| MAGAZINE FEATURE |

CLOSING SHOP

By Sarah Massry | DECEMBER 30, 2025

Why shuttered storefronts mean shattered dreams and financial ruin

When a business that was open the day before sports a for rent sign the next day, passersby give a curious look. But behind the shuttered storefront often lies not only a shattered dream, but a family drowning in financial woes and emotional distress

Drive the streets of Lakewood and you'll see towering office buildings, upscale restaurants, and strip malls filled with Madison Avenue-style boutiques selling tableware, luxury gifts, jewelry, and high-end clothing for babies, children, and teens.

You might be forgiven for assuming that this is a high-income town, where just about everyone can and does spend lavishly on a steady basis. But those in the know caution aspiring entrepreneurs to tread carefully in Lakewood. Beneath the "luxury for all" facade, they say, there are actually many income brackets. Despite the thriving establishments and posh boutiques filled with paying customers, there's a significant chunk of the population that feels fierce and sustained peer pressure to present a certain way— but can't necessarily afford the price tag that comes along with it.

Entrepreneurs who build their dream businesses on the assumption that people will just keep buying, these insiders caution, might be in for a rude surprise.

Raising the Alarm

In 2021, Sruly Weinberger, a hardworking chassidishe businessman, moved from Boro Park to Lakewood, eager to raise his family in a spacious house with a backyard. At the time, Lakewood was exploding, expanding into South Lakewood, Toms River, and Howell.

"From the outside it looked like the Lakewood economy was booming," he says. "There was so much construction— new shopping malls, big houses, and office buildings. In Boro Park, we never had this kind of construction."

But over time, he saw that the active construction belied the reality of many Lakewood families. Between swift inflation and increased housing and living expenses, he encountered many struggling families.

With great agitation, Sruly watched a stream of businesses struggle and close over the past two years. "Each time a business closed, it broke my heart, because I understood the ramifications," he says. "I'm a detail-oriented, risk-averse person, and I foresaw things that others had missed."

When one particular enterprise closed, it hit him hard. He knew the investors, and the business was located close to his house. Sruly was particularly disturbed because he'd had a bad feeling about it from the day of its impressive grand opening. While the store was packed that day, he understood that it wasn't sustainable.

"In Boro Park, you can walk down 13th Avenue and the customers are right there in front of you," Sruly explains. "In Lakewood, it's a completely different and more complicated consumer dynamic. You can't just transplant a Brooklyn business model into a sprawling suburb and expect it to work. It's about the little pieces that people overlook: the high cost of the lease, the massive capital sunk into the retail build-out without a second thought, and whether the neighborhood actually needs that specific shop.

"You have to ask: Are there actually enough high-end families living in the immediate area to support a luxury brand? When the logistics of the location and the demographic don't align with the investment, the business is over before it begins."

Unfortunately, Sruly's premonitions were on the mark, and the business closed within the year.

That's when he decided to speak up, sharing a passionate warning to the community on his WhatsApp status: *Opening a business on the "feeling" that everyone has money isn't a strategy — it's high-stakes gambling with your family's future and your investors' life savings. A grand opening isn't a success; staying open for five years is,* he wrote.

He cited examples of recent failed businesses, including one large store with an investment of over $10 million, and a state-of-the-art luxury restaurant with millions of dollars invested. "Don't assume that Lakewood is a gold mine of affluence, because the reality is different," he warned.

Within hours, Sruly's post went viral.

"I finally verbalized what everyone was thinking," Sruly says. "People see the glistening office buildings and mansions. But we are building enough luxury stores to serve a city three times our size. That affluence is only about ten percent of the community. The math just doesn't add up, and we're cannibalizing a very small market."

He points to the reality on the ground: *Mosdos* struggling to open because parents can't pay tuition, and hundreds of men attending job fairs. "Something is not adding up."

Shattered Dreams

Sruly explains that these closed businesses, many of which have opened with multi-million-dollar investments, aren't just ventures gone sour — they're tragedies.

He tells us about Mendy, a former business owner he knows personally.

After a year-long struggle, Mendy had no choice but to close his store and file for bankruptcy. One day Mendy was an entrepreneur and business owner; the next day, he was unemployed, with no plan for parnassah and no way to pay his mortgage or put food on the table.

"Mendy's family was shattered," Sruly says. "He had an Excel spreadsheet of all the people he owed money to — vendors, investors, and family members that had lent him their life savings. He was an emotional wreck. When his phone rang, he was afraid to pick up, worrying, 'Who's coming after me?' "

And the effects reach much further than the owner. "When a store closes, the owner isn't the only one who loses," Sruly notes. "The vendors lose millions, which forces them to raise prices for everyone else. One failed dream can shatter ten different families who were just trying to do business with him."

