

# Evaluation of the Relocation Assistance Program for Businesses and Institutions Displaced by Highways

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The provisions of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 were implemented by the Texas State Department of Highways and Public Transportation effective January 8, 1971. Since then, many of those displaced by highways have received relocation assistance provided by that act. The Texas Transportation Institute evaluated the effectiveness of this relocation program, and this paper presents the findings from data collected by personal interviews with those associated with businesses and institutions displaced by highway projects in several urban and rural areas in Texas. The sample is composed of 101 business relocatees and 7 institutional relocatees. The characteristics of a typical business are sole proprietorship, retail operation, fewer than 10 employees, single outlet, at least 5-year existence, renting facilities, and \$100 000 or less annual gross sales. The results of the survey indicate that over 75 percent of the respondents relocated their businesses and continued in operation for a while; 60 percent of those that ceased operations could not find suitable replacement facilities; and a majority of those that relocated thought the overall quality of facilities and neighborhood conditions were better or remained the same, even though almost half of them had to increase monthly payments for facilities. Most of the relocatees thought that relocation payments adequately covered relocation expenses, but over half of the owners thought that property payments were not enough. About 30 percent mentioned unsolved problems (mainly financial). Most of the relocatees expressed no need for additional relocation services, gave the program a substantially high rating, had a satisfactory relation with the relocation personnel, and felt pleased with the relocation experience.

The relocation assistance that is provided by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 is intended to reduce the hardships of residents, those owning and operating businesses and institutions, and farmers displaced by highways. This program is designed to compensate and mitigate inconvenience to relocatees to such a degree that resistance to highway projects, at least that resulting from personal inconvenience, should be greatly reduced if not eliminated. To the extent that relocatees are not cognizant of or not satisfied with the relocation assistance provided, the program or its administration may be at fault. Texas has been operating under the provisions of

the 1970 act since January 8, 1971.

Few studies have dealt with relocatees' attitudes toward relocation, and no study has dealt with attitudes toward the 1970 act; such a study is, therefore, needed. The Texas Transportation Institute, in cooperation with the Texas State Department of Highways and Public Transportation (SDHPT) and the Federal Highway Administration, conducted such a study to discern not only the relocatees' attitudes toward the program but also their attitudes toward the displacement news and the entire relocation experience. In addition, the study revealed the extent to which relocatees had problems caused by displacement. The results are published in two reports; one is based on a survey of resident relocatees (1), and the other is based on a survey of business and institutional relocatees (2). Experience gained from a previous study of urban residential relocatees (3) was helpful in conducting this study. This paper summarizes the findings from the survey of business and institutional relocatees.

## SAMPLE CHARACTERISTICS

Interviews were conducted with 108 business and institutional relocatees in or near Dallas, Fort Worth, Austin, Wichita Falls, Waco, and Texarkana. At the time of interview, the relocatees had been relocated from 1 to 2 years. An attempt was made to interview all 191 relocated under the 1970 act in those areas before January 31, 1973; throughout the state, 307 businesses and institutions had been relocated. Thus, about one-third of the relocatees in the state were interviewed.

Those interviewed represented the following types of firms and organizations: 48 retail product firms, 41 retail service firms, 7 wholesale or warehouse firms, 5 manufacturing firms, and 7 institutions or nonprofit organizations. Since respondents in the wholesale, manufacturing, and institutional categories were too few to analyze separately, they were combined in an "other" category.

A chi-square test was used to determine whether the observed frequencies of a two-way cross classification differ significantly from the expected frequencies. If the computed chi-square value exceeds the critical chi-

square value for some level of probability, say 0.05 level, then the observed differences are too great to be attributable to change alone. For two-way classifications, such a result suggests that the classifications are not independent of each other; therefore, inferences can be made to explain the results. Both the 0.05 and 0.01 probability levels are used in the test. Table 1 gives the computed and critical chi-square values in those cases in which the computed chi-square value exceeds the critical chi-square value for either of the above probability levels (Tables 2, 3, 8, 9, 10, and 11). The degrees of freedom used and the exceptions made, e.g., cells ignored, are also given. Inferences based on these tests appear in the text.

The characteristics of the relocatees are given in Table 2. The characteristics of a typical operation are sole proprietorship, single outlet, at least 5-year existence, renting facilities, fewer than 10 employees, and less than \$100 000 in gross annual sales. Operations in the retail category were relatively smaller in terms of gross sales than those in the other category.

