



December 2005

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## Recommended Citation

Park, Miji Michelle, "A Neighborhood Threatened: The North 5th Street Corridor and Korean Business Flight" 21 December 2005. *CUREJ: College Undergraduate Research Electronic Journal*, University of Pennsylvania, <http://repository.upenn.edu/curej/1>.

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# A Neighborhood Threatened: The North 5th Street Corridor and Korean Business Flight

## **Abstract**

This study examines a Korean business community's potential for movement out of the city of Philadelphia. The research is based on three months of fieldwork at various Korean businesses in North Philadelphia, from 5100 to 6100 North 5th Street. This area is a major commercial district for the Olney community, a district that has a high proportion of Korean businesses. The author concluded that the Korean business community will leave the city in the near future for three main reasons. First, the Korean population in Philadelphia is moving out of the city while there is an influx of Koreans into the suburbs. The businesses will follow the Korean population. Second, the businesses themselves show direct and indirect signs of movement. The increasing African Americanization of the neighborhood combined with the racial prejudice that Korean business owners displayed against blacks was the final indicator of potential movement. Because Korean businesses leaving the area could potentially destabilize the district, the effects can be mitigated by initiating policies to bring business owners back to the area.

## **Keywords**

Korean, business, Philadelphia, prejudice, Urban Studies, Eric Schneider, Eric, Schneider

**A NEIGHBORHOOD**

**THREATENED:**

**THE NORTH 5<sup>TH</sup> STREET CORRIDOR  
AND KOREAN BUSINESS FLIGHT**

**MIJI MICHELLE PARK**

**DECEMBER 21, 2005**

## **Preface:**

When envisioning the topic of Korean-owned businesses, I imagined a study that analyzed black-Korean relations, one that would challenge the statement that Koreans and blacks do not get along. This is a topic that is not easily addressed. Not many would readily admit that they are prejudiced against a certain race or ethnicity. Relationships need to be built with perspective respondents before addressing sensitive topics, a task that would be difficult to accomplish in one semester.

While researching for the literature review, I discovered while there are a decent number of books on black-Korean relations, there are a paltry few on Korean-owned businesses themselves. Of the books on Korean-owned businesses, most are focused on Los Angeles, New York, and Atlanta. Philadelphia was clearly ignored by the research.

Furthermore, the books took for granted that Koreans had chosen a certain area and were going to stay in that area. Koreans have established neighborhoods for themselves in major cities that are large enough to ensure stability. Cities with a smaller Korean immigrant population like Philadelphia do not have large numbers to ensure stability. In fact, research demonstrated that Philadelphia's Korean immigrant population was moving out of the city. What factors cause this movement out of the

city? What factors cause the persistence of Korean businesses within the city when the population is moving out? These questions are not truly answered for any city.

Philadelphia, as a city of interest, could be the first in this line of research.

While much preparation can be done on a topic and a specific question, a question is only as good as the data. From the data gathered from the surveys and interviews I conducted, I knew I had to formulate a new question, one addressing the movement of Koreans to residences outside of Philadelphia and the potential movement of Korean-owned businesses.

## **Introduction:**

While the Korean population in cities such as Los Angeles and New York supports stable pockets of enterprise, Philadelphia does not follow the same path. When the Korean population was growing in the late 1980s and early 1990s, it attempted to create an ethnic economy, a characteristic that is apparent in other cities. However, Philadelphia's Korean population has never risen above half a percent of the total population. The Koreans did not have the numbers necessary to create their own neighborhood.

Instead, they were forced to share their neighborhood with other businesses. On the North 5<sup>th</sup> Street corridor, they were able to fill only three blocks with Korean businesses catering to Korean customers. The rest of the business district, almost six blocks worth of businesses, is either made up of about half-Korean and half-other, or majority-other businesses. Because Koreans never owned the majority of businesses in a neighborhood, no Philadelphia Koreatown was ever established.

As the Korean population moves out of the North 5<sup>th</sup> Street corridor it seems likely that the North 5<sup>th</sup> Street business district will continue its decline. The percentage of Koreans in the census tracts in the North 5<sup>th</sup> Street corridor has decreased

significantly over the past few years, while the percentage of Koreans in areas of Montgomery County has risen significantly. Philadelphia's Korean population has remained stable at 0.4% from 1990, compared to 2000, while Montgomery County's percentage of Koreans grew from 0.4 in 1980 to 0.9 in 1990, to 1.2 in 2000. Besides the growth of the population in question, the numbers also illustrate that the number of Koreans in or around Philadelphia has never been very large.

Although it cannot be proven that the majority of Philadelphia's Koreans are moving out of the city and into the suburbs, it is apparent that the influx of Koreans into Montgomery County is larger than the influx into Philadelphia. However, the same high rates of entrepreneurship for Korean immigrants seen in other areas of the country are also apparent in Philadelphia. Compared to their population size, Koreans have an increased influence on the economic well being of the community in which they reside.

Urban areas have long had the difficult task of keeping businesses in the cities. While Koreans do not make up a high percentage of the businesses in any city, they do impact the neighborhoods in which their businesses locate because they generally own a significant number of businesses in the area. Furthermore, the North 5<sup>th</sup> Street corridor does not only cater to a Korean population. The corridor is a major shopping district for

all races and ethnicities. The shoppers of the district do not necessarily live in the immediate area but may travel to get to the district.

The Korean presence in the community ensures a viable commercial district for these numerous shoppers, thereby creating opportunities for a large number of people from a greater area than North 5<sup>th</sup> Street itself. Koreans do have a powerful effect on a community, regardless of numbers.

The area of North 5<sup>th</sup> Street, Olney, is already considered to be a declining neighborhood, as are many urban districts. If even only a few Koreans leave the area, the decline will increase rapidly. As Koreans followed other Koreans to the area, it is also logical that they will follow each other out of the area. A few Korean businesses leaving could spark the majority of the stores to leave.

Vacant stores will be visible along the corridor, decreasing the security and vibrancy of the district. This increased rate of vacancy along with the already perilous position of North 5<sup>th</sup> Street on the cusp of decline will eventually lead to a general downgrade of the community. There will be stores remaining, but the district will become much smaller, much less diverse with all the signs of being swallowed up by urban blight. While this is speculation of one of the many courses that the future could



take, because the possibility of Korean flight has not been sufficiently studied, it must be taken into consideration.

Before moving into Philadelphia's particular case, the Korean population as a whole must be analyzed through reviewing the literature. The purpose of this analysis is not only to build up a background of Korean immigration but also to see what has happened in other cities. After reviewing the literature, a methodology must be set up in order to ensure the validity of the project.

The possibility for Korean movement out of the city needs to be analyzed. If it, indeed, seems more likely that Koreans will leave, the reasons behind the move need to be detailed. This detail can both support the overall statement and to find clues in these reasons. These clues could possibly be used to create steps that will ensure other businesses will move into the area or to ensure overall stability in the area. If the problem of Korean movement out of the city can be resolved, a neighborhood's livelihood can be saved.

## **Literature Review:**

The Korean population of Philadelphia has never been a magnetic topic of discussion. Instead the larger Korean populations in New York and Los Angeles have received the most attention. As a result, research on Philadelphia is scarce. It is not known if Philadelphia's Korean immigrant population is similar to Korean immigrant populations in other cities.

Research in other cities has discussed the existence of a 'glass ceiling' that encourages Korean immigrants to form their own businesses as a way of avoiding limits on their opportunity, the use of ethnic and familial networks to start businesses, the location of Korean businesses in inner city communities, and finally, the quality of interactions with local communities, especially where those communities are comprised of ethnic minorities. In order to discover whether or not Koreans in Philadelphia have encountered conditions similar to those in other cities, it is first necessary to review the history of Korean immigration to America. After this review, the literature on each topic will be discussed.

Korean immigration to the United States began in 1883 with select diplomats, political refugees, students, and merchants. In the entire nineteenth century, only fifty Koreans were able to emigrate due to tight legal restrictions (Light and Bonacich 129).

Larger numbers began to emigrate in 1902 when 7000 Korean laborers went to work in the Hawaiian plantations. However, this larger-scale migration ended in 1910 when Japan annexed Korea. The Japanese refused Koreans passports to emigrate to the U.S. About 500 political refugees were allowed into America between 1910 and 1918, forming the foundation for an anti-Japanese movement. However, Koreans were treated as Japanese in America and were affected by all legislative acts targeted towards the Japanese. The 1924 Immigration Restriction Act restricted Korean immigration for decades to come (Light and Bonacich 129-130).