In her capacity as a business consultant and recruiter, Malky Weinberger, Sruly's wife, founder of both Projx and Careerly, has seen this story play out repeatedly.

She recently met with a client who had invested his life savings in a business, and it failed within months. When he shared the history with her, she saw pretty quickly where he had gone wrong.

"He started flashy, with an office and five employees, before he even proved the concept. He had sunk every dollar he owned into this business and now had to start fresh."

He was now looking for a job, in an effort to pick up the pieces, and he told Malky that he needed to make $250K a year to cover his family's expenses. The problem? He had the experience of someone making $100K.

Another client had been doing well in the accessories industry. When the economy was strong, his business did very well, and he got used to a high standard of living. But slowly, the industry became saturated, the economy slowed, and his business suffered to the point where he had to look for a job to pay his bills. His wife took all sorts of odd jobs just to put bread on the table. It was very painful.

And moving on once a business has gone under isn't simple at all.

"I speak to these people all the time," says Malky. "Once a man has failed in business, it's very difficult for him to get a job. People are afraid to hire a former business owner because he's clearly an entrepreneur, and as soon as he can build himself up, he may go out on his own."

Poor Decisions

Joe Schuck, CPA, partner at Bernath & Rosenberg, provides consulting to struggling small businesses on a voluntary basis, as part of a program run by Agudath Israel. "We just lived through a long stretch where money felt easy," he explains. "Loans were cheap, credit was flowing, and a lot of success stories were told without emphasizing the years of grind and risk that came first. That created a culture where 'just open something' felt normal. Now the bill for that mindset is coming due."

He believes that the recent store closures and failed businesses reflect both the struggling Lakewood economy as well as poor business decisions.

"Today there are real economic pressures," he says. "Higher interest rates, higher rents, more expensive labor, and families feeling the squeeze from inflation. When money was cheap and plentiful, a lot of people took on debt, expanded, or opened new businesses, assuming that the environment would last forever. Now that those conditions have reversed, the weak spots are being exposed.

"At the same time, we can't lay everything at the feet of 'the economy.' There's also a component of basic business decision-making. Too many ventures are opened without a clear plan, realistic projections, or an honest look at how many customers actually exist for what they're selling. When you combine a tougher economic climate with weak planning, the result is what we're seeing: closures and struggles."

Schuck stresses that this problem isn't necessarily more prevalent in Lakewood than anywhere else.

"Lakewood is a very dense microcosm of the Jewish world, and people watch us more closely," he says. "The same patterns are showing up in other frum communities and in the broader economy as well."

And while the high-profile store closures naturally attract more attention, there are many other small stores that have closed or are struggling. And aside from the stores, there are struggling businesses. For example, when a guy in real estate has a high-end car and a nice house, people assume he's doing well. But those in the know are aware that he's hardly making it and is looking for a steady job. Unfortunately, there are a lot of such stories.

Deceptive Reality

A quick look at the local circulars — filled with ads for prime-cut meat boards, designer clothing and accessories, and premium linen sets — or at the shopping strips with high-end stores, yields the impression that this a community of high spenders. But looks can be deceiving. And when evaluating the financial reality in the frum community, says Eli Fried of Leatherback Investments and GeltGuide.com, reliable data is hard to come by. Many nuances just aren't picked up by the typical government and commercial sources.

"Just because someone is spending a lot does not mean he is earning a lot," says Fried. "Big spenders could be going into severe debt or getting significant support from family members. In our family-oriented community, there's a lot of heavy gifting from parents, grandparents, or wealthier siblings, which isn't included in the numbers. It's very common for families to help their immediate relatives with down payments, weddings, tuition, and camp bills. And sadly, many need to tap into tzedakah, home equity loans, or credit card debt to fuel their purchasing power. So spending figures tell you little about true financial health.

"Until recently, to grasp, even roughly, the community's financial reality, you had to put together anonymized slivers of information and anecdotes from accountants, mortgage brokers, yeshivah tuition committees, rabbanim, and *askanim* privy to inside financial insights," says Fried. "They do know a lot about who's making what, but are obviously not able to share much for privacy reasons. These disparate information sources also have a limited perspective because each serves a limited client or parent base. They are seeing just snippets of data, not the *klal* level perspective."

