II. An Exposure to the 2016 Flooding

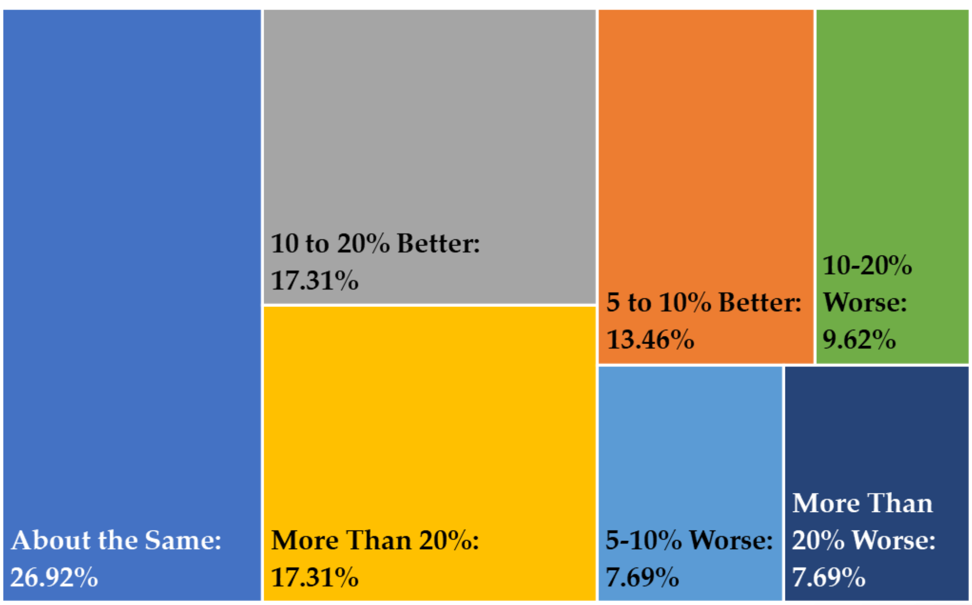
A important objective of the survey was to help gain insights into how the 2016 Flood affected the businesses in the target area. Participants were asked several questions: (1) whether or not respondent businesses were affected by the August 2016 Flood; (2) how long the affected businesses had been closed if they had to; and (3) what the current level of business activity was as compared to pre-2016 Flood. Out of the 79 survey participants, thirteen business owners declined to answer theses questions. Thus, we have 66 MSBs that responded to these questions.

Almost 32% of the 66 MSBs indicated that their businesses were affected by the 2016 Flood. The average duration of temporary closures was 7.2 days, ranging from 2 days to 180 days. Regarding the relocation of the affected business due to flooding, only two businesses were looking to move away from their current locations, but they did not elaborate how soon.

In order to better assess the relative current business activity, participants were asked to select one of the following scales in Figure 11: about the same level of business activity (1) , 5 to 10% better (2), 10 to 20% better (3), more than 20% better (4), 5 to 10% worse (5), 10 to 20% worse (6), and more than 20% worse (7) with respect to pre-2016 Flood.

With respect to their current level of business activity as compared to pre-2016 Flood, 48% of the respondents generally indicated a positive business outlook. More specifically, 9 businesses indicated a 5-to-10% increase in their revenues; 11 businesses, a 10-to-20% increase; and 11 businesses, a more than 20% increase. On the other hand, 25% (16) indicated that their businesses had declined since the 2016 Flood.
Figure 11 provides more detail on this overall response pattern.