The McCarran-Walter Act of 1952 allowed immigrants from the Asian-Pacific Triangle, an area that included most of East and South Asia. The quotas for each country were limited to 100 people. This act was passed during the Korean War that lasted from 1950 to 1953 (Takaki 417-418). During this war, about 3000 Koreans were allowed per year. Many were military wives or orphans of the war who were allowed to emigrate independently of the quotas. Additionally, about 6000 students were allowed to enter during the war years along with political refugees and visitors. An unknown

number of these non-immigrants changed their status to immigrants (Light and Bonacich 131).

After the passing of the 1965 Immigration Act, quotas due to national origin no longer existed. Instead, immigrants were allowed based on one of the following: occupational skills required by the U.S. labor market, close relations to American citizens or residents, or possibility of political persecution. The number of visas allowed per country rose to 20,000. This act led to a much larger influx of Koreans into America (Min 13-15 1996).

In 1960, one percent of all immigrants were Korean. In 1985, that number jumped to 11 percent. (Takaki 420). In terms of numbers, in 1965, 2,165 Koreans immigrated and 159,463 immigrated from 1976 to 1980 (Light and Bonacich 134). The nature of these immigrants also changed. Before 1965, most of the Koreans who emigrated were farmers or laborers who were used to work in the plantations of Hawaii or the rich farmland of California. After 1965 due to the preference system that wanted educated professionals, the majority of Korean immigrants had employment experience in medicine, engineering, and other white-collar areas in Korea. They came to America expecting opportunities that could not be found in Korea (Park 12-14).

After reaching this nation's shores, Korean immigrants often realized that their expected opportunities did not exist, the first issue that needs to be explored when comparing Korean immigrants in Philadelphia to those elsewhere in America.

Despite the fact that almost 50% of these immigrants had a college education, certain jobs were not plentiful for Koreans in America. Most Koreans tried for the professions that they held in Korea. However, many came to realize that Korean licenses were not valid in America. Some were able to support themselves while they repeated their education, while others found it impossible to do so. In addition, language barriers often kept Korean immigrants from finding the jobs for which they were qualified (Takaki 437-438).

Korean doctors found their glass ceiling early. They were kept in inner-city hospitals and relegated to specialties such as anesthesiology and radiology instead of the more prestigious surgery and internal medicine. Some Koreans were not allowed to take exams that would license them for practice such as pharmacy. While some immigrants were able to find jobs in their former occupations, other former white-collar workers were forced to take up unskilled jobs such as gas-station attendants, gardeners, and janitors (Takaki 437-440).

These later immigrants came to an America that already had established Korean communities. Networks were already set up to receive the new immigrants. These communities provided several benefits for Koreans that eventually led to opportunity for self-employment. First, labor was readily available. Koreans preferred to work at Korean businesses. Language barriers often stopped them from getting jobs in the mainstream economy. Tightly knit social networks allowed Koreans to be referred to Korean business owners. These employees gained skills while working that would help them start their own businesses later on if the opportunity arose (Yoo 83-88).

Second, social networks also led to the formation of rotating credit associations, also called kyes. In addition to loans and personal resources, kyes helped Koreans gain the resources necessary to establish their own businesses. In a kye, members would pool money for a certain period of time. The pool would go to the first member who would establish a business. Then, after a certain amount of time, the first member would pay back the loan to the other members. The next pool of money would go the second member and so on. In this way, the rotating credit association allowed members to establish a business beyond their original means. About 60 % of respondents in a study conducted in Chicago and Los Angeles said that they had participated in kyes. About

79% of these same respondents stated that kyes were helpful in establishing businesses (Yoon 141-143).

This is the general Korean immigrant story, one that has been established in many cities. However Philadelphia has not been studied in detail on this issue, so it is unclear whether or not it too follows the general outline. There are two layers of comparison that need to be explored.

First, Philadelphia's immigrants may not have been as restricted in opportunity as they were in other areas of the nation. Because of a smaller Korean immigrant community, Koreans may not have been viewed as a viable threat by the white-collar industry and therefore may have been treated with more equality. Inequality would still exist through language and licensing barriers.

Second, because the immigrant population in Philadelphia is not as large as in other cities, it stands that Philadelphia's social networks are also not as large as they were in other areas of the country. In this case, Korean immigrant social networks may not act in the same manner. It is unclear whether or not they still have the power of drawing immigrants to a certain area and keeping them in those areas. The social networks in Philadelphia may not have been strong enough to establish a well-defined, vibrant Korean ethnic economy. As much research on this area does not exist, this is an

area that needs more investigation. With further research on Philadelphia's Korean immigrant population, the holes in this body of research can be filled.

The second issue that needs further research is the process by which Korean business owners choose to locate their businesses. Rather than being a topic that has been addressed in other cities and not Philadelphia, this is a subject that has not been studied in depth in any region of the United States. The claims made by the few people to make tentative arguments need to be bolstered by further research.

Pyong Gap Min devotes a simple paragraph of his book, Caught in the Middle, to explaining why Korean businesses located to their areas. Large chain stores did not invest in predominantly black neighborhoods, leaving a large niche that needed to be filled with other types of businesses. Korean businesses came at a time when the niche was opening and could take advantage of this. However, this was not a conclusion that was derived from asking Korean business owners why they located their businesses (Min 69).

In-Jin Yoon, in On my Own, only explains why a certain business venture by Korean immigrants became so popular in predominantly African American neighborhoods. Korean immigrants, in the early 1970s, came during a time when the



use of wigs became popular in the African-American community. Many of these wigs were cheaply manufactured in Korea while expensively made in America. Korean immigrants jumped on the opportunity and opened many wig shops selling wigs imported from Korea. To take advantage of the African-American customers who were interested in these wigs, they located themselves in African-American neighborhoods (Yoon 110-111). While this is a thorough explanation of a certain business venture, it does not necessarily relate to the many other business ventures in which Korean immigrants involve themselves.

Jin-Kyung Yoo asked numerous Korean business owners in the Atlanta area why they located there. Answers vary. Some explain why they came to Atlanta. They saw it as a city on the verge of an economic boom that would be brought on by the Olympics. There were so many Koreans in other cities that it became difficult to compete with other Korean businesses. Atlanta had a smaller Korean population and could support new Korean businesses. Some were the first to enter into a certain area of the city and came because the rent was cheap. As soon as a small Korean community was established, Koreans flocked to that area to take advantage of the support system that was in place. Others stated that white people would not visit a Korean-owned

business, while black customers would not focus on the race of the business owner, giving a reason to settle in a predominantly black neighborhood (Yoo 138-141).

However beyond the study of Jin-Kyung Yoo, few authors explore this question in depth. Location of Korean businesses is clearly important background for much of the literature (Goode 56, Light and Bonacich 206-207, and Lee 1398-1399 1999), as they are at least mentioned in the beginning chapters of each book or study. However, once beyond that point, the subject is not sufficiently addressed. In much of the literature on Korean businesses, the location is taken as a given. Korean businesses are in African-American neighborhoods. Most literature, using this as a given, studies the reaction that customers have against Korean businesses in their neighborhoods (Logan 698-700, Park 144-148, and Lee 82-86 2002a).

The literature that seems to ignore locational decision making is the literature about Black-Korean violence. Claire Jean Kim in Bitter Fruit takes Korean business locations as a given and immediately proceeds to explain why the merchant-customer reaction is so prone to violence. Patrick D. Joyce focuses on explaining the tensions between Blacks and Koreans. His book is titled No Fire Next Time. A question that declares itself throughout the course of this book is if the situation is this negative, why do Koreans keep their businesses in these areas? Perhaps a discussion of why Koreans

located in the first place would lead to an explanation as to why Koreans are staying.

However, this is not an angle that Joyce considers.

The last issue that needs explanation is whether or not the same level of conflict that came about in other cities has occurred or is occurring in Philadelphia. Black-Korean conflict has been a large area of focus in the study of Korean businesses. Numerous studies have attempted to explain why such a high level of conflict exists in proportion to the size of the populations. These studies have highlighted cultural differences and structural issues as explanations to this conflict.

One explanation for conflict takes into consideration a characteristic of Korea. Koreans come from a country with one homogeneous population. Adapting to a nation with multiple races and ethnicities is a difficult task. Koreans turn to observation of American race relations in order to decide where they stand in the racial hierarchy. Many Korean immigrants see evidence that blacks are on the bottom of the racial hierarchy. With yellow, almost white skin, Koreans insert themselves above the black population, right below the white population (Park 142-144). This decision may affect the way that Korean immigrants treat other races and relations, leading to racial tension.