More recently, though, Nishma Research and Kosher Money, in conjunction with the OU's Living Smarter Jewish, released surveys (2021 and 2024, respectively) that provide broader, organized data reflecting what many have suspected anecdotally all along. Despite the siren calls of many high-end restaurants, extravagant vacation programs, massive new homes, and packed luxury boutiques, only a small percentage of Orthodox Jews have significant discretionary income. The vast majority struggle mightily to make ends meet, and many only manage to do so thanks to heavy communal and government assistance.

Fried says the surveys indicate that the community's financial circumstances can be roughly divided into a proportion of 10-40-40-10.

About ten percent of the community are the affluent, "Have Lots," with a smaller sliver being exceptionally wealthy. At the bottom are about ten percent of "Have-Nots." Despite all their best efforts and desperate maneuvers, they can't make ends meet at all and don't know how they will pay their next bill.

But the bulk of the community is neither heavily wealthy nor desperately crushed. About 40 percent of the frum community are in the "Have Enough" category. This includes moderately successful professionals, managers, and small business owners, many of whom are running dual-income households. Young, smaller families with solid incomes may also fall into this category. The "Have-Enoughs" work extremely hard and cover their bills by the sweat of their brows. They can afford a bit of savings and occasional indulgences, but are still quite stressed about parnassah.

The remaining 40 percent are in the "Have-Help" group. Despite putting in long, hard hours, often juggling multiple jobs, they reluctantly count on significant support from government programs, community assistance, and family to make ends meet. These families are the struggling working class, including a considerable sector of our treasured *klei kodesh* families.

Despite this broad range of parnassah realities, our communities aren't segregated by income brackets as is typical in broader society. So you'll have frum people from very different categories davening in the same shul, waiting in the same carpool line, and sitting side by side in the pediatrician's office. The ensuing social mosaic is thus exceedingly complicated. We are all shopping in the same supermarkets and reading the same advertising materials, despite vastly differing financial circumstances.

Of course, this luxury living isn't happening across the board. There are many simple people in Lakewood, happily living below their means. There are a lot of old cars and small, simple houses. But this heterogenous financial reality definitely exists, and it creates a lot of pressure and confusion for some.

Artificial Affluence

These numbers leave several pressing questions: If only about ten percent of the community is truly affluent, why does it seem there is so much communal wealth available for extravagance? So many are asking: How is everyone else able to afford large homes and late-model cars? What am I doing wrong?

Fried believes that the money backing all this high-end spending varies widely. "First, just a few exceptionally wealthy individuals can really skew the numbers," says Fried. "A tiny percentage of families with millions of dollars in annual discretionary income drives a lot of the luxury spending. There's also a trickle-down effect as these uber-rich share some of their wealth, enabling their married children or siblings to enjoy a bit of *ravchus*, creating the impression that many are earning far more than they really are.

"Those in the eighty percent will often budget for extras and indulgences," he adds. "Whether due to social pressure or the very real need for a bit of self-care in our super-exhausting lives, we are all affected by rising norms and standards. There is also a lot of debt. Some people are faking it, spending what they don't have, leading to terrible pressure, difficult *shalom bayis*, and other problems."

Fried has another theory about the income discrepancy brackets within the Greater Lakewood area. In communities like Baltimore or Teaneck, he explains, where most people are professionals, the difference between upper and lower financial tiers may be broad, but not that wide. In contrast, in entrepreneurial communities, such as Lakewood, Williamsburg and other chassidish communities, the dispersion between the economic brackets tend to spread much wider.

When it comes to business owners, some can be making millions of dollars while others are losing millions. No one on a salary ever walked away with a massive loss of income for the year, but this isn't unusual in an entrepreneurial environment.

Yaakov Weiss, CPA, is the founder of Weiss Tax & Accounting Services, which provides accounting and tax services for small businesses in the Greater Lakewood area and beyond. He agrees that it can be hard to determine who is truly affluent.

"We have a number of clients that are successful and generous but not flashing their success in public. Some of the affluent people are living similar lives to the ones they lived prior to their successes. Of the people who are doing the serious spending, some can afford it, and many cannot."

Malky has witnessed a similar trend. "A lot of the affluence is artificial, monkey see, monkey do. One of my clients leased a BMW, yet I knew that he was losing money every month. He understood that he couldn't afford it, but that he had to portray himself in a certain way for his clients and friends.

"Another client was struggling after a failed business venture; he couldn't pay tuition, yet his friend sponsored his ticket for an Eastern Europe trip. The others on the trip had no idea what his financial reality was really like."