### DISPLACEMENT EXPERIENCE

Relocatees were asked a series of questions to reveal their initial attitudes toward the displacement news and their problems caused by the displacement. Their responses to these questions helped to evaluate their attitudes toward the relocation program. Responses to a question asking them to give their initial reactions to the news of the impending displacement indicate that many (44 percent) were upset (Table 3). Those with retail service businesses were the most likely to be upset. Very few of them gave a reason for being so upset (Table 3). The results indicate that 25 of the respondents chose to discontinue operations instead of relocating (Table 4). Another 5 ceased operations after relocating. Not being able to find a suitable location is the reason given by 15 for not relocating (Table 4). Ill health, retirement, and financial problems are the primary reasons given by others for not relocating or ceasing operations after relocating.

The responses to a question asking how easy it was to find a replacement location (facilities) revealed that a majority of those who relocated had difficulty finding suitable replacement facilities (Table 4). Some of those who relocated attempted to upgrade the quality of their facilities. As given in Table 5, 41 (49 percent) of those who relocated thought that they had upgraded their facilities and 24 thought that they had relocated to better neighborhoods. By upgrading their facilities, 40 (48 percent) of those who relocated increased their monthly property or rental payments (Table 6). Only 8 decreased their payments. With an immediate increase in demand for replacement facilities, it was logical to expect these results.

The magnitude of relocation cost-payment differences gives an indication of the adequacy of the various relocation payments to relocatees for preventing or reducing the adverse effects of displacement. To determine the cost-payment differences, it is necessary to obtain relocation costs from the relocatees and the corresponding relocation payments from the SDHPT records. Of the 98 relocatees that received a moving payment, cost-payment differences could be determined for 67 relocatees. The results indicate that 48 (72 percent) of these relocatees received adequate compensation, i.e., moving payments exceeded moving costs (Table 6). The other 19 relocatees had moving costs that exceeded their moving payments.

Although all the respondent relocatees were eligible for reimbursement for their searching expenses, only

12 received such a payment. Those who moved back to their remaining properties or who owned other facilities probably did not incur such expense. The interviewers found it difficult to get relocatees to estimate their searching expenses, and this may indicate why many did not report them to the SDHPT. Consequently, the searching cost-payment differences were determined for only 58 relocatees, and 44 of these reported that they incurred no searching expenses (Table 6). All but 3 of the remaining 14 were adequately reimbursed.

The disruption of normal operations while moving caused most of those relocating to lose at least some sales (Table 6). Fourteen (17 percent) claimed that they lost at least \$10 000 in gross sales, and 12 experienced losses in lesser amounts. Fortunately, over half of those relocating experienced little or no change in their gross sales before versus after the move (Table 6). In fact, 13 (16 percent) indicated that their sales increased.

The relocatees' opinions of the adequacy of their properties and relocation payments, the overall net worth effects of the relocation, and the entire relocation experience can be useful in determining their attitudes toward the relocation program. The results indicate that 21 (46 percent) of the relocatees who owned their original facilities thought that they did not receive an adequate payment (Table 7). On the other hand, a large majority of the relocatees thought that their searching, ceasing of operations, and moving payments were adequate (Table 7). Therefore, more of them were dissatisfied with the payment for their properties than with payments for their relocation expenses. When asked to give their opinions about the effect of displacement on net worth (assets versus debts) of their operations, over half (54 percent) thought that it had remained about the same (Table 7). Most of the others thought that it had decreased.

Finally, the relocatees were asked to evaluate the entire relocation experience. The results indicate that 47 (44 percent) of the relocatees were mildly pleased or very pleased with the experience, 35 (32 percent) had mixed emotions or did not know what to answer, and 26 (24 percent) were mildly upset or very upset with the experience.

### EVALUATION OF RELOCATION PROGRAM

#### Program Provisions and Administration

The relocation program provides that relocatees be given a minimum of 90 d in which to move their businesses after receiving written notification to move. The results of this study indicate that 54 (50 percent) of the respondent relocatees took over twice the allotted time to move by being granted extensions. Also, about half of them preferred to have more than 90 d to move.

The program provides that a relocatee be given relocation information and services beginning at least 90 d before the required move and lasting until the move is completed. All of the relocatees indicated that they received two services: a relocation booklet and an explanation of the assistance available. The relocatees were asked to indicate which of the services rendered helped them the most. Fifty-eight (54 percent) mentioned some form of financial aid, and 9 mentioned the personal courtesy extended to them by the SDHPT relocation personnel (Table 8).