Figure 11. The Current Level of Business Activity as Compared to Pre-2016 Flood

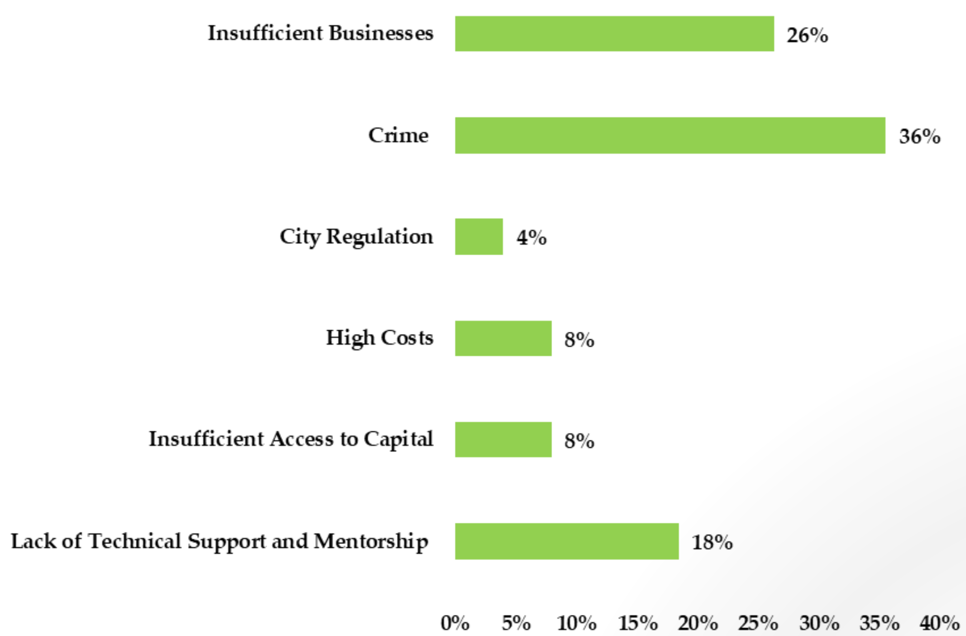


III. Satisfaction Index

One of several objectives of the survey was to gain insight as to how business owners perceived the business environment of north Baton Rouge. We developed a series of questions to guide our inquiry into this issue.

One question asked directly: "***What are your biggest complaints with the business environment that you operate in now? (Number your top three grievances in order of importance).***" Figure 12 illustrates the pattern of responses to this question. Notably, issues concerning crime (36%) were the primary complaints. Additionally, respondents (26%) contented that market demand is not sufficient to meet supply at desired levels ("Insufficient Businesses or Sales"). "Lack of Technical Support and Mentorship" was an area of complaints (18%) in the business environment of north Baton Rouge.