Esty Rubin*, the director of purchasing and sales manager in a high-end Lakewood clothing boutique, sees many struggling families buying luxury wardrobes for their teenagers.

"The mothers may dress simply themselves but feel like their girls need the right clothing to fit in socially. In a high school where the principal quipped, 'Why are there thousand-dollar coats on the floor?', the need girls feel for the right wardrobe is real."

Many families are stretching themselves, sometimes beyond their limits, using credit cards to fund their purchases, and sometimes not their own credit cards. At least one high-end children's clothing boutique and an upscale jewelry store in Lakewood offer payment plans.

Chezky Klein* shares an example from his Lakewood development. "One of the wealthiest individuals is driving a Honda while he could easily afford to be driving a Maserati. His neighbor is struggling but went into $80,000 of debt to make a wedding that he felt was respectable."

Mimi Stern*, who lives in a more affluent neighborhood, says, "My next-door neighbor confided in me that many months, she goes into credit card debt to cover her bills. Her children — from the toddler to the teens — are walking around in high-end clothing."

Weiss points out that this blurring of the socioeconomic classes is new to this generation. "When I was growing up out of town, we understood that some families could afford fancy vacations, sleepaway camp, big houses, high-end wardrobes, and other luxuries. We may have felt a bit jealous, but we knew that wasn't for us. We didn't pressure our parents to match that lifestyle. Nowadays, that feeling is gone. Many are feeling pressure to live in a bracket they don't belong in. True, there are some young families that have had quick success and can possibly afford it. But the problem is that their neighbors feel like they can't look different, so the race goes on...."

In some Lakewood yeshivos, the carpool lane can have cars ranging from a new Genesis SUV to a battered 16-year-old van. And then these kids sit next to each other in a classroom. It's not hard to imagine the peer pressure that quickly foments.

Another factor driving consumerism is social media. Often, the perfectly curated snippets of one's glamorous life are more fiction than fact, but it's hard for the brain to process that. Several years ago, Weiss was active on LinkedIn, and many of the business owners who reached out to him were "influencers" and "experts," people with large followings.

"I was shocked when many of their facades crumbled," he recalls. "Some of them were struggling, and not very successful. After a number of these sobering encounters, I realized how much fakeness there was. But people don't see that. So the pressure to spend and keep up keeps going."

Weiss says he does see one positive spin on peer pressure and uncontrolled spending: This tendency spreads to the tzedakah accounts. Many frum communities, such as Lakewood, are famous for the astronomical tzedakah sums being given.

“In consultations with clients, I’ve been amazed at the tzedakah people give,” he says. “The ‘chomesh club’ is real. I was once reviewing a young client’s financials. He’s a great guy but also has a bit of a spending issue. He was complaining that he had made almost no money that year. He was showing $900,000 in gross income and a $200,000 net income. The charity account showed $180,000. I said that it’s not possible he gave that much charity.

“ ‘I promise I gave that amount of money. I give a *chomesh*!’ he said.

“I responded that *chomesh* is on net income, not gross — and it would have only been $40,000. He didn’t believe me, so I told him to call his rabbi. Many of the big spenders are also very generous with their tzedakah.”

Obviously though, there isn’t a linear connection between affluent lifestyles and impactful tzedakah. There are people living below their means, in small, simple homes, who are driving 12-year-old cars, paying full tuition, giving a lot of tzedakah, and saving or investing. They may look very simple, and they are happy to live like that.

Proceed with Caution

As a business consultant and recruiter, Malky speaks with many young men embarking on their careers, and finds that the pressure to earn high salaries is intense. With astronomical tuition, housing, and living expenses, it’s difficult to support a family on a starting salary. The natural response is for people to want to open a business.

“If they start at a job earning $60K–$70K a year, they will max out at $120,000,” she says. “They want to open their own business because they don’t want to be stunted with their income. They feel like it’s a waste of time to invest in someone else’s business when they can be investing in their own. But starting a business is not for the faint of heart, and there needs to be a backup plan. I often tell my clients, ‘Don’t quit your day job yet, start small.’ ”

Looks can be deceiving because often there’s an automatic assumption that businesses are thriving. As soon as Weiss opened his own accounting firm, people assumed he was successful. “In reality, I was making pennies in the beginning,” he says. “People have to stop counting other people’s imaginary money! Maybe a business owner is faking it — faking it due to social pressure or faking it to make it. Or it’s possible that the successful-looking person really is successful. But what we don’t see is all the time, stretched finances, advice, research, sweat and blood, and years of hard work that it took to get to that point.”