The program provides relocation payments to cover searching, moving, ceasing of operations, or personal property loss expenses. All of the respondent relocatees received payment for one or more of these expenses, and the majority thought that such relocation payments were adequate (Table 7).

**Table 1. Computed and critical chi-square values used in tables for cases in which computed values exceed critical values.**

Table	Row Head	Computed Chi-Square Value	Critical Chi-Square		Degrees of Freedom	Comment
			Value	Probability Level		
2	Annual gross sales	11.85 <sup>a</sup>	9.49	0.01	4	Did not know or refused cells ignored.
3	Attitude toward news	19.32 <sup>a</sup>	15.50	0.05	8	Did not know cells ignored.
8	Relocation program	6.60 <sup>a</sup>	5.99	0.05	2	Good and bad row cells combined; retail column cells combined; and did not know cells ignored.
9	Additional services requested	22.21 <sup>b</sup>	9.21	0.01	2	Services requested row cells combined, and did not know column cells ignored.
	Additional services needed	36.46 <sup>b</sup>	9.21	0.01	2	Services needed row cells combined, and did not know column cells ignored.
	Problems failed to help solve	16.85 <sup>b</sup>	9.21	0.01	2	Problems not helped row cells combined, and did not know column cells ignored.
10	Payment for property	16.82 <sup>b</sup>	9.21	0.01	2	Did not know and not applicable cells ignored.
	Payment for moving or ceasing operation	24.00 <sup>b</sup>	9.21	0.01	2	Did not know cells ignored.
11	Years in business	6.19 <sup>a</sup>	5.99	0.05	2	Did not know cells ignored.
	Attitude toward news	30.46 <sup>b</sup>	13.30	0.01	4	Did not know cells ignored.
	Ease in finding replacement facility	12.32 <sup>a</sup>	9.49	0.05	4	Did not know and discontinued cells ignored.
	Months to move	6.10 <sup>a</sup>	5.99	0.05	2	Did not know cells ignored.
	Attitude toward relocation experience	68.82 <sup>b</sup>	13.30	0.01	4	Upset and pleased cells combined, and did not know cells ignored.

<sup>a</sup>Significant at the 0.05 level.<sup>b</sup>Significant at the 0.01 level.**Table 2. Number of respondents by characteristic of business before relocation and by type of operation.**

Characteristic of Business	Retail Product	Retail Service	Other	Total
<b>Organization</b>				
Sole proprietorship	34	32	8	74
Partnership	8	7	1	16
Corporation or other	6	2	10	18
<b>Number of outlets</b>				
1	40	40	14	94
2 and >2	8	1	5	14
<b>Years in business</b>				
<5	14	13	4	31
5 to 19	24	16	5	45
>19	10	12	10	32
<b>Number of employees</b>				
<10	34	33	12	79
10 and >10	14	8	5	27
Not determined	0	0	2	2
<b>Annual gross sales, \$</b>				
<50 000	15	22	6	43
50 000 to 99 999	9	11	4	24
>99 999	23	6	9	38
Did not know or refused	1	2	0	3
<b>Tenure of site</b>				
Owner	20	16	10	46
Tenant	28	25	9	62
<b>Total</b>	<b>48</b>	<b>41</b>	<b>19</b>	<b>108</b>

**Table 4. Number of respondents by status of business before and after relocation.**

Business and Operation	Number of Respondents
<b>Status of business</b>	
Continued after relocating	78
Discontinued instead of relocating	25
Discontinued after relocating	5
<b>Total</b>	<b>108</b>
<b>Why operations discontinued</b>	
Could not find new location	15
Ill health or retirement	6
Financial reasons	4
Other	7
Remained in operation	78
<b>Total</b>	<b>110</b>
<b>Ease in finding replacement location</b>	
Easy	10
No problem	29
Difficult	43
Did not know	1
Discontinued instead of relocating	25
<b>Total</b>	<b>108</b>

**Table 3. Number of respondents by attitudes toward news of relocation and by type of operation.**

Attitude and Reason	Retail Product	Retail Service	Other	Total
<b>Attitude toward news</b>				
Very upset	7	11	3	21
Mildly upset	12	12	3	27
Mixed emotions	18	15	2	35
Mildly pleased	6	1	3	10
Very pleased	4	2	6	12
Did not know	1	0	2	3
<b>Reason for attitude</b>				
Hoped business would increase	2	2	0	4
Wanted to move or quit	1	0	1	2
Did not want to move	1	1	0	2
Other	1	0	1	2
No reason given	43	38	17	98
<b>Total</b>	<b>48</b>	<b>41</b>	<b>19</b>	<b>108</b>