Other cultural differences are subtler. When Korean immigrants speak, their words often seem to have negative connotations. When Koreans lack English skills, they often speak with fewer words, unable to use flowery fillers that customer like to hear. Instead of “How may I help?” you may hear a “What you want?” These words may not be a result of rudeness but simply a lack of English. Eye contact is not respectful in Korean culture but is expected in day-to-day interaction in America. The word “please” is only used during acts of desperation in Korea, but in the U.S., it is expected in merchant-customer interactions. Furthermore, Koreans are more formal than Americans. The stiffness that may be interpreted as rudeness by Americans is, instead, out of politeness. The combination of these cultural differences may lead customers to believe that Korean immigrants do not respect other races or ethnicities (Min 119-120, Joyce 23-24, Chang 49-50, and Bailey 87, 92-94).

The structural issues look at different economic niches that have long existed in African-American neighborhoods. Before mass Korean immigration, African-American communities were filled with stores that were owned by the Jewish population. African-Americans and Jews had the same conflict that African-Americans are experiencing with Koreans in the present. The Jewish population in the cities left when they had enough money to move to the suburbs, leaving an opening in the economy of the black

communities in the cities. The Koreans were immigrating at a time where they could take advantage of this opening. It is hypothesized that the conflict that blacks were experiencing with Jewish immigrants was then moved to the new population, the Korean business owners (Min 100-101 and Joyce 31-32).

Regardless of these explanations, conflict in many forms has long existed between Koreans and African-Americans. This conflict existed beyond the L.A. Riots when thousands of Korean businesses were destroyed after African-Americans rushed the streets when learning of the acquittal of the police officers that beat Rodney King. This has long been upheld as the one example of Black-Korean violence. However, the magnitude of Black-Korean conflict in addition to the L.A. Riots demonstrates how entrenched conflict is within the Black-Korean community (Gooding-Williams 120-135). Much of this conflict has been expressed through boycotts and straight violence.

Several boycotts occurred after the Red Apple Boycott, the largest of the boycotts. During this boycott, conflicting statements between a Korean storeowner and a Haitian customer sparked a boycott of a Korean grocer. None of the smaller boycotts following the Red Apple Boycott bolstered the community the way the largest boycott did. Furthermore, boycotts have occurred in many other American cities as a result of minor incidents. Many of them follow the same scenario. An incident occurs. There is

miscommunication, so no group is sure of what actually occurred. One group boycotts the other group (Yoon 176-190 and Chang 24-25).

The second type of conflict is violence. Major forms of violence were often sparked by murders in Korean businesses. Usually, the victim was an African-American customer. Sometimes the victim attacked the Korean storeowner. Other times, the Korean storeowner overreacted to a threatening situation. These deaths caused immediate uproar in both the Korean and black communities. Violence spilled into the streets with numerous smaller riots and minor incidents of violence. The media raged over these issues.

The conflicts described in the literature are not the most accurate measurement of Black-Korean relations. Boycotts and violence are the tail end of a growth in friction between two groups. Anger displayed during such conflict does not necessarily reflect anger directed specifically at the other group. Steps to detail another manner in which to measure conflict before such boycotts or violence occurs needs to be prioritized.

When it comes to the area of Black-Korean relations, there are many gaps in the conducted studies. Research surrounding the Philadelphia area is not sufficient. Although Philadelphia is not home to such a large Korean community, it is still important to study Korean populations in smaller cities around the nation. There are

also gaps in research in the three issues that were detailed. It is unclear whether or not Philadelphia's Korean immigrants experienced frustration at a glass ceiling. It is unknown why Korean business owners as a whole choose to locate their businesses in their areas. Lastly, another gap in the research lies in what exactly causes violence and conflict and if that conflict occurs in smaller Korean communities, such as the one in Philadelphia. Hopefully the holes in the research can be further filled in after this study is conducted.

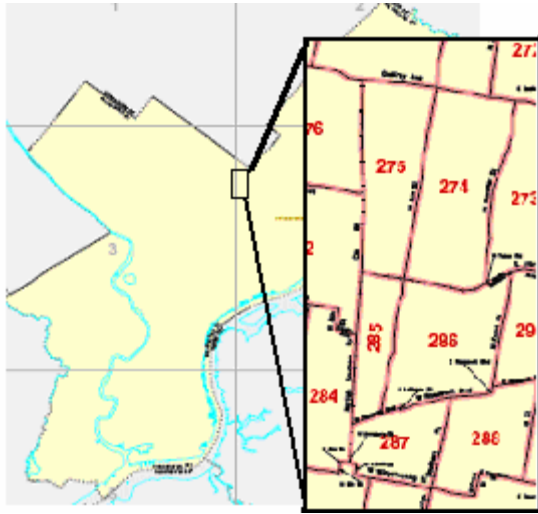
## **Methodology:**

The first step in securing a methodology was to decide on an area of Korean-owned businesses in Philadelphia. The second step was creating questionnaires and interview questions. The next step was detailing a manner in which to proceed in passing out those questionnaires and conducting interviews. In this way, the data gathered could be deemed valid.

The first action taken was deciding on an area of Korean-owned businesses. In order to do so, census tract data was analyzed in order to determine an area of Philadelphia that was home to a conglomeration of Korean-owned businesses. A persistent area of Koreans was located along North 5<sup>th</sup> Street in Olney, an area of North Philadelphia, encompassing census tracts 274, 275, 285, 286, and 287. Map 1 below has a detailed view of the census tracts that were studied along with their location in a larger map of Philadelphia. All census tracts run along either side of North 5<sup>th</sup> Street in a consecutive pattern. The line running in between 274 and 275 as well as 285 and 286 is North 5<sup>th</sup> Street. This was determined to be the area of location to focus on for two main reasons.



**Map 1: Census tracts 274, 275, 285, 286, and 287 in Philadelphia**



In the description of these two reasons, the data in Table 1, below, were used as evidence. The first reason is that the North 5<sup>th</sup> Street corridor was a center for Korean residences through 1980, 1990, and 2000 decennial censuses. An area determined to be a center for only one census would not be sufficient because it would not have a history of Korean-owned businesses necessary for research.

<b>Table 1. Percentage of Korean Population</b>			
	1980	1990	2000
Philadelphia	0.3	0.4	0.4
Tract 274	0.3	5.8	2.7
Tract 275	1.1	3.5	2.2
Tract 285	4.0	4.0	3.2
Tract 286	1.1	2.4	0.7
Tract 287	1.5	1.0	0.1

Source: 1980, 1990, 2000 Decennial Census, U.S. Census Bureau

The second reason that the North 5<sup>th</sup> Street corridor is a suitable area for study is that this location had a concentration of Korean residences much higher than Philadelphia's overall average. Throughout these decennial census dates, it seems as though census tract 285 was the consistent core tract for Korean residence, while the tracts around it showed lower percentages. The percentages in the surrounding census tracts were still significant. Although the percentage of Koreans was lower than the city's average in census tract 286 and 287 in 2000 because it was historically an area for Korean residences, this area still warranted further investigation.

After analyzing census data, the area needed to be visually studied. A trip to the area of these census tracts illuminated that it indeed was a location for Korean-owned businesses. A walk throughout the area was used to determine which blocks within the census tracts would be covered. North 5<sup>th</sup> Street and its intersections showed the main concentration of businesses. The streets beyond North 5<sup>th</sup> Street on both sides were residential areas and were not studied.

Therefore, the part of the North 5<sup>th</sup> Street corridor that was to be the focus of this study was determined. This stretch of North 5<sup>th</sup> Street lasts from about 6100 North 5<sup>th</sup> Street in the north to about 5100 North 5<sup>th</sup> Street in the south. This leaves out census

tract 287. Walking through census tract 287 revealed a very low concentration of Korean-owned businesses, so this tract was not studied.

While determining what area was to be examined, the characteristics of the area were also studied. The Korean-owned businesses are not spaced out evenly along this corridor. The three blocks to the extreme north is an area where Korean-owned businesses outnumber non-Korean-owned businesses. Foot traffic is low, and there are many noticeable vacant stores with old signs still hanging out front. The next block to the south is not part of the business district, housing a school and many homes.

The next three blocks to the south seems to be the main district for businesses in general. Korean-owned businesses cannot be declared the majority. After these three blocks, the next block shows little signs of Korean-owned businesses until a railroad bridge is passed. Then there is another cluster of Korean-owned businesses. The next two blocks are again relatively vacant of Korean-owned businesses. Another cluster of these businesses are on the next block. After this last cluster of businesses, the neighborhood changes into a Latino district with Spanish signs dominating the sidewalks, signifying the last of the Korean-owned businesses. The area to be examined encompassed North 5<sup>th</sup> Streets in census tracts 274, 275, 285 and 286 from 6100 North 5<sup>th</sup> Street to 5100 North 5<sup>th</sup> Street.