Weiss has met with struggling business owners and was surprised to learn that their due diligence before hanging out their shingle didn’t include more than a few phone calls, conversations in the coffee room, and running some numbers.

“Before opening a business, it’s crucial to seek *quality* advice,” he cautions. “This includes entity structure, compliance, tax planning, cash flow, and review of projections.”

Quick money is rare, he warns. Weiss receives many calls from clients starting a new business who project to make “half a million in year one.”

“They generally won’t,” he says. “But if they work hard, they can get there.”

Mordy Stein* is a well-connected business owner who does consulting as a chesed. He recently attended a multi-million-dollar wedding in the Tristate area, where the *baal simchah* owned several nursing homes. Over the next few weeks, he received phone calls and requests from people asking, “How do I buy a nursing home? How do I get into the industry?’

“They don’t understand the backstory,” he says. “The guy who made the wedding went into the industry many years ago — when the timing was right — and with incredible *siyata d’Shmaya* worked his way up. The concept of making it rich early in life is new and carries real implications.”

Weiss adds that time and patience are significant factors of success. “The ones who put the work in and take it slow have the greatest chances at success,” he says. “My golden rule is: To succeed in a new business, you need to be able to live with pretty much zero income from the new business for up to two years, and be willing to work very hard.”

He shares that one of his small-business clients was struggling with his day-to-day personal expenses. He consulted with Weiss after a few months and was considering giving up and getting a regular job.

“I told him that if that is your attitude, then quit now and don’t spend another day on your business. The two-year commitment needs to be real. The client ended up pushing through and became quite successful.”

Joseph Kahn, founder of VisionRE, a full-service realty advisory firm based in Lakewood, adds that beyond a solid financial plan and a great product, a new business needs real due diligence prior to opening.

“You need to understand the nuances of the market,” he says. “The location, traffic, access, parking, neighborhood, surrounding competition — there are myriad factors that can affect sales. You need the right products. Making any of these mistakes is not fixable.”

Kahn has witnessed a lot of false expectations. “They see the first guy is successful, and think the next guy can be, too. Sometimes, I see a business or restaurant open, and I want to tell whoever advised them to find a different line of work.”

One problem, says Kahn, is the occasional unicorn, a business that does exceptionally well despite the odds. There are also many established businesses that are doing remarkably well. One Lakewood business consulted with Kahn when they were considering expansion. While discussing the numbers, Kahn was shocked at the sheer success of this venture. “I don’t know how many businesses in the *world* are doing those kinds of sales per square foot,” he says. “However, what the people don’t see is the grit, hard work, and slow expansion.”

Unrealistic expansion can also be a problem. “Just because someone is running a successful store in Lakewood or another city does not mean he can open a second location,” says Mr. Kahn. “The owner of one very successful store told me, ‘People don’t realize what it takes to make it. We lucked out. We can’t do it again.’ ”

There are several unique dynamics in what’s called “Central Jersey” that complicate the market. The Greater Lakewood area (including Jackson, Toms River, Howell, Lakewood, and Brick) is spread out, with heavy traffic dividing it. (At a recent bar mitzvah in the south of Lakewood, Kahn met two relatives: One had come from Flatbush and it had taken him one hour and ten minutes to get there; another had come from Howell, during rush hour, and it had taken him almost 40 minutes to get there.)

This distortion is amplified by a rare demographic reality: Across nearly every neighborhood, households of vastly different family sizes, financial means, and age groups coexist, making it unusually easy to mistake a bunch of 15-passenger vans or McMansions for broad-based demand.

Kahn exhorts potential business owners: Do your research! Businesses cannot rely on population numbers, a hundred McMansions around the corner, or regional success stories alone.

“In Lakewood, distance, traffic, access, price, and convenience matter far more than people realize. If customers feel it’s too far, too complicated to get there, too expensive, or too inconvenient, they simply won’t come. I think that these factors have played a big role in each of the businesses that have closed.

The population density in Boro Park is approximately 100,000 per square mile. In Lakewood, it’s approximately 6,000 per square mile (or even less, depending on neighborhood). That means Boro Park can support several take-outs or grocery stores within a small radius, but Lakewood can’t duplicate that model.

Additionally, there are few, if any, neighborhoods in Lakewood that are completely affluent. Many people started out learning in BMG and stayed in their neighborhoods even after they left yeshivah and made it big financially. So the percentage of affluent community members is spread out.