**Table 5. Number of respondents by changes in quality of facilities and condition of neighborhood.**

Quality and Condition	Number of Respondents
<b>Quality of facilities</b>	
Much improved	21
Somewhat improved	20
Somewhat worsened	16
Much worsened	1
About same	24
Did not know	1
Discontinued before relocating	25
<b>Condition of neighborhood*</b>	
Better	24
About same	50
Worse	9
Discontinued before relocating	25
<b>Total</b>	<b>108</b>

\*The neighborhood conditions considered were buildings, parking, streets, accessibility to other areas of town, traffic congestion, noise, and air pollution.

The relocatees were asked to evaluate the relocation program regarding its administration by the SDHPT. The results indicate that 47 (44 percent) gave it a good or very good rating, 48 (44 percent) gave it a so-so rating, and 11 gave it a bad or very bad rating (Table 8). Relocatees with nonretail operations gave the program a higher rating than those with retail operations. Also, the relocatees were asked to evaluate their relation with the SDHPT relocation representative who dealt with them during the relocation experience. An overwhelming percentage (86) indicated that they had a good or very good relation with their representative (Table 8). Many of the relocatees openly praised the representative.

**Table 6. Number of respondents by payment and sales changes before and after relocation.**

Payment and Sales	Number of Respondents
Monthly property or rental payments	
Increased	40
Remained same	14
Decreased	8
Not determined	21
Discontinued before relocating	25
Moving cost-payment differences	
Cost ≤ payment	48
Cost > payment	19
Not determined	31
Not applicable*	10
Searching cost-payment differences <sup>b</sup>	
Cost ≤ payment	55
Cost > payment	3
Not determined	50
Loss of sales during move	
None	40
\$2 to \$9999	12
>\$9999	14
Did not remember	17
Discontinued before relocating	25
Change in sales after move	
Increased	13
Remained same	47
Decreased	22
Did not remember	1
Discontinued before relocating	25
Total	108

\*Cease-operations payment was received in lieu of moving payment.

<sup>b</sup>No expense for searching was reported by 44 relocatees and only 12 received a payment.**Table 8. Number of respondents by evaluation of relocation program and by type of operation.**

Program	Retail Product	Retail Service	Other	Total
Relocation program				
Very good	1	2	0	3
Good	20	12	12	44
So-so	22	23	3	48
Bad	2	3	2	7
Very bad	3	1	0	4
Did not know	0	0	2	2
Relation with relocation personnel				
Very good	21	12	7	40
Good	22	22	9	53
So-so	3	5	0	8
Bad	1	1	0	2
Very bad	1	1	0	2
Did not know	0	0	3	3
Most helpful services				
Financial aid	33	16	9	58
Personal courtesy	3	5	1	9
None or did not know	12	20	9	41
Total	48	41	19	108

**Table 10. Number of respondents by opinions and suggestions and by evaluation of relocation program.**

Opinion and Suggestion	Good	So-So	Bad	Did Not Know	Total
Opinion					
Payment for property					
Enough paid	12	7	1	1	21
Not enough paid	1	17	6	0	24
Did not know	0	0	0	1	1
Not applicable	34	24	4	0	62
Total	47	48	11	2	108
Payment for moving or ceasing operation					
About right payment	45	28	4	1	79
Not enough payment	2	19	7	0	28
Did not know	0	0	0	1	1
Total	47	47	11	2	107
Suggestions for improving program of financial assistance*					
Assistance to reestablish business	3	10	5	0	18
Higher moving payments	1	8	2	0	11
Compensation for loss of business	0	6	1	0	7
More compensation for property	0	6	1	0	7
Higher discontinuance payment	1	1	0	0	2
Other suggestions	1	4	0	0	5
None or did not know	42	17	2	2	63
Total	48	52	11	2	113

\*Several respondents had more than one suggestion.

