



**INDIE IMPACT STUDY SERIES:
A NATIONAL COMPARATIVE SURVEY WITH THE
AMERICAN BOOKSELLERS ASSOCIATION**

SALT LAKE CITY, UTAH



Civic Economics is pleased to present the American Booksellers Association and the Local First Utah with this supplement to the Indie Impact Study Series detailing the impact of Salt Lake City's independent business community.

ABOUT THE INDIE IMPACT STUDY SERIES

Since its establishment in 2002, Civic Economics has conducted a number of studies comparing the economic impacts of independent, locally-owned businesses with that of their chain competitors. The essential methodology is the same throughout: independent businesses open their books to us and demonstrate the proportion of revenue expended five categories:

1. Profits paid out to local owners,
2. Wages paid to local workers,
3. Procurement of goods services for internal use,
4. Procurement of local goods for resale, and
5. Charitable giving within the community.

For chains competitors, the aggregate value of these is estimated from public records. The difference between these two totals captures the enhanced impact of the one or the other category of business (we have yet to encounter a situation where independents did not present a strong local impact advantage).

To learn more about previous studies in Austin, Chicago, San Francisco, Phoenix, Grand Rapids, and New Orleans and download a summary of those and others, please visit [The Civic Economics of Retail](#), at:

<http://civiceconomics.com/projects/featured-projects/the-civic-economics-of-retail/>

This study series was designed to allow up to ten participating communities to develop a localized analysis similar to those above. In each community, local organizers were responsible for recruiting businesses to complete a survey to quantify local recirculation of revenues. The study allows the participation of both retailers and restaurants, though many communities chose to focus on retail.



SALT LAKE CITY AND THE INDIE IMPACT SURVEY

Local First Utah and bookseller The King's English collected surveys from independent, locally-owned businesses engaged in the retail and restaurant trade in the community. Each business was asked to complete a survey about its business practices that focused on the distribution of revenue that recirculates in the regional economy through the categories of expenditure described above.

Fifteen retailers and seven restaurateurs, all independent and locally-owned, participated in the local survey. Collectively, these retailers return a total of **52.0%** of all revenue to the local economy while these restaurateurs return **78.6%**.

For comparison purposes, Civic Economics analyzed annual reports for four major national chain stores (Barnes & Noble, Home Depot, Office Max, and Target). These stores recirculate an average of **13.6%** of all revenue within the local markets that host its stores. In addition, we analyzed reports for three major national restaurant chains (Darden, McDonald's, and P.F. Chang's). These restaurants recirculate an average of **30.4%**.

The charts on the following pages summarize these findings, providing further detail on local recirculation by local businesses. In addition, the sample of participating businesses in the 15th and 15th business district to allow a separate analysis of those firms.

Our thanks to the following local businesses for completing the financial survey on which this study is based:

- 15th Street Gallery
- Eggs In The City
- Fabulous Signs & More
- Fresco Italian Cafe
- FRESH
- Guthrie Bicycle
- Harmons
- Hip & Humble
- Home Again LLC
- Jolley's
- Mazza Middle Eastern Cuisine- 15th
- Mazza Middle Eastern Cuisine- 9th
- Mestizo LLC
- Red Iguana Restaurant
- Sea Salt
- Sterling Furniture Company
- Sugar House Coffee
- The Cosmic Spiral
- The Dog Show
- The King's English Bookshop
- The Paris
- Viva Markets



NATIONAL CHAINS VERSUS INDEPENDENT RETAILERS