Figure 12. Distribution of Responses by Grievance Type

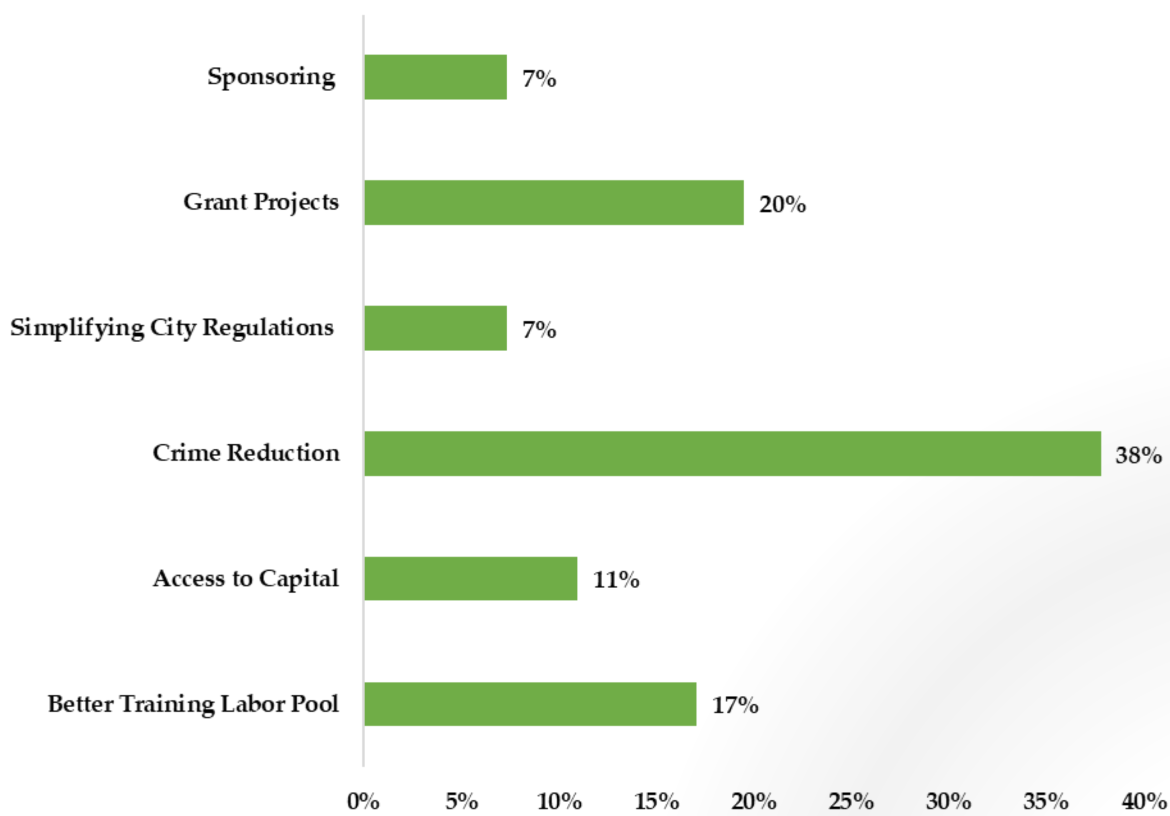


Closely related to the above question, participants were asked the following: "***What is the most important thing that Parish, City, and Baton Rouge North Economic Development District can do to help your business grow or continue to grow in the north Baton Rouge marketplace?"*** A number of useful indicators were suggested as follows.

- 38% of respondents noted that the City/Parish should focus on "Reducing Crime."
- 20% noted a need to provide "Grant Projects."
- 17% noted that the City-Parish should simplify city regulations.
- 17% noted that the District, City, and Parish should assist in providing workforce development ("Better Training Labor Pool").
- 11% noted a need to provide "Access to Capital."

Figure 13. provides all statistics on this inquiry

Figure 13. Distribution of Responses by Things the BRNEDD and BR Parish Government Can Do to Assist Growth

