BUSINESS IMPACT ASSESSMENT

Effects of Tariffs & Immigration Enforcement (I.C.E.) on Small Businesses
in the Flatbush–Nostrand Junction Business Improvement District

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EXECUTIVE SUMMARY

PURPOSE

Evaluate how tariffs and immigration enforcement (I.C.E.) are affecting the financial stability, operations, and long-term resilience of small businesses within the Flatbush–Nostrand Junction Business Improvement District, while identifying data-driven opportunities to strengthen the local business corridor.

METHODOLOGY

Conducted 30 structured, in-person business interviews across the Retail, Food & Beverage, and Professional Services sectors. Survey data and qualitative insights were analyzed to identify business trends, economic impacts, operational challenges, and priority support needs.

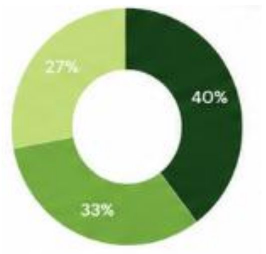
KEY FINDINGS

90%
Businesses Reporting Increased Costs

70%
Businesses Reporting Reduced Foot Traffic

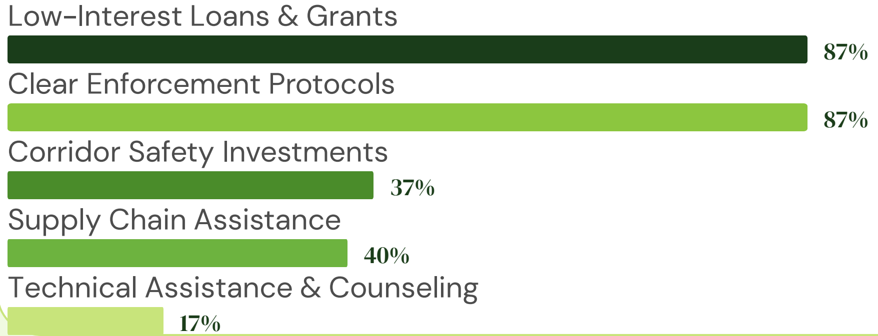
80%
Businesses Expect Continued Tariff Impact

Business Sector Distribution



- Retail — 40% (12 businesses)
- Food & Beverage — 33% (10 businesses)
- Professional Services — 27% (8 businesses)

Top Requested Business Assistance



30
Businesses Surveyed

50%
Raised Customer Prices

33%
Likely Workforce Reduction

50%
Customers Expressed I.C.E. Concerns

Strategic Opportunity

While this assessment highlights the significant economic challenges facing businesses throughout the Flatbush–Nostrand Junction corridor, it also reveals a clear opportunity for strategic action. Business owners have demonstrated resilience by adapting their operations, managing rising costs, and finding innovative ways to continue serving their customers despite ongoing economic uncertainty.

The findings provide the Flatbush Junction Business Improvement District with a data-driven roadmap to prioritize investments, strengthen strategic partnerships, expand business support services, and pursue funding opportunities that directly address the needs identified by local business owners. By acting on these insights, the BID can enhance corridor competitiveness, preserve small businesses, restore customer confidence, encourage private investment, and position the Flatbush–Nostrand Junction corridor for long-term economic resilience and sustainable growth. More importantly, this assessment establishes a foundation for ongoing business engagement, measurable performance tracking, and informed decision-making that will guide future economic development initiatives across the district.

BUSINESS COMMUNITY PROFILE

Business Community Overview

The Flatbush–Nostrand Junction Business Improvement District is home to a diverse network of long-standing small businesses that serve as economic and cultural anchors within Central Brooklyn. This assessment captured insights from 30 businesses across the Retail, Food & Beverage, and Professional Services sectors to better understand the impacts of tariffs and immigration enforcement (I.C.E.) on business operations, workforce stability, customer activity, and long-term business resilience.

30
Businesses Surveyed

40%
Retail Sector

33%
Food & Beverage

27%
Professional Services

77%
Predominantly Immigrant-Owned

83%
Predominantly Minority-Owned

Deep Community Roots

More than 70% of surveyed businesses have operated within the Flatbush–Nostrand Junction corridor for over 10 years, with many serving the community for more than two decades. These long-established businesses contribute significantly to the corridor's economic stability, neighborhood identity, and cultural vitality.

TARIFF IMPACTS ON BUSINESS OPERATIONS

Most Common Tariff-Related Impacts

90%
Increased Supplier Costs

90%
Increased Shipping & Freight Costs

90%
Increased Vendor Pricing

50%
Raised Customer Prices

Operational Adjustments

Increased customer prices where necessary
Reduced product offerings
Delayed business expansion or investment
Changed or evaluated alternative suppliers

Supply Chain Disruption

Reduced inventory levels
Difficulty finding affordable alternative suppliers
Greater reliance on imported goods
Increased shipping and freight costs

Future Business Outlook

Survey responses indicate that businesses expect tariff-related challenges to extend well beyond the current reporting period. Continued increases in supplier costs, inventory expenses, and operational overhead are expected to place sustained pressure on profitability, particularly for small and family-owned businesses. Many owners anticipate making additional operational adjustments—including pricing strategies, inventory management, supplier diversification, and investment decisions—to adapt to ongoing market conditions. The findings underscore the need for targeted economic development initiatives, financial assistance, and supply chain support to strengthen long-term business resilience within the Flatbush–Nostrand Junction corridor.