After determining the area of concentration, a questionnaire was created in order to survey the population of Korean-owned businesses. The questionnaire asked basic questions on why the business located to the area, where the business owner's residence was, what the main hardships and rewards were, whether the business owner wanted to move the business, etc. After one trip to the area, it was determined that a high percentage of the business owners were not literate in English. The surveys were translated into Korean to overcome this language barrier.

Although Koreans make up a high percentage of the business owners in this area, the population was not very large. Therefore, these surveys were given to most Korean-owned businesses on each block. Each business owner was asked where the next Korean business was. Usually, the owner simply pointed to the next-door business or a business a few doors down. In this manner, snowball sampling was used to pass out the surveys.

In the case that the owner could not point out another business of interest, I was able to go door-to-door until the next Korean-owned business was discovered. Korean-owned businesses are easily identified if they cater to a Korean-only population, as at least part of the sign outside the store will be in Korean. If the business catered to a more diverse population, it could be determined that the business was Korean with two

factors. First, a quick peek inside the store could reveal whether or not the business owner was Korean. Second, the products of the store could point to a Korean storeowner. For example, socks and other flashy accessories are often imported from Korea and signify a Korean business owner.

All Korean-owned businesses in the area, save a handful, were given a survey (See appendix A1 and A2 for the survey in both English and Korean). To ensure that the return rate was high, I usually accompanied each survey if the business owner was not too busy. This simply consisted of browsing the business until the owner finished the questionnaire. About  $\frac{3}{4}$  of the surveys given out were handled in this manner. If the business owner had free time available, I asked the questions on the survey as well as more in depth questions. In this manner, six informal interviews were conducted with previously determined questions.

The interviews consisted of the questions on the survey as well as several other areas. The most important areas covered were as follows: in-depth analysis of customers as well as business owners' perceptions of different customers, perceptions of changes in the neighborhood's race, ethnicity, and general characteristics over time, why the storeowner decided to move to Philadelphia in contrast to other American cities, in-depth analysis of whether or not the business owner wants to move or sell the business,

and in-depth analysis of the business owner's past work experience. These six areas served as the interview guide.

In this manner, almost 75% of surveys were returned. In total, 33 surveys were handed out to Korean-owned businesses. Nine surveyees refused to fill out the surveys for varying reasons. Some were too busy to fill out a survey. Some did not want to fill out surveys. Some said that they would fill out surveys, but repeated visits to the businesses revealed that they were not able to fill out the surveys. Six of the 24 surveyed allowed an informal interview of approximately 30 minutes.

## **Data Presentation:**

### Surveys:

The businesses examined carried a wide variety of products. The most common were fine jewelry, restaurants, and socks and similar accessories. No distinct pattern could be determined in the types of products in which Koreans preferred to do business.

The Korean-owned businesses examined began to open in 1984. Businesses steadily opened up until 1993. Between 1993 and 2000, only two stores were opened, both in 1996. There seems to be a clear grouping of these businesses. One group consists of 14 older businesses that opened from 1984 to 1993. The second group consists of 10 more recently established businesses within the last ten years, from 1996 to 2004.

Korean business owners were asked why they wanted to become business owners. Three answers came up routinely throughout the surveys. The first reason was that the business owner did not want to work with anyone else. Further probing detailed that most of these business owners also heard that Koreans did not get respect from employers, that they wanted to be their own boss, and wanted the better pay that apparently was to arise from entrepreneurship. The second reason was the obvious economic one. The business owner wanted to make money. The third reason was that

the business owner had prior experience. This experience usually took place in the country of origin but also could take place in America.

Next, the surveyees were asked about their preference in hiring employees. Six of the businesses did not hire employees, so their answers were not considered in this section. Eight of the businesses would not hire employees from the surrounding neighborhood. Ten businesses do. Five would not hire family members. Thirteen would. Five businesses would not hire other Koreans, and thirteen of them would. The businesses were also asked to explain their hiring behavior.

In regards to the question on hiring employees from the surrounding neighborhood, the surveyees need to be divided into two groups. One group caters to an all-Korean population. This group generally stated that they would not hire such employees because of language barrier, both between the employee and the business owner and the employee and the customer. The other group caters to a more diverse population. This group generally stated that they would hire employees from the neighborhood because they were able to communicate with the customers or they lived close to the store.

The other two hiring practices of hiring Koreans and family members do not need such division. Both stores that cater to all Korean and a more diverse population



stated that they would hire Koreans and family members for the same reasons. These reasons included a need for trust and communication and lower wages could be paid to both Koreans and family members. Specifically for family members, respondents stated that family members work harder because they own the business.

The customer make-up for the business owners was also examined. Overall, thirteen businesses catered to an all-Korean population, while eleven businesses catered to a more diverse population. Here, the division between older and more recently established businesses deserves further examination. Within the older businesses, nine catered to all Korean populations while five catered to non-Korean populations. Within the recently established businesses, the distribution was more even. Four catered to an all-Korean population while six also catered to the non-Korean population.

Customers were attracted to these businesses for a variety of reasons. Most prominent were products, location, price, and language barrier. These reasons did not seem to differ particularly between recently established and older Korean-owned businesses.

The second section of questions asked about the location of the business, starting with the address. Most businesses were concentrated between 5300 and 5700 North 5<sup>th</sup> Street and were evenly distributed therein. There were smaller concentrations in both

the 5100 to 5300 section and 5700 to 5800 section of North 5<sup>th</sup> Street. There was a prominent concentration from 5900 to 6000 North 5<sup>th</sup> Street, matching the description of the area given in the methodology section.

Business owners were asked why they located to this area. The overwhelming answer to this question was that other Koreans had already located to the area, so the Korean business owner decided to follow their lead. Within this group of Korean who had already located to the area were family members of the business owner. Seventeen of the surveyees (51.5%) used this answer for this question.

Most business owners did not live in the same area where their business was located. Only six of the 24 respondents stated that they lived in the same neighborhood as their business. Of those who answered “no,” two lived within the city of Philadelphia, but the rest lived in the suburbs. Of the counties surrounding Philadelphia, most answered that they lived in Montgomery County. When asked why they did not live near their business, twelve out of eighteen stated that the suburbs had better quality education than the city. Two of the eighteen mentioned that there was too much crime in the business district to warrant living there.

Business owners were also asked whether or not they had owned a business prior to their present one. Sixteen answered that they had not, while eight replied that

they had. Of the respondents who had owned a business before, the previous locations ranged from Germantown to Northeast Philly to China to New York. One respondent said she did not remember the neighborhood. She only remembered that it was a predominantly black neighborhood.

Since the business owners had all moved from the location of the previous business, the next question asked why they moved. The answers ranged from the promise of more revenues from the new location, to crime involving blacks to movement due to a shift in the husband's job. In two cases, the previous business sold different products than the current business.

The third section of questions asked the business owners about their experience with owning their own store. First, they were asked about the major hardships of their entrepreneurship. There were four responses that were most used in the answers. Seven businesses stated that slow business was a major hardship. Five of these mentioned that this slowing in business was a more recent phenomenon. Five businesses named crime as a major hardship. Three specifically stated that they had been victims of crime. All three made it clear that the robbers were black. Five stated that long hours was one of the major hardships. Two of these respondents stated that they had to work alone during this time. The fourth was made by five of the surveyees who stated that

miscommunication between the business owner and the customers was a major hardship. The problems under this area included both language and culture barriers.

On the other side of the issue, the respondents were also asked what their major rewards were. Two stated that there were no rewards. Five stated that making money was the reward. Of the rest of the surveyees, thirteen stated that making their customers happy was the biggest reward.

The next major issue addressed was whether or not the business owner wished to move the business. Ten stated that they wanted to move. Of the fourteen other respondents, five stated that they planned to retire soon, so they would not move the business. Two were adamant in stating that they did not like the neighborhood of their business, and both still stated that they did not want to move from their current location.

Of those who stated that they wanted to move, five stated they wanted to move to a location in the suburbs where they would make more money. Two of these respondents stated specifically that they wanted to include more white customers and leave black customers behind. This group of respondents also stated that the major obstacle against moving the business was that you would have to sell all products before moving and generally that moving is a headache.

The fourth section of the questionnaire asked the respondents basic demographic information. The age range of the respondents was from 28 years old to 73 years of age, with most of the surveyees in their 50s. Fourteen respondents were female while ten were male. The year of immigration to the United States ranged from the year 1967 to 1998. There were two main clusters of immigrants. The years around 1975 were the first cluster to be noticed. The second cluster occurred around 1988. None of the respondents were born in the United States. There were no recent immigrants to this country, even among the recently established business owners, as the last immigrant came to the U.S. in 1998.