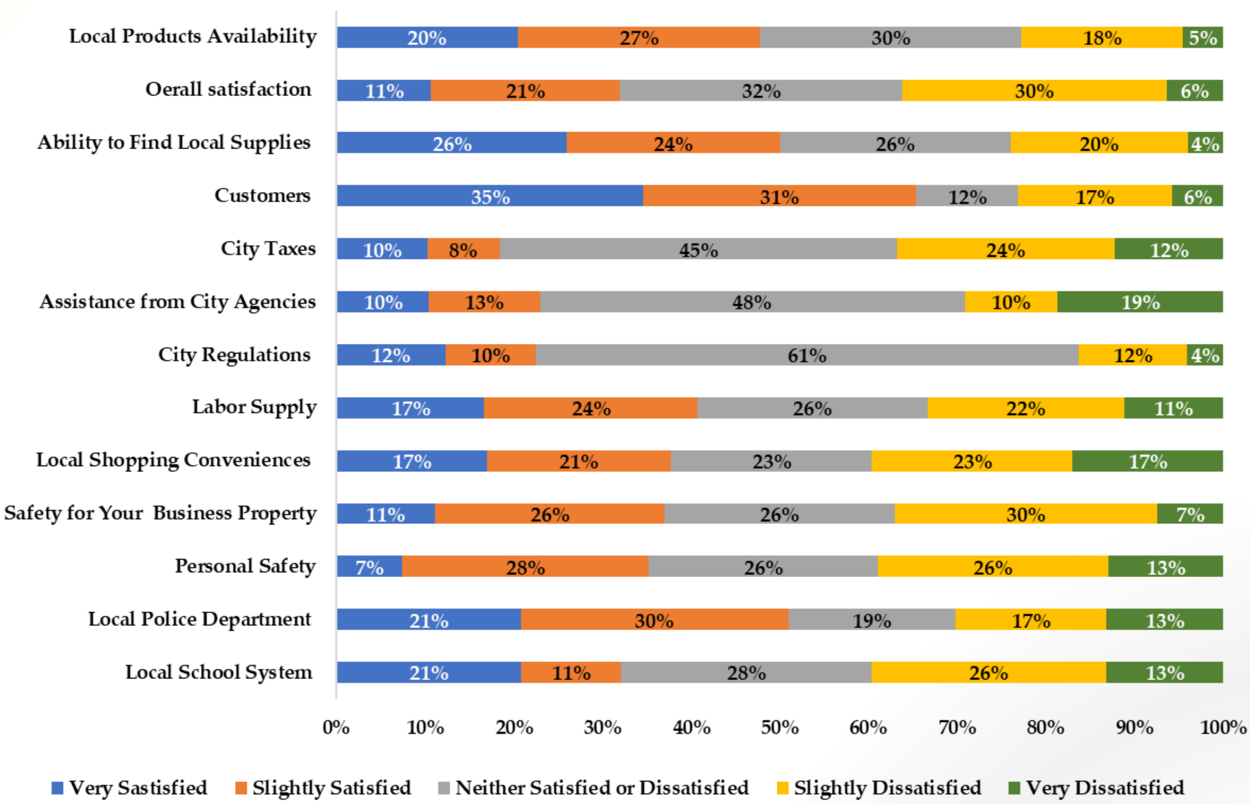


To get a more detailed sense of the business community's satisfaction with the north Baton Rouge environment, participants were asked their opinions on more specific aspects of the community, Responses were captured on a 5 point scale in which:

- ❑ "5" indicated a "Very Satisfied" opinion
- ❑ "4" indicated a "Slightly Satisfied" opinion
- ❑ "3" indicated a "Neither Satisfied or Dissatisfied" opinion
- ❑ "2" indicated a "Slightly Dissatisfied" opinion
- ❑ "1" indicated a "Very Dissatisfied" opinion

Figure 14. provides greater detail on the responses to this inquiry.

Figure 14. Satisfaction Level with the North Baton Rouge Marketplace



To get a better sense of what the business community felt good about in the north Baton Rouge marketplace, participants were asked to indicate "Good" things about doing business in north Baton Rouge.

- 31% of respondents showed that knowledgeable consumers appreciate their businesses.
- 22% noted that the cost of doing business is reasonable in the north Baton Rouge marketplace.
- 21% indicated "Plenty of Potential Businesses Opportunities to be Explored."
- 13% noted that qualified help is readily available.
- 8% indicated that "Not Much Competition" is around their business locations.
- 6% indicated that "City Regulations are Satisfactory."

Figure 15. Text Analysis of Correspondents' Responses to "What do you find good about doing business in North Baton as you currently find it?

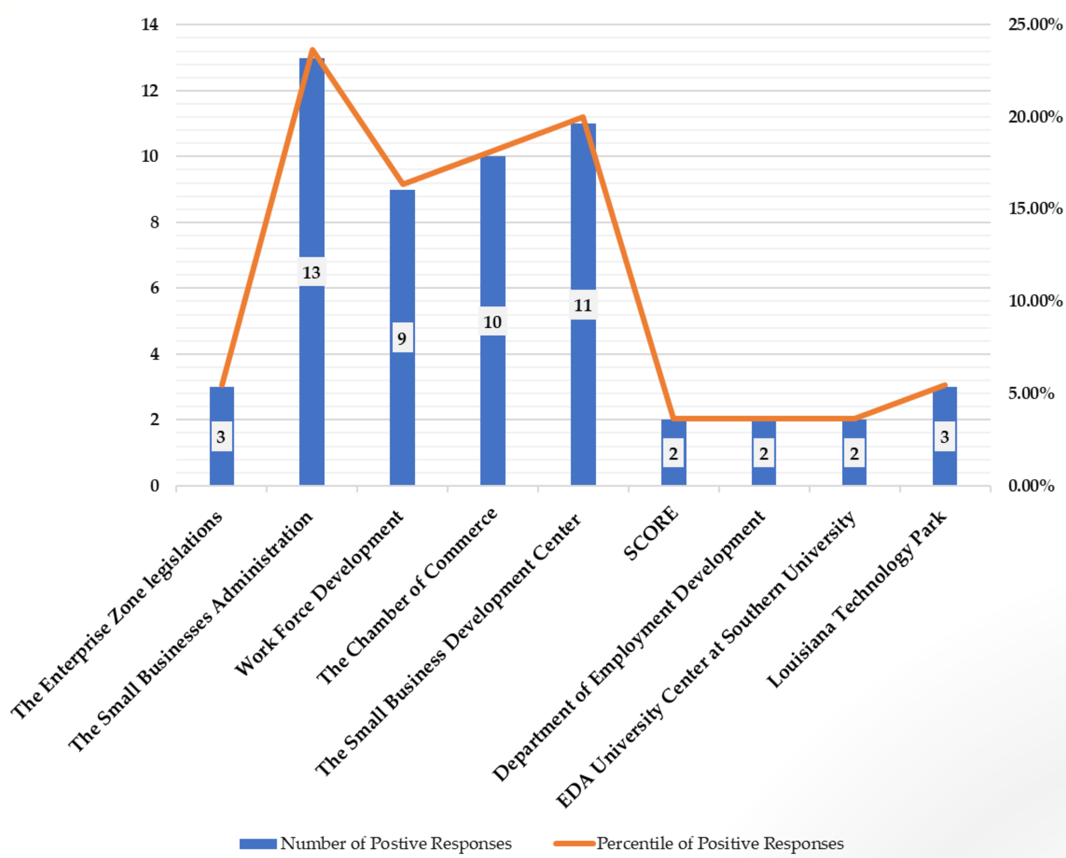
Additionally, participants were asked, "***What other businesses would you like to see coming around your current business location?***" Respondents desire to have "nice restaurants," "healthy and fresh grocery stores," Walmart, etc.