Tariff Impact Flow

Tariffs → Higher Supplier Costs → Higher Operating Costs → Business Responses → Continued Business Concerns

I.C.E. ACTIVITY & BUSINESS IMPACTS

Most Common I.C.E.-Related Impacts

70%
Businesses Reporting Reduced Foot Traffic

50%
Customers Expressed I.C.E. Concerns

33%
Businesses Reporting Workforce Challenges

20%
Businesses Reporting Increased Delivery/Planned Visits

Customer Behavior

- Reduced foot traffic throughout the corridor
- Customers expressed concerns about I.C.E. presence
- Increased delivery and planned visits for some businesses
- Avoidance of businesses near transit hubs

Business Operations

- Reduced operating hours in some businesses
- Decreased daily revenue and sales volume
- Increased difficulty retaining customers
- Heightened security concerns among owners

Workforce Impact

- Greater difficulty hiring and retaining employees
- Labor shortages affecting daily operations
- Some businesses considering workforce reductions
- Increased operational pressure on small businesses

I.C.E. Impact Flow

I.C.E. Activity → Reduced Customer Confidence → Lower Foot Traffic → Operational Challenges → Staffing Difficulties

BUSINESS ADAPTATION & RESILIENCE

Pricing Strategies

Raised customer prices to offset higher costs

Balanced affordability with rising operating expenses

Absorbed costs when price increases were not feasible

Supplier Adjustments

Changed or evaluated alternative suppliers

Sought more cost-effective purchasing options

Maintained trusted supplier relationships where possible

Inventory Management

Reduced inventory purchases to manage costs

Prioritized essential and high-demand products

Adjusted purchasing schedules based on pricing

Customer Engagement

Increased delivery and pickup options

Strengthened relationships with loyal customers

Expanded social media and community outreach

Operational Changes

Adjusted operating hours based on customer demand

Delayed business expansion or major investments

Modified day-to-day operations to reduce expenses

Business Innovation

Implemented new strategies to remain competitive

Diversified products and services where possible

Focused on long-term business resilience

Key Takeaways

Despite significant economic pressures from federal tariffs and I.C.E. activity, businesses throughout the Flatbush–Nostrand Junction corridor demonstrated remarkable resilience. Rather than closing or reducing services entirely, many owners adapted by adjusting pricing strategies, strengthening supplier relationships, managing inventory more strategically, modifying daily operations, and finding innovative ways to continue serving their customers. These adaptations highlight both the determination of local businesses and the importance of continued economic development support to sustain long-term growth.

BUSINESS NEEDS & SUPPORT PRIORITIES

Financial Stabilization

Businesses identified immediate financial relief as essential to sustaining operations amid rising costs and economic uncertainty.

- Expand access to small business grants and emergency relief funding.
- Increase availability of low-interest financing to support working capital.
- Provide targeted assistance to offset escalating operating expenses.
- Strengthen long-term financial resilience for small and minority-owned businesses.

Business Growth & Economic Recovery

Business owners emphasized the need for strategic investments that restore customer activity and strengthen long-term economic growth.

Support marketing initiatives that increase corridor visibility.

Expand customer attraction and business promotion campaigns.

Strengthen partnerships that increase commercial activity and corridor investment.

Invest in workforce development and business expansion resources.

Public Safety & Corridor Confidence

Restoring consumer confidence is critical to rebuilding foot traffic and supporting neighborhood businesses.

Improve corridor safety and streetscape activation.

Increase community engagement and public information efforts.

Strengthen initiatives that encourage customers to return.

Support a welcoming and economically vibrant commercial district.

Technical Assistance

Businesses consistently identified a need for practical, hands-on support that strengthens operational capacity, increases market visibility, and improves long-term competitiveness.

Social Media Marketing & Digital Advertising

Website Development & E-Commerce Support

Business Coaching & Operational Consulting

Grant Writing & Funding Application Assistance

Additional BID Support Services

🤝 Business Networking & Matchmaking Events

🎉 Community Events & Corridor Promotions

🏪 Storefront Improvement Programs

🏗 Commercial Corridor Beautification

📄 Permit & Licensing Navigation

🌐 Multilingual Business Resources

📊 Market Research & Consumer Insights

📢 Business Advocacy & Government Liaison

Priority Investment Areas Identified by Surveyed Businesses

🥇 Access to Small Business Grants & Emergency Funding

🥈 Low-Interest Loan Programs & Capital Access

🥉 Corridor Safety & Customer Confidence Initiatives

📢 Marketing & Customer Attraction Support

💻 Technical Assistance & Digital Capacity Building

🤝 Business Growth, Partnerships & Workforce Development

BUSINESS SPOTLIGHT: ONE PRICE DRY CLEANERS

FEATURED BUSINESS CASE STUDY

🏢 Business Overview

Industry: Dry Cleaning Services

Business Type: Immigrant-Owned Small Business

Years in Business: 14 Years

Employees: 3

⚠️ Business Challenges

- Rising supplier & operating costs
- Increased costs for supplies & packaging
- Reduced customer foot traffic
- Higher customer price sensitivity

🔄 Business Adaptation

- Expanded social media marketing
- Introduced pickup & delivery services
- Strengthened customer relationships
- Adjusted operations to stay competitive

📊 Business Impact

- Increased operating expenses
- Lower customer demand
- Reduced profitability
- Continued economic uncertainty

💡 Key Takeaway

One Price Dry Cleaners represents the experiences shared by many businesses throughout the Flatbush–Nostrand Junction corridor. This case study illustrates how rising operating costs, changing customer behavior, and economic uncertainty continue to affect small businesses while demonstrating the resilience and adaptability of local business owners.

Building a Stronger
Flatbush–Nostrand Junction

Together, we can build a more resilient, thriving commercial corridor that serves our community for generations to come.

🌳
Resilience

🤝
Partnership

📈
Growth

Call to Action

This assessment provides a data-driven roadmap for action. By investing in business resilience, strengthening strategic partnerships, and expanding targeted support initiatives, the Flatbush Junction BID can preserve local businesses, attract future investment, strengthen corridor vitality, and position the district for long-term economic growth.

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