#### Interviews:

The six interviews conducted took place at the following businesses: Korean Community Development Services Center, Lotte Shop, Super Health Center, Lee's Jewelry, Menswear, and Twin Drug Store (See Appendix B for list of interviewees). Each interview was an informal process. The preparation before the interviews consisted of defining five areas that need to be discussed, including customer make-up, changes in the neighborhood, desire to move, reason for moving to Philadelphia, and past work experience.

The area of customer make-up needed to be addressed in order to distinguish businesses catering to a mostly-Korean population and one that caters to a diverse population. The section on changes in the neighborhood focused on the owner's perception of changes rather than actual changes themselves. Questions about the desire to move could be used to measure the depth of the desire as well as whether or not the owner had a sound plan to carry out the move. Questions on the reasons for moving to Philadelphia were asked to discover whether or not these reasons differed from the ones used to move to the North 5<sup>th</sup> Street corridor. Past work experience is important because it illustrates the base on which the business owner built his or her business.

Before presenting the data gathered from the interviews, a brief description of each store will be given. The Korean Community Development Services Center started as a crime prevention center. Crime was often between an African-American and a Korean-owned business. Korean storeowners were taught techniques of preventing crime, such as locking doors during business hours and watching customers intently.

As a result, crime prevention no longer became a pressing issue for Koreans in the area. An unfortunate side effect is that these same crime prevention techniques are targeted in the literature as being the catalysts for black-Korean conflict. However, without detailed records on which storeowners attended crime prevention trainings,

what the crime rate was before and after the trainings, and other relevant information, whether or not these techniques inflamed Black-Korean relations in the area cannot be determined. With crime prevention still as an area of focus, the Center diversified its services to employment programs, bank loan applications, ESL classes, and other social services including health care enrollment and naturalization services.

The Lotte Shop is a beauty supply store that mainly sells cosmetics and other facial products imported from Korea or Japan. It also carries a variety of other products, including Japanese car products, cutlery, Korean dishware, Korean celadon ceramics, Asian stationary, and Korean accessories such as hair accessories and scarves.

The Super Health Center is a pharmacy for a variety of over-the-counter medications. It is a branch of a chain of stores that sells a line of vitamins and minerals, including ginseng, shark cartilage for joints, teas, and vitamins.

Lee's Jewelry is a jewelry store that sells a wide range of its product from fine jewelry to inexpensive trinkets.

Menswear is a menswear business that sells urban wear suits along with suits that older Korean businessmen wear. It also carries products such as socks and ties that match the suits sold in the store.

The Twin Drug Store is simply a neighborhood drug store selling many of the over-the-counter products one would see at a typical drug store along with a pharmacy component.

The data presentation on the first area of the interviews, customer make-up, will be discussed first. Five of the stores cater to a diverse population, while only the Lotte Shop caters to an all-Korean population. Three of the five stores cater to a mostly-Korean population. All stores mentioned that their products conditioned what race or ethnicity would come to their stores. The Lotte Shop caters to a Korean population. It sells mostly Korean goods. Its owner does not speak English well. The signs outside the store are mostly in Korean. The three stores that cater to a mostly-Korean population sell products that appeal to all areas of the population, social services, pharmacy products, and over-the-counter medication. Because Korean-speakers own the stores, the customer base is mostly Korean. The two other stores sell jewelry and menswear that are manufactured for non-Korean customers, so their stores cater to a non-Korean population.

The second main section of the interviews was the owner's perception of changes in the neighborhood. Three of the business owners noted that the main changes were the change in the racial or ethnic make-up of the community. The owner of



Menswear gave a detailed explanation. In the late 1970s the area was mostly white.

During the 80s, the neighborhood became more Asianized. It was not only Korean who were moving to the area but also Thai, Vietnamese, and Chinese immigrants. The rate of Koreanization increased throughout the 1990s. As most Korean business owners are leaving the area for the suburbs, more African-Americans are moving to the neighborhood. The two other business owners who mentioned the change in the race of the area stated that African-Americans are not only living in the area but are also opening up businesses.

The only other area of significance noted by the storeowners of Lotte Shop and Lee's Jewelry is that the amount of traffic in the area is decreasing. The owner of Lee's Jewelry simply mentioned that a decrease in Korean customers caused her to close her clothing business that was at the same location. The owner of the Lotte Shop was more detailed. Her store is in the northern blocks of the North 5<sup>th</sup> Street corridor, the area that houses stores that cater to a mostly-Korean population. According to the storeowner, fewer and fewer Koreans are coming to the area to shop because they have moved to the suburbs. While North 5<sup>th</sup> Street used to be the central location for Korean products, now stores are opening in the suburbs. Lotte Shop cannot compete with these stores because it is so far away. The owner of the Lotte Shop used to own the restaurant next door but

was forced to choose one business because of the decrease in customers. She chose the beauty supply store for several reasons. The merchant enjoyed working there more, the work is easier than all the dealings necessary for a restaurant, and she does not have to deal with employees. Even though she took great thought in her choice, the store has still lost much in value, from approximately \$700,000 to \$300,000.

The third area the interviews covered was the desire to move the business. Two businesses showed a clear desire to move. These businesses were the Lotte Shop and Menswear. While the Menswear owner expressed a desire to return to journalism, his area of training, the owner of Lotte Shop did not have a clear plan. Two other businesses would not move because they are retiring in a couple years. These were the owners of Twin Drug Store and Super Health Center. They are 65 and 57 years old, respectively.

The other two businesses stated that they had no clear desire to move, the community development center and the jewelry store. While the owner of the community development center had no desire to move, he does plan to retire in a couple years. He will not retire until he has someone who can take over the business. He stated that the services offered by his center are still needed in the area. Because of his obligation to the people in the neighborhood, he has no desire to move or leave the

business. The owner of the jewelry store contradicts previous statements about disliking the neighborhood. She gave a detailed complaint list of all the crimes that had been committed in the area and the money that she pays a security guard to patrol the block. Despite these complaints, she does not lock her door during business hours and does not display a desire to move. The reason for this contradiction is unclear.

The fourth area discussed during these interviews was why the business owner moved to Philadelphia. Four owners named family as the reason for coming to Philadelphia, the owners of the Lotte Shop, Menswear, Lee's Jewelry, and Super Health Center. The owner of Super Health Center moved with her husband to the area because he had already acquired a job in the city. The owner of Menswear moved with his family. His mother was a nurse and a lieutenant in the Korean army who was placed in Philadelphia for further training. She eventually applied for citizenship and stayed in the area. The two other storeowners merely had family in the area and moved to Philadelphia. These four owners thought the question was superfluous, explaining that when a foreigner first moves to a country, it is logical to move to the area in which people are known.

The two other business owners came to Philadelphia for school. The owner of the community development center came directly to Philadelphia for higher education

in West Philadelphia. The owner of the Twin Drug Store first settled in Los Angeles with his family. He worked at a factory making tablets but could not handle a job with no future of promotion. As a result, he decided to go back to school in Philadelphia.

The last area covered by the interviews was past work experience. The two owners who moved to Philadelphia for school were the only interviewees who were schooled in America. Three had owned previous businesses including the owners of Lee's Jewelry, Lotte Shop, and Menswear. As stated earlier, the owner of Lee's Jewelry owned the same space before opening the jewelry store. As the number of Korean customers declined, her clothing business could not be sustained. As a result, she decided to start a business that could carry a variety of products to serve a diverse population.

The owner of Lotte Shop was in the same position as the owner of the jewelry store. As the number of Korean customers waned, she could not sustain both businesses. The owner of Menswear previously worked at another menswear business his family owned in Germantown. For a few years, the family owned both businesses. However, the family did not own the store's space in Germantown. A few years ago, the owner of the store in Germantown decided to end the lease. While the storeowner's family ended up retiring, the storeowner, himself, decided to keep Menswear on North 5<sup>th</sup> Street.

Two business owners had worked at other businesses before starting their own enterprise. One of these owners was from the community development center. He merely said that he had worked for several years and was not fulfilled spiritually by this work. When asked where he worked, he avoided the question, possibly because he was ashamed of his past work experience. As a result of lack of spiritual fulfillment, he decided to open a center whose existence was to serve others.

Originally the owner of Twin Drug Store had gone to college at Korea's best university, Seoul National University. Due to bad grades, he was forced to leave and moved with his family to Los Angeles. He worked in a factory in Los Angeles before deciding to go to pharmacy school. During this period of time, there were few pharmacy schools in the country. Pennsylvania had a high concentration. It had four with two of these in Philadelphia. One of these schools was Temple University. When people dropped out of Temple's pharmacy school, the business owner applied to the school. Because he was trained at the pharmacy school, the next logical step was to open a pharmacy.