Figure 16. Text Analysis of Correspondents' Responses to "What other businesses would you like to see coming around your current business location?"

IV. Networking Activities

Very few respondents (13) in Figure 17 are making use of publicly supported resources. The results suggest that four agencies are dominant players in providing resources to micro and small businesses. The four agencies are the Small Business Administration (23.64% of the respondents reached out for help), the Small Business Development Center (20.00%), the Baton Rouge Chamber of Business (18.18%), and Louisiana Work Force Commission (16.36%).

Figure 17. Responses to Use of External Support Organizations

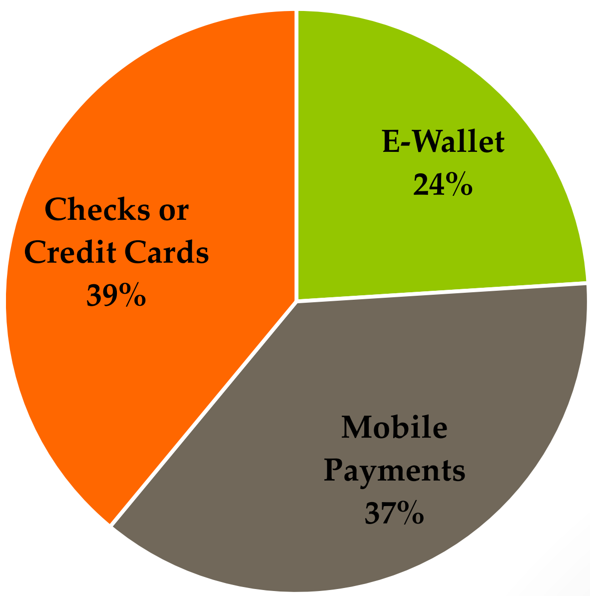


V. Technology

Survey participants were asked a series of questions to help assess their use of Information Technology (IT). The survey asked: "***When you purchase your business goods and services online, do you pay for them using: E-Wallet, Mobile Payment, or Others.***"