Sruly issues another caution. “Some have assumed that any thriving Brooklyn business is a cinch to transplant to Lakewood because Lakewood is the new Brooklyn. But that’s not the reality. The dynamics are different. The foot traffic on 13th Avenue cannot be compared to any area in Lakewood.”

He’s clear about why he began the conversation about Lakewood consumerism and recent store closures; he wants to start a dialogue, not to point any fingers.

“It’s not about blame but awareness,” he says. “The visible affluence is putting pressure on everyone. We need to bring the conversation back to stability, not status. The real winners are the ones paying their bills, paying tuition, and sleeping well at night. Growth isn’t about looking successful and flashy; it’s about being sustainable.”

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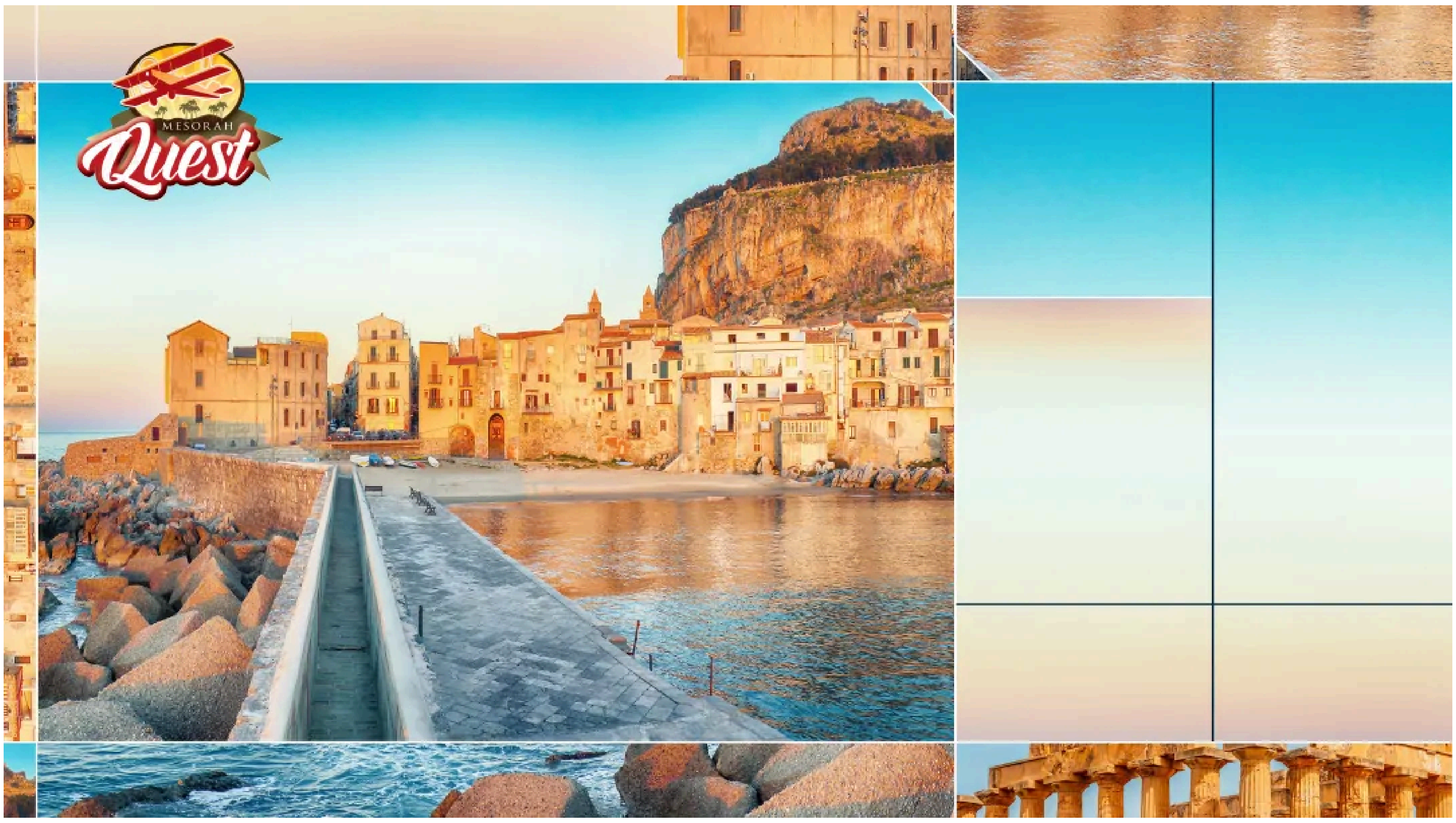

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