<td>11. Increase advertising</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>35*</td>
</tr>
</tbody>
</table>

* This represents the total number of times an improvement was mentioned, not the number of respondents.

felt such needs existed, and fifteen employers also noted the specific types of establishments. Responses that received more than one mention included a general shopping center (4), more restaurants and bars (3), a small grocery or convenient food store (2), and a drug store (2). Also mentioned were a dry cleaner, a theater, a banking facility, an auto service station, and a barber shop.
When asked whether they thought a shopping and office center would be successful in the area, 29 percent indicated that it would be, 24 percent thought that it would not, and 48 percent were not sure.

**Summary**

The Jefferson Square area is comprised of approximately 150 diverse businesses in a 196 acre tract directly north and west of Omaha's Central Business District. Survey instruments were delivered to 103 businesses in the area, and 86 were collected for a response rate of 83 percent.

The investment and attitudinal data collected showed Jefferson Square to be an area where investment is occurring, and businessmen are generally optimistic about retail sales prospects and the improvement of general conditions.

A total payroll of over $50 million was estimated for the 3,167 employees of the 150 businesses in the area. This computed to an average annual employee salary of $15,867.

As for investment, substantial amounts have been invested in the area since 1977, and almost half of the firms had plans for future investment. Almost three-fourths (73 percent) of the businesses reported that their firms had made investments or improvements in the area since 1977, and an estimated $20.7 million had been invested since 1977, based upon the average of those firms reporting.

In addition, 48 percent had plans for investment or improvement in the area, and 45 percent had plans for expansion, assuming that the economy returns to normal.
These figures showed an increase in the percentage of firms planning to invest or expand their businesses in the area since 1976, when only 36 percent and 18 percent, respectively, had such plans.

Retail businessmen also expressed optimism about the prospects of sales trends in the area. Sales were expected to improve by 44 percent of the respondents, 53 percent expected them to stay about the same, and only 4 percent expected them to worsen. Over half (51 percent) of the businessmen also felt that general conditions in the area were improving, 37 percent thought they were staying about the same, and only 12 percent thought conditions were declining.

Improving the area's appearance through the renovation and clean-up of buildings along with other public improvements was cited most often as the improvement that would most benefit retailing and the area in general. Other improvements mentioned included increasing the number of businesses and retail shopping outlets in the area, removing undesirables, and improving traffic flow on 16th and 17th Streets.

Almost two-thirds (64 percent) of the employers also indicated that they felt their employees needed certain services or retail establishments in the area. A general shopping center, more restaurants and bars, a small grocery or convenient food store, and a drug store were listed most often as the types of establishments that employers felt were needed.
Section I. Employment & Business Trends
Valid N
1a) How many full- and part-time employees do you currently have?
   (86) Full-time 1,899
   (85) Part-time 301

b) How many of these are on the regular day shift? 1,731 (79%)

2a) Number of males employed 1,093 (57%)

b) Number of females employed 817 (43%)

3) Are you currently above or below your normal employment levels?
   6 (7%) a) Above
   53 (71%) b) Normal
   27 (32%) c) Below If below, how many employees have been laid off? 84

4a) If economic conditions return to normal, how many employees do you expect to have a year from now? 2,234

4b) Five years from now? 2,069

5) What is your approximate annual payroll? $ 20,103,283

6) Approximately how many of your employees annually earn
   206 (19%) under $10,000
   352 (26%) $10,000 to $12,000
   299 (21%) $12,001 to $15,000
   265 (19%) $15,001 to $20,000
   98 (7%) $20,001 to $25,000
   72 (6%) $25,001 to $35,000
   28 (2%) more than $35,000
   1,357 (59%) Total *Does not equal 100% due to rounding

7) One important element, which often serves as a good indicator of the changes occurring in an area, is investment. Has your business made any investments or improvements in the area since 1977?
   61 (73%) a) Yes
   23 (27%) b) No

8) What was the approximate dollar amount of these investments or improvements? $ 9,414,650

9a) Do you have any plans for investment or improvement in the area in the future?
   39 (48%) a) Yes
   39 (48%) b) No

b) If yes, what type of financing will you seek?
   1 (3%) a) Industrial Development Revenue (IDA) bonds or other public financing tools
   27 (79%) b) Private financing
   8 (22%) c) A combination of public and private financing

10) Assuming the economy returns to normal, do you have any plans for expansion in the area in the future?
   37 (45%) a) Yes
   40 (49%) b) No
   5 (6%) Not sure

11) How many additional people, excluding employees and customers, would you say your business regularly brings into the area on a weekly basis? This category includes individuals such as sales people, service people, distributors, etc.
   4,513

(Over)
12) (Answer only if your business has walk-in traffic)
   a) How many customers would you say you serve on an average day? 3,022
   Based on 5-day week and weekly total cited in 12b.

(49) b) In an average week? 15,112

   c) Which groups of walk-in consumers do you serve mostly? For example, local residents, students, employees in the area, retailers, or others (please specify)?

(55) d) In general, what has been the trend of your walk-in business sales over the past three years?
   6 (11%) Improved considerably
   10 (19%) Improved
   21 (38%) About the same
   13 (24%) Declined
   5 (9%) Declined considerably
   56 (100%) Total

(55) e) What do you expect the future to be like in terms of your walk-in sales?
   24 (44%) a) Improve
   29 (53%) b) Stay about the same
   2 (4%) c) Worsen
   55 (100%)

f) In terms of walk-in sales in general in the area?
   20 (36%) a) Improve
   32 (58%) b) Stay about the same
   3 (6%) c) Decline
   55 (100%)

g) What improvements in the area would most benefit retailing or wholesaling efforts?
   a) ______________________________________________________
   b) ______________________________________________________

Section II. Current Conditions and Trends

(53) 13) Generally, do you think conditions in the area are improving or declining?
   42 (51%) a) Improving
   10 (12%) b) Declining
   31 (37%) c) About the same

14) What still needs to be done in the area to continue its improvement?
   a) ______________________________________________________
   b) ______________________________________________________

(55) 15) Is there a need among your employees, that you know of, for certain services or types of retail establishments in the area?
   a) yes - 35 (64%)
   b) no - 19 (34%)
   c) not sure - 1 (2%)

16) Do you think a shopping and office center would be successful in the area?
   23 (24%) a) Yes
   19 (24%) b) No
   36 (48%) c) Not sure
   80 (101%)

(61) 17) Do you foresee any special problems for a shopping and office center in the area?
   a) yes 41 (87%)
   b) no 20 (39%)

Please explain why or why not:


Thank you.
Representative Types of Businesses
Located in Jefferson Square

Appliance Repair
Audio-Visual Production
Auto and Truck Repairs & Services
Automotive Parts
Bakeries
Building Maintenance
Carpet Retailers
Chemical and Sanitation Suppliers
Cleaning Plants
Coarse Paper Products
Draperies
Electrical Contractors
Electrical Equipment Repair
Electrical Supplies
Electronic Equipment Distributors
Electronic Services
Elevator Manufacturing
Engineering
Envelope Manufacturing
Food Brokers
Furnace and Air Conditioning
Hair Products Manufacturing
Hardware Stores
Home Improvement Centers
Light and Heavy Equipment Manufacturing and Suppliers
Lumber Yard
Manufacturers' Representatives
Office Furniture Manufacturing
Painting Supplies
Plastics Manufacturing
Popcorn Distributor
Printing and Lithographing
Printing Ink Supplies
Rental Services
Service Stations
Tires
Tool Manufacturing
Trade Bindery
Trucking
Vehicle Rentals
Welding and Machine Shops
Welding Supplies
Wood Products Manufacturing