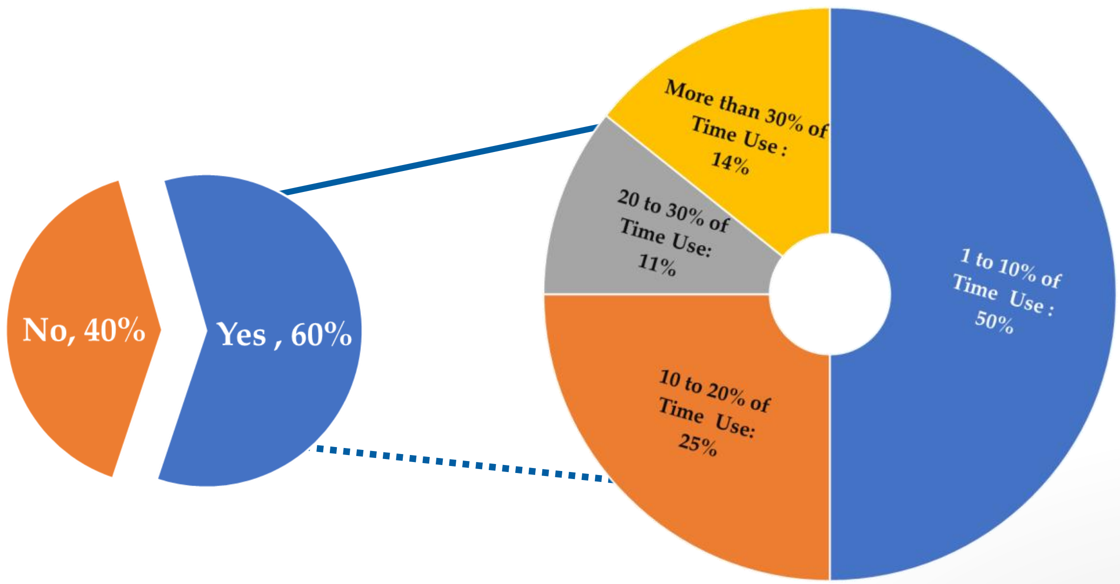
The results indicated that the most popular method of payments is still checks or credit cards (39%). Mobile payment (37%) is as important as the traditional transaction payment method and the E-Wallet payment system is not trivial (24%).

Figure 18. Respondents' Goods and Services Payment Types



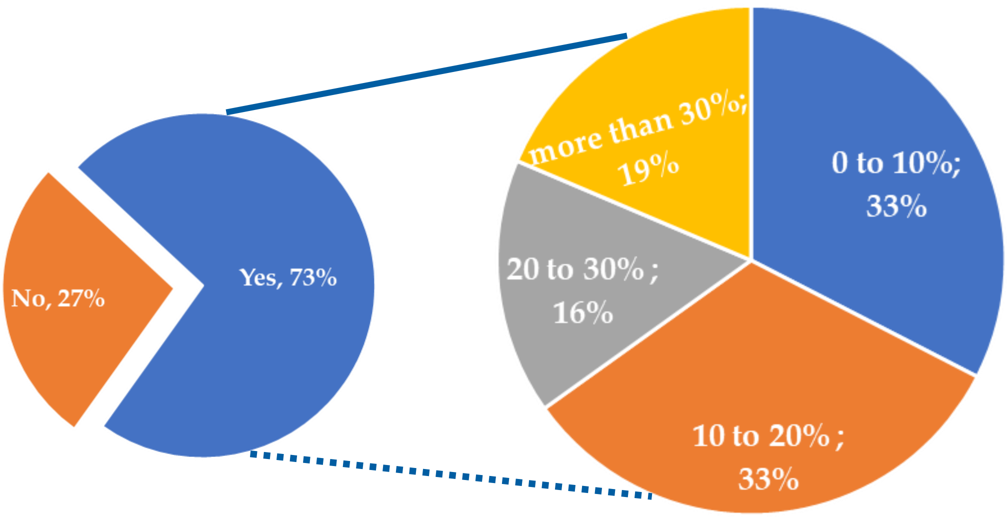
Business today depends on the use of electronic technology in the form of E-commerce, websites, and social media. In response to the use of websites questioning, six out of ten respondents regularly used their websites. Fourteen percent of the regular website users indicated that they utilized their websites for more than 30% of their operational hours, suggesting that running a website is an efficient strategy to communicate with their perspective customers. Figure 19 provides greater details on the responses to this inquiry.

Figure 19. Respondents' Own Website and its Use



The survey results also suggest that more than 7 of 10 respondents regularly use Social Media (Facebook, Twitter, Whatsapp, Instagram, YouTube, etc.) for their businesses and this might suggest an efficient strategy to communicate with their perspective customers at minimal costs. Figure 20 provides greater details on the responses to this inquiry.

