Studies of small business turnover throughout the United States show that the first 2 years of existence are the hardest, and the firm that survives 5 years has an excellent chance of continuing as long as the owner lives, or as long as there is any demand at all for the product or service it provides. Small businesses that have been operating over 5 years and then are displaced, however, show a much higher discontinuance or closing rate than similar firms not subject to displacement. The Urban Renewal Administration surveyed 50 local urban renewal agencies in 1963 to provide a representative national picture of the relocation of displaced businesses. This survey disclosed that 64.7 percent of all the displaced businesses reestablished operations while 35.3 percent went out of business.[27] This is significantly above the normal rate of business disappearance or liquidation.

The dislocation problem in urban renewal is mainly one of small businesses and particularly those owned and operated by the elderly. The typical small displaced business found in studies of Boston, Providence, New Haven, and Hartford is an independent commercial establishment, a partnership, or proprietorship, rather than a corporation. Owners are usually over 60 years old and are tenants without long-term leases. Apparently, however, there is no discernible difference between the ability of tenants and owners to relocate successfully. Commercial tenants pay very low rents and occupy small space. Almost invariably, they relocate in the same city and occupy about the same area *but at double the square foot rental.*

Special problems they face in displacement are: (*a*) shortage of time in relocating; (*b*) the shrinking supply of suitable space and rising rent levels due to competition from other displacees; (*c*) the fact that timing of their move is in the hands of others; and (*d*) the frequent impossibility of developing an internal financial position sound enough to qualify for loans.

The elderly fare far worse than other small businessmen. They have less capital and find it more difficult to obtain outside financing, including Small Business Administration loans. They have little energy or spirit to start again in a new location. The relocation problem is particularly serious for small enterprises operated by owners who depend on them for a livelihood. These are usually retail or personal service concerns. Difficulties are severe for the least specialized types of business, such as "Mom-and-Pop" grocery stores, as well as for those that require special zoning or licenses, such as taverns and liquor stores.[28] The impact on the elderly businessman is aggravated when he is a resident as well as a business operator in the displacement area. Relocation is then a personal and family disturbance as well as a threat to his livelihood.

The displaced businessman, moreover, feels the economic handicaps of age long before he reaches 65. Seniority requirements and the employer's costs of retirement and insurance programs hurt the older man's chances of becoming an employee. If he wishes to stay in business, he finds it difficult to finance the purchase of real estate and equip-

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[27] U.S. Congress, House, *Study of Compensation and Assistance * * *, op. cit.,* p. 29.

[28] Two problems cited by Rochester, N.Y., in the ACIR-CM survey were "difficulty in relocation of the neighborhood oriented business" and "restriction of movement of package liquor stores and bars to New York State Liquor Authority regulations; though recent modifications have been made in liquor code, relocation possibilities for this kind of business are still limited."