The owner of the Super Health Center did not have past work experience because her husband supported the family. She started her business because the line of Super Health products had healed her ailments. She had suffered from a variety of

health problems including heart problems, lack of energy, insomnia, constipation, dizziness, stomach problems, and thinning hair. After taking products from Super Health, these symptoms dissipated. She stated that it was God's calling to begin the business, so she followed His will. She claims that because of God and her store, some customers who had illnesses as serious as cancer have been cured.

There were three conversations of importance that do not fit neatly into the five main areas of the interviews. The first was a contradiction in the interview with the owner of Lee's Jewelry. The second was the topic of crime, a topic that was not completely considered before the start of the interviews. The third was the story of a business in an African-American neighborhood switching hands from a Jewish to a Korean storeowner.

The contradiction with Lee's Jewelry's owner involved her claim of dislike of the neighborhood due to crime. She gave long descriptions of several crimes in the area, even though she herself has not been a victim of crime. All crimes described involved African-American criminals. Her business caters to a population that is 50% African-American. However, she does not have the locks on her doors during business hours that almost every other business in the area has. She stated that she has no desire to leave the area.

Interestingly enough, she stated that customers chose her store because they are more comfortable than in the other jewelry stores in the area. When asked to elaborate she explained that in general, Korean merchants are mildly hostile to non-Korean customers. Her store is more laid back with its customer. She does not intently follow her customers. Furthermore, she hires non-Koreans to cater to her diverse customer base. Part of the reason for her openness with her customers may arise from her religious background. She uses the jewelry store as a mission for evangelizing as well as a donation center for several causes. Perhaps her Christian nature causes her to treat her customers with respect.

The owner of Lee's Jewelry was not the only interviewee to mention crime. The owner of Menswear also mentioned that he had been a victim of crime. He stated that he was only affected by one major crime, signifying that in the past there had been several minor crimes. The store his family owned in Germantown had been a victim of more crimes than the one on North 5<sup>th</sup> Street. Although Menswear had experienced more crime than any other business that was interviewed, the owner did not appear to be particularly worried about this aspect. He seemed to think it was merely a danger of owning a business.

The last conversation that does not fit into the categories but deserves further attention arises from the literature. The literature discusses the typical Korean business owner story as a business in an African-American neighborhood that was previously owned by a Jewish storeowner. There was only one Korean storeowner who regurgitated this story back to me. It was the owner of the Twin Drug Store. After attending Temple Pharmacy School, he was searching for a location that would be suitable for a pharmacy. At this time, a Jewish man was retiring and selling his pharmacy in 1984. While the literature details this story as the “typical” story, it is not one that was seen often in this study.



## **Data Analysis:**

As the Korean population has moved its residences out of the city proper, Korean businesses also show signs of potential movement. The potential for this movement can be defined with three major components. First, the Korean population has moved out of the city, giving reason for Korean businesses to follow. Second, the vast majority of the businesses surveyed show direct or indirect reasons to leave the area. Third, racial prejudice against the neighborhood residents is simply another factor to cause the businesses to move.

The first area that will be addressed is the movement of the Korean population out of Philadelphia. Thirteen out of the 24 businesses surveyed cater to an all- or mostly-Korean customer base. These stores will only remain in business, as long there are enough Koreans in the area to support revenues. However, as the Korean population continues to move out of Philadelphia proper, there is more and more evidence that Korean businesses, especially those catering to the Korean population are also on their way out of the city.

While the Korean population in Philadelphia remained stable, all five census tracts showed signs that the Korean population had peaked in 1990 and showed

significant decreases in the year 2000. By merely looking at the percentage changes in each census tract over the years, it is clear that the Korean population is moving out of these neighborhoods.

The census tract data also gives a clue as to where the population is moving. The 1980 and 1990 decennial censuses were examined to determine which census tracts in the counties surrounding Philadelphia showed signs of an increase in Korean population. Bucks and Chester Counties' census tracts did not have significant Korean populations. One census tract in Delaware County and four census tracts in Montgomery County showed signs of significant Korean populations and an increase in those populations from 1980 to 1990.

The 2000 decennial census was then examined to determine if these census tracts showed an upward trend in Korean population percentages. The census tract in Delaware County and one of the census tracts in Montgomery County showed a severe decrease in Korean population percentages between 1990 and 2000. The three remaining census tracts were in Montgomery County and the data for the percentages of Korean population for these tracts is displayed in Table 2 below.

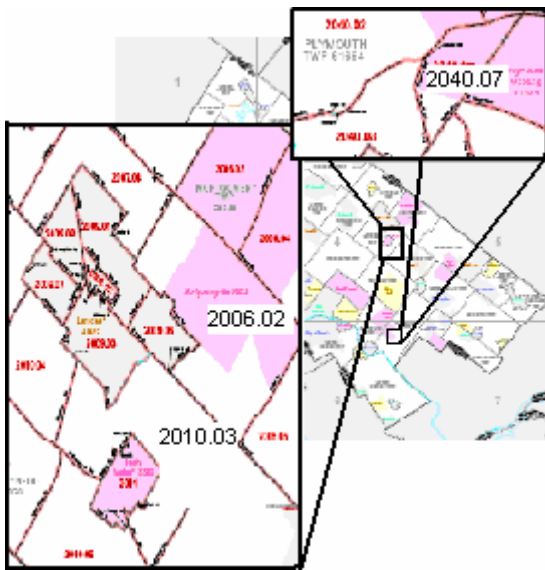
<b>Table 2. Percentages of Korean Population</b>			
	1980	1990	2000
Montgomery County	0.4	0.9	1.2
Tract 2006.02	1.3	3.3	5.1
Tract 2010.03	1.6	3.4	3.5

Tract 2040.07	1.8	3.7	5.2
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*Source: 1980, 1990, 2000 Decennial Census, U.S. Census Bureau*

These census tracts are also marked in Map 2 displayed below as well as their location in Montgomery County as a whole.

**Map 2: Census Tracts 2006.02, 2010.03, and 2040.07 in Montgomery County**



From the data given, it is clear that certain census tracts in Montgomery County are experiencing a large influx of Koreans. Although it cannot be proved that the same Koreans are moving out of the North 5<sup>th</sup> Street corridor into these census tracts of Montgomery County, this is not necessary. It is simply necessary to prove that the Korean population percentages are decreasing in the city and increasing in the suburbs. As the majority of the Korean businesses cater to the Korean population, it is logical to

reason that the businesses will follow the people. The evidence that the Korean residents are moving suggests that the Korean business population will also move.

The second major component about the movement of Korean businesses out of the cities is the signs that the businesses themselves give. There are two areas of this component. First, businesses directly stated that they wished to move. Second, the other businesses show indirect signs of movement. Additionally, there are signs that there is no movement by the Korean population to take over these businesses or open new ones.

The first area of this component consists of businesses directly stating a wish to move. Ten out of 24 businesses stated that they wanted to move their business. In a stable commercial environment, hopefully, over 40% of the business owners would not want to move out of the area. It is possible that the business owners were merely complaining about the neighborhood but would never actually move out. Therefore, it is necessary to discover whether or not the business owner has a clear plan to move out of the area.

Of the ten owners who wanted to move, five showed a clear plan for a move. One has formal training in journalism and has been dabbling in freelance journalism as the beginning of leaving the business. One has daughters in New Jersey and Los Angeles and wishes to move in with them. Two have made steps to secure a location

with more parking and fewer African Americans in the area. The other is the owner of a cell phone retail store and has said that the cell phone company is making plans to move him to another location. Overall, 5 out of 24, or over 20% of the businesses surveyed are currently making plans to leave the area, creating an unstable business environment.

However, it can be argued that no business district is stable. Stores are always moving in and out of the area. Essentially, the majority of respondents did not want to move, so it is difficult to sustain the claim that Korean businesses, as a whole, are about to move. One has to look at the businesses that said that they had no wish to move and discover whether or not there are signs of instability.

In order to do so, the reasons behind wanting to stay need to be examined. This leads to the second area under this component, indirect reasons for movement. Most businesses that stated no wish to move their location are close to retirement. Looking at the data, it is quickly apparent that the Korean business owner population is much older than the overall population. The average age of the business owners surveyed was 52. It is not an age where one can easily pick up one business and drop it in another location. It is an age of a person who is nearing retirement, who would want stability over the risk of moving a business.

There were also apparent outliers in the data. Three business owners were aged 28, 32, and 35, much younger than the average age. These three surveyees were also the owners of the three most recent stores surveyed, opened in 2004, 2003, and 2004 respectively. The newest store of the rest of the population was opened in 2000. The rest of the stores had been opened since 1990 on average. If a store is only one or two years old, usually the storeowner will want a few years to pass before deciding to move out of the area. With this reasoning, the fact that the three stores seem to be outliers in this data, and because the data is examined both with the three stores and without, it is reasonable to place them aside for now.