Figure 20. Respondents' Social Media Use for Business



SURVEY SUMMARY AND CONCLUDING REMARKS

Survey results indicate that **361** micro and small businesses (i.e., brick-and-mortar business) are currently operating on Harding Boulevard, Airline Highway, and Plank Road. Survey respondents help characterize **Plank Road as a retail-trade-dominant commercial corridor** (48% of the businesses), **Harding Boulevard as an accommodation-food-service dominant commercial corridor** (52%), and **Airline Hwy** as a heavily populated commercial industrial corridor with **retail-trade sector and accommodation and food service** (39% and 24%, respectively).

Survey respondents (79 of the 361 MSBs) show that the average number of full-time employees is three. Twenty-five percent of those MSBs are generating an annual revenue of less than $100,000. More than 40% of the respondents have been in business for less than five years. In terms of business structure, thirty-six percent of all respondents are franchisees, whereas almost two-third of the respondents are in either sole proprietorship or partnership.

Results also indicate that MSBs owners were well educated (a bachelor’s degree) and the majority (52%) of them own the property in which the business is located. It is noticeable that very diverse ethnic groups (African-American, 37%; Caucasian, 33%; Asian, 16%; Middle Eastern, 11%; and Hispanic/Latino, 3%) own the businesses along the three commercial corridors. In addition, the majority (55%) of the business owners desire to grow and expand.

Even though the 2016 Flood left major financial and physical damages to a significant number (32%) of the respondent MSBs, almost half the respondents in the October 2018 survey had increased revenues compared to the pre-2016 Flood level. Thus, they kept a positive outlook for revenue growth. However, the respondents' satisfaction with the north Baton Rouge current marketplace is mixed, given that the level of satisfaction is equally matched with the level of dissatisfaction. The major complaints are in order of personal safety issues (36%), insufficient sales (26%), and lack of technical support and mentorship (18%). On a positive note, the business owners expressed a few optimistic views about this marketplace. These are in order of importance (1) "Knowledgeable consumers appreciate their businesses," (2)"The cost of doing business is reasonable in the north Baton Rouge marketplace," and (3) "Plenty of potential business opportunities to be explored."

In the past, a small number of respondents (13) were making use of publicly supported resources. A few outspoken survey interviewers indicated, "Engagements in publicly supported resources did not render an immediate tangible outcome to businesses." Such a negative observation might explain the lack of public resource utilization. Nevertheless, the respondents indicated that they were aware of *or* engaged in resources provided by the Small Business Administration (16%), the Small Business Development Center at Southern University (14%), and the Baton Rouge Area Chamber of Commerce (13%).

Finally, business today depends on the use of electronic technology in the form of E-commerce, websites, and social media. Survey results suggest that the majority of respondents are technologically savvy, based on the survey results that they are heavy users of mobile payment systems (61%), websites (60%), and social media for their business operations (73%).

In conclusion, results from the geographically focused survey offer a useful perspective on the micro and small business ecosystem in the three commercial corridors. The survey findings provide evidence-based information on the problems and opportunities that the MSBs have identified as priorities that need to be addressed to create viable business solutions that many well-funded economic development initiatives are seeking. Finally, the survey lays the foundation for full-blown research on the entrepreneurial ecosystem in the selected area and, on a broad scale, north Baton Rouge.

About the EDA University Center for Economic and Entrepreneurial Development

The EDA University Center at Southern University and A&M College- Baton Rouge is housed in the College of Business. The goal of the Center is to expand and revitalize economic development in Louisiana, by providing programs that enhance existing businesses and create new venture opportunities with a special focus on: Job creation and workforce development, Advancing entrepreneurship and innovation, and Promoting international trade. The Center's programs align with EDA's investment priorities by addressing regions that are seeking: Global Competitiveness and Underserved Communities. In addition, the Center's activities contribute to EDA's national strategic priorities by increasing access to capital for small, medium-sized, and ethnically diverse enterprises, by transferring information technology, and by engaging in natural disaster mitigation.

Prepared by Sung C. No, Ph.D.

Dr. No is W.E. "Bill" Tucker Endowed Professor and Co-director of the EDA University Center for Economic and Entrepreneurial Development at Southern University and A&M College, Baton Rouge, Louisiana. The views in this survey are those of the author and do not necessarily represent the views of the Center.

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