**Table 7. Respondent evaluation of program by payment, business, and total experience.**

Payment, Net Worth, and Total Experience	Number of Respondents
Price received for original property	
Enough	21
Not enough	24
Did not know	1
Not applicable	62
Searching payment	
Enough	12
Not enough	1
Not applicable	95
Cease operations payment	
Enough	8
Not enough	2
Not applicable	98
Moving payment	
Enough	72
Not enough	26
Not applicable	10
Net worth of business	
Increased	7
Stayed same	45
Decreased	31
Not applicable	25
Entire relocation experience	
Still upset	26
Still have mixed emotions	33
Now pleased	47
Did not know	2
Total	108

**Table 9. Number of respondents by services and by evaluation of relocation program.**

Services and Problems	Good	So-So	Bad	Did Not Know	Total
Additional services requested					
Financial aid	3	3	8	0	14
Personal assistance	2	5	0	0	7
More information	2	0	0	0	2
Other services	0	2	1	0	3
None or did not know	40	38	2	2	82
Additional services needed					
More money for property or business loss	1	6	5	0	12
More relocation money	1	3	4	1	9
More help in relocation	1	6	2	0	9
Other services	1	3	0	0	4
None or did not know	43	30	0	1	74
Problems not helped					
Not enough financial assistance	1	6	4	0	11
New location not adequate	2	7	1	0	10
Could not find new location	0	3	2	0	5
Loss of business	1	2	1	0	4
Other problems	0	2	0	0	2
None or did not know	43	28	3	2	76
Total	47	48	11	2	108

**Table 11. Number of respondents by various factors and by evaluation of relocation program.**

Factors	Good	So-So	Bad	Did Not Know	Total
Years in business					
<10	20	12	1	0	33
10 and >10	27	36	10	2	75
Attitude toward news					
Upset	10	27	10	1	48
Mixed emotions	17	17	1	0	35
Pleased	19	3	0	0	22
Did not know	1	1	0	1	3
Ease in finding replacement facility					
Easy	3	7	0	0	10
No problem	18	11	0	0	29
Difficult	15	19	8	1	43
Did not know	0	1	0	0	1
Discontinued instead of relocating	11	10	3	1	25
Months to move					
0 to 3	28	16	4	0	48
4 to 6	18	29	6	0	53
Did not know	1	3	1	2	7
Attitude toward relocation experience					
Very upset	0	3	8	0	11
Mildly upset	2	10	3	0	15
Mixed emotions	8	24	0	1	33
Mildly pleased	19	9	0	0	28
Very pleased	18	1	0	0	19
Did not know	0	1	0	1	2
Total	47	48	11	2	108

### Program Effectiveness

The effectiveness of the relocation program is indicated by the extent to which the relocatees mentioned additional services needed or requested, mentioned problems not solved, or made suggestions for improving the program. Only 26 (24 percent) had requested additional services (Table 9); 14 of those requested additional financial assistance, and 7 requested more personal assistance. About the same response was received to the question regarding additional services needed. Only 32 (30 percent) mentioned relocation problems that the SDHPT failed to help them solve. Eleven (10 percent) mentioned the problem of not receiving enough financial assistance, 10 indicated that their new locations were not adequate, 5 said that they could not find a new location, and 4 lost sales. Almost half of the relocatees made suggestions for improving the program for financial assistance (Table 10). Some gave more than one suggestion. Assistance to reestablish business was mentioned most often, and second to that was to provide higher moving payments.

The effectiveness of the relocation program is also indicated directly or indirectly by variables that are significantly related to the relocatees' attitudes toward the program. Such relations can furnish clues that explain why the relocatees had positive or negative attitudes toward the relocation program. The results for the cross tabulation of variables indirectly related to the relocatees' attitudes toward the program indicate that those most likely to give the program a good rating rather than a so-so or bad rating were (a) those who had nonretail operations, (b) those who had been with their businesses fewer than 10 years, (c) those who were pleased with the displacement news, and (d) those who received enough compensation for their original properties (Tables 8, 10, and 11). The results for the cross tabulation of variables directly related to the relocatees' attitudes toward the program reveal that those most likely to give the program a good rating rather than a so-so or bad rating were (a) those who had no problem finding replacement facilities, (b) those who preferred 3 months or less to move, (c) those who did not request or need additional services, (d) those who

did not have unsolved problems, (e) those who had no suggestions for improving the financial program, and (f) those who received enough compensation for moving or ceasing their operations (Tables 9, 10, and 11).

### CONCLUSIONS

The results of the survey indicate that most of the relocatees gave the program a substantially high rating and most had a very satisfactory relation with the relocation personnel. The rendering of relocation assistance, provided by the relocation program, changed many relocatees' attitudes toward the displacement news and helped them to feel pleased with their relocation experience. However, the relocatees' attitudes toward the relocation program could have been improved by providing them with more assistance in finding replacement facilities and by increasing their financial remunerations to cover property costs and relocation expenses.

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