Without the three stores, the average age of the storeowners is 57, much higher than 52 from the data with the three stores. Clearly, 57 is an age at which one would not think about moving a business and where one is very close to retirement.

This is further supported by statements by three of the storeowners that retirement was in the near future. When the owner of the Super Health Center was asked whether or not she wanted to move, she answered that it was not even an option because she would soon retire. She is 65 years old. The owner of the accessories store stated that there is no point in keeping a business with fewer and fewer customers each year when she, herself, is so old. She is 73 years old. Lastly, the owner of the community

development center repeated that he was looking for someone to take over the business because he wished to retire in a couple years. He is 63 years old.

With this analysis of the data along with the statements by the respondents, it can be surmised that the store owners who stated that they did not want to move the business may not even see moving as an option due to their advanced age. Much of the reasoning behind why less than 60% of the total population does not want to move can be explained with the fact that they will retire in a few years.

The high rate of retirement would not affect the stability of the Korean business population if other Korean owners were coming in to take care of the businesses. These Korean owners would be part of one of two groups. The first group is second- or third-generation Koreans, and the second group is other Korean immigrants.

The first group who could open new Korean stores to create a stable Korean-owned business district is second- or third-generation Koreans. There is no evidence to support that any second- or third-generation Korean-American is opening businesses.

Of the 24 Korean business owners surveyed, none was born in the United States.

Instead, according to the owner of Menswear, Korean-Americans are working in the market, a business world that has opened opportunities to Asians that did not exist when Koreans first began emigrating.

Regarding the second group of Korean immigrants, there is no evidence that newer immigrants are rushing into business. For the entire immigrant population, there is a certain amount of time needed before the immigrant can start a business. This time could consist of years spent in school, years gathering capital, or years spent working in the market. This number is the year the business started minus the year of immigration. For all Korean businesses surveyed, the average number was 12 years.

However, when analyzing the years of immigration, there was a clear grouping of the population into two separate groups, one wave of immigration around 1975 and another around 1988. The older immigrants emigrated from 1967 to 1979, and the more recent immigrants emigrated from 1985 to 1998. The number of years needed before starting a business for the older immigrants was almost 20 years. The number of years for the more recent population was 5.5 years.

The more recent immigrant population showed two clear outliers. These two storeowners may have been in school longer or may have been more successful in the market than the other storeowners. For whatever reason, they showed 14 and 16 years before beginning their own business, much higher than the rest of the population. When these two values are taken out, the average is 3.4 years. Since this value is the more



recent trend, it has more importance than the average from the older immigrant population.

If the average for the more recent immigrants in only 3.4 years, there is clear indication that newer Korean immigrants are beginning their businesses as soon as possible. Yet, no stores seemed to be open by new immigrants. Eight stores have opened in the area since 2000. If the average time before starting a business for the more recent immigrants is followed, these eight businesses would have been opened by immigrants who had emigrated in the past three to four years. Instead, the average year of immigration for these recently established businesses is 1982. Only one was opened by an immigrant who came in 1998. After the 1998 immigrant, the most recent immigrant came in 1990. This is evidence that newer immigrants are no longer opening businesses. Older immigrants are opening the newest Korean-owned businesses.

In the current Korean business population, over 40% of the storeowners displayed a wish to move from the area. Already the population is demonstrating signs of instability. In regards to the rest of the population, a potential for retirement in the majority of the business-owning Korean population coupled with the dearth of potential Korean business owners leads to the conclusion that Korean businesses are on their way out of Philadelphia.

The third overtone drawn from the data was racial prejudice. Racial prejudice against the occupants of the neighborhood surrounding the business can also lead to the desire to move the business. To most populations, racial and ethnic prejudice is something one keeps to oneself. The Korean population, for the most part, followed this norm. However, six business owners displayed honesty of their racial prejudice that could not be ignored.

The first was a female owner of a beauty shop on the 5900 block who filled out the survey without an interview. For the question on why the owner wanted to move, she answered that there were too many blacks in the neighborhood and not enough parking. No further explanation was given.

The owner of the acupuncture clinic at 5919 North 5<sup>th</sup> Street demonstrated the desire to move out of the neighborhood because there were too many blacks in the area. She said that she would rather move to a white neighborhood, so she could incorporate white customers into her business.

Another respondent was the owner of Kim's Restaurant at 5955 North 5<sup>th</sup> Street. The owner was a Korean ethnic from northern China's Manchuria. Manchuria is directly north of North Korea. It has a relatively substantial Korean ethnic population because it has been fought over for thousands of years by both Chinese and Korean

dynasties. Although the last time a Korean dynasty had a hold over Manchuria was in the 900s, many of the people in the area still declare themselves ethnically Korean.

She explained why she did not live in the neighborhood by saying that 5<sup>th</sup> Street has too many black people, and therefore, too much crime. She does not like African American neighborhoods. When asked to explain the reasoning behind this sentiment, she replied that a few years back, African Americans robbed her store. In the process, the owner was hit several times and lost some money. The criminals were never caught. While she does hire non-Koreans, she will not hire blacks, only Latinos for manual restaurant work. Repeatedly during the interview, she repeated that there were too many blacks in the neighborhood.

The other restaurant owner was originally from Korea. Before her restaurant at 5909 North 5<sup>th</sup> Street, she owned a corner store in Philadelphia. She could not name the location, merely describing the area as a black neighborhood. After a robbery by African Americans, she decided to move out of the neighborhood and into a business that would cater to Koreans. She seemed to associate robbers with being black and being black with being a criminal. Although she did not like the neighborhood, she said that she had no desire to move her business.

The owner of the jewelry store at 5632 North 5<sup>th</sup> Street also showed her racial prejudice during her interview. Although her store was never a victim of crime, she regaled me with stories of the robberies that were committed by African Americans nearby. One involved a young female who was beaten and robbed on the next block by one tall African American and one shorter one. Another story involved a person a few blocks away, but the details were unclear. It was getting dark at that time, so she told me repeatedly to be careful as I was leaving. Although this owner seemed to be extremely worried about black robbers, she did not have a lock with a doorbell on her door and was very lax with the customers. None of the customers were followed or questioned during the half hour I was inside the store. Instead, she seemed to ignore most of the customers, none of who was Korean.

The owner of a bakery on the 5800 block also displayed similar sentiments. I was present at two transactions with African American customers on two different dates. The first customer spoke loudly and condescendingly slow towards the owner after hearing her heavy Korean accent. He kept asking her to repeat what she was saying. The second customer was listening and singing to music on a portable player. After both customers left, the owner had turned to me and said that African Americans

had no class and no respect for Koreans. This sentiment was not apparent in her answers to the survey questions.

Five of the six respondents were from the northern part of the corridor. Only the jewelry storeowner was from the commercial district. The northern part of the corridor is an area that is dominated by Korean stores and Korean customers. None of the businesses attempt to cater to a non-Korean population. All respondents also happened to be female. Two did not back up their sentiments with action, either by displaying a desire to leave the neighborhood or by ignoring supposedly criminal customers.

The business owners studied displayed subtle forms of prejudice against African Americans. Subtle forms of prejudice are harder to define. These subtle forms were apparent through these interviews and include not liking a neighborhood because there are too many African Americans and associating criminals with being black. Subtle forms of prejudice can be indicators of the possibility for more severe conflict in the future. Regardless of future implications, the racial prejudice that Korean business owners have against blacks in a neighborhood that is becoming increasingly African American is another motivation to move these businesses.

## **Conclusion:**

Philadelphia's smaller Korean population has meant that it has been studied less than the larger populations in other cities. However the fact that Philadelphia has a smaller population of Koreans should warrant further investigation. While larger populations can create vibrant, stable ethnic communities, smaller populations need to mingle with other races or ethnicities or risk being swallowed up by the surrounding neighborhood.

The logic that creates the argument that a smaller population is less stable has been evident in this study. The Korean business district is showing numerous signs that it is on the cusp of leaving the city. This evidence can be summarized with three main reasons.

First, the Korean population is leaving Philadelphia and there is an influx of Koreans in areas of Montgomery County. The large majority of Korean businesses in the North 5<sup>th</sup> Street corridor cater to a Korean population. The next logical step is that Korean businesses will follow the population. This logic is supported by statements made by the stores surveyed that Korean traffic is decreasing and there is a wish to move the business to the suburbs.

Second, most Korean businesses show either direct signs or indirect signs of moving. The direct sign is the statement and plan to move the business. An indirect sign is that the average age of the Korean business ownership is one that is nearing retirement. There is no evidence that a secondary Korean population will take over these businesses, either in the form of newer Korean immigrants or second- and third-generation Koreans-Americans.

Third, Koreans display racial prejudice against African Americans, even when racial prejudice is an issue that most people would like to hide. This racial prejudice coupled with the fact that the community surrounding North 5<sup>th</sup> Street is predominantly African American is another added stressor that would cause Korean businesses to move.

The movement of these Korean businesses could lead to the decline of the surrounding community. However, the study of the North 5<sup>th</sup> Street corridor has led to the revealing of certain clues that could be used to ensure stability in this neighborhood. This decline will only occur if other business owners do not step in to purchase stores and solidify the commercial nature of the community.

The research has shown that newer Korean immigrants and second- or third-generation Korean-Americans are not stepping in to own new businesses in this area.

Another population must be targeted to maintain the businesses in this area. Possibly the trend that North 5<sup>th</sup> Street has already been demonstrating should be followed. Black businesses in the North 5<sup>th</sup> Street corridor have been increasing steadily, according to interviews with several storeowners.

Black business owners could fill in the gaps left by the departing Koreans.

Policies may be implemented to make it easier for minorities to gain business loans, but it is more important to find banks that are willing to enforce these policies. Without banks that are unwilling to give out loans, many policies can be written to no effect. Further policies written to allow minorities to begin their own enterprises need to be backed up with enforcement to ensure that these former businesses will not become vacant lots.

To ensure the stability of the North 5<sup>th</sup> Street corridor, further study is necessary to monitor the population of business owners in the area. Korean businesses should be studied over time to ensure that movement away from the cities is actually occurring. If movement is not apparent, then perhaps the community is more stable than previously thought.

The results of the study should also be updated through the years. Instead of only studying Korean businesses, the African American businesses in the area should



also be studied. The same methodology could be carried out throughout the years, merely to update the data. If Koreans are leaving the area and African American businesses are moving in with no economic help necessary, then the government does not need to step in. If Korean businesses are leaving empty spaces behind, then the government should step in to ensure that the North 5<sup>th</sup> Street corridor does not decline.

Urban areas may be the graves for words such as degradation and decline; however, urban communities that can be saved should be targeted. Vibrant neighborhoods can exist within a downgraded urban environment, and steps should be made to ensure that the North 5<sup>th</sup> Street corridor becomes one of the vibrant communities.

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## Appendix A1: English Version of Survey

### Section I. Background

- 1) What type of business do you own?
- 2) When did you open your current business? (month/year)
- 3) Why did you decide to become a business owner?
- 4) What is the racial/ethnic make-up of the neighborhood surrounding your store?

Race/Ethnicity: \_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

- 5) Do you hire people from the surrounding neighborhood? Why or why not?
- 6) Do you hire your family members? Why or why not?
- 7) Do you hire other Koreans? Why or why not?
- 8) What is the racial/ethnic make-up of your customers?

Race/Ethnicity: \_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

\_\_\_\_\_ %

9) Why do you think your customers are drawn to your store? Check all that apply.

- Location
- Employees
- Prices
- Language Barrier
- Products
- Other: (Please specify)

## Section II. Location of your business

1) What is the address of your business?

2) Why did you locate your business to this area? Check all that apply.

- (a) Other Koreans had already located to the area.
- (b) The rent matched your budget.
- (c) The income of the local residents
- (d) The racial/ethnic make-up of local residents
- (e) Other: (Please specify)

3) If you checked (b) above, what was the rent?

4) If you checked (c) above, what was the average income?

5) If you checked (e) above, please explain this reason.

6) Do you live in the same neighborhood as your business? (Yes or No)

7) If you answered No, why not?

8) Did you own a business prior to this one?  Yes (Go to next question)  No (Go to

Section III)

9) What was the address of the previous business?

10) If you moved, why did you move?

11) What type of business was your previous business?

12) If you changed your type of business, why?

### Section III. Business Experience

1) What are your major hardships?

2) What are your major rewards?

3) After weighing hardships against rewards, overall, is your business a positive or negative experience for you?

4) If negative, why do you stay in this business?

5) Do you want to move your business? Yes or No)

6) If yes, why do you want to move?

7) If yes, what are the major obstacles against moving your business?

8) Are you involved in any community organizations? If so, please name them and explain your experiences with them.

### Section IV. Demographics

Age:            Sex:

Year of Immigration to U.S., if any

What is the average annual revenue of your business?

Would you be available for an interview? (Yes or No)



## Appendix A2: Korean Version of Survey

### 섹션 1. 배경

- 1) 어떤 종류의 사업을 소유하고 있습니까?
- 2) 언제 시작하였습니까? \_\_\_\_\_ 년 \_\_\_\_\_ 월
- 3) 어떤 이유로 사업을 시작 하였습니까?
- 4) 주변의 인종구성은 어떻습니까?
  - (a) 아시아계: \_\_\_\_\_%
  - (b) 흑인: \_\_\_\_\_%
  - (c) 라틴계: \_\_\_\_\_%
  - (d) 백인: \_\_\_\_\_%
  - (e) 기타: \_\_\_\_\_%
- 5) 주변에서 고용인을 구하는지요? 예 \_\_, 아니오 \_\_ 왜? 또는 안 하는 이유는?
- 6) 식구들도 일하는지요? 예 \_\_, 아니오 \_\_. 왜? 또는 안 하는 이유는?
- 7) 다른 한국인들을 고용합니까? 예 \_\_, 아니오 \_\_. 왜? 또는 안 하는 이유는?
- 8) 고객들의 인종 분포는?
  - (a) 아시아계: \_\_\_\_\_%

(b) 흑인: \_\_\_\_\_%

(c) 라틴계: \_\_\_\_\_%

(d) 백인: \_\_\_\_\_%

(e) 기타: \_\_\_\_\_%

9) 어떤 이유 때문에 손님들이 오는지요? 해당사항 모두 체크.

장소

가격

제품구색

고용인(직원)

언어장애

기타 (명시바람): \_\_\_\_\_

## 섹션 2. 비즈니스의 장소

1) 주소

2) 어떤 이유로 이 장소에서 시작하게 되었는지요? (해당사항 모두 체크  
바람)

(가) 다른 한국인들이 이미 정착해 있다.

(나) 임대료가 적당하다 (예산에 맞다)

(다) 주변 주민들의 수입수준

(라) 주변 주민들의 인종분포

(마) 기타: (명시바람)

3) (나)를 체크했으면 임대료가 얼마입니까? 월 \$

4) (다)일 경우 평균 수입이 얼마 정도 인지요? 년 \$

5) (마)일 경우 이유를 설명해 주세요.

6) (비지네스와) 같은 동네에 사십니까? 예\_\_\_\_, 아니오 \_\_\_\_.

7) 아닌 경우 왜 인지요?

8) 이전에도 사업을 하셨습니까? 예 \_\_\_(다음 질문으로) 아니오 \_\_\_

(섹션3 으로)

9) 이전 사업의 주소:

10) 사업을 이전 했다면 그 이유는?

11) (사업을 하는데 있어서) 가장 어려운 점들은?

12) (사업을 하는데 있어서) 가장 보람이 있는 점들은?

13) 이러한 어려움과 좋은 점 들을 감안하면 전체적으로 사업이 긍정적  
\_\_\_, 또는 부정적 \_\_\_이다. (체크 바람)

14) 부정적으로 생각 될 경우 이 사업에 머무르고 있는 이유는:

15) 비지네스를 다른 곳으로 이전하고 싶으신지요?: 예 \_\_\_ 아니오 \_\_\_

(체크 바람)

16) 그렇다면 왜 이전하길 원하시는지요?

17) 이전하시는데 주된 장애 요인은?

18) 주변의 주민 단체에 가입해 있는지요? 아니오 \_\_\_\_\_, 예: \_\_\_\_\_ (체크

바람) “ 예” 를 체크한 경우 단체의 이름과 그 단체와의 당신 경험을

써주세요

### 섹션 3. 인적 사항

연령:                      성별:

(미국) 이민 연도:

연 평균 매출: \$

인터뷰에 응해 주시겠습니까? 예, 아니오 (체크 바람)

끝까지 응답해 주셔서 대단히 감사합니다.

## **Appendix B: List of Interviewees**

1) Korean Community Development Services Center

6019 North 5<sup>th</sup> Street

2) Lotte Shop

5929 North 5<sup>th</sup> Street

3) Super Health Center

5925 North 5<sup>th</sup> Street

4) Lee's Jewelry

5632 North 5<sup>th</sup> Street

5) Menswear

5636 North 5<sup>th</sup> Street

6) Twin Drug Store

5304 North 5<sup>th</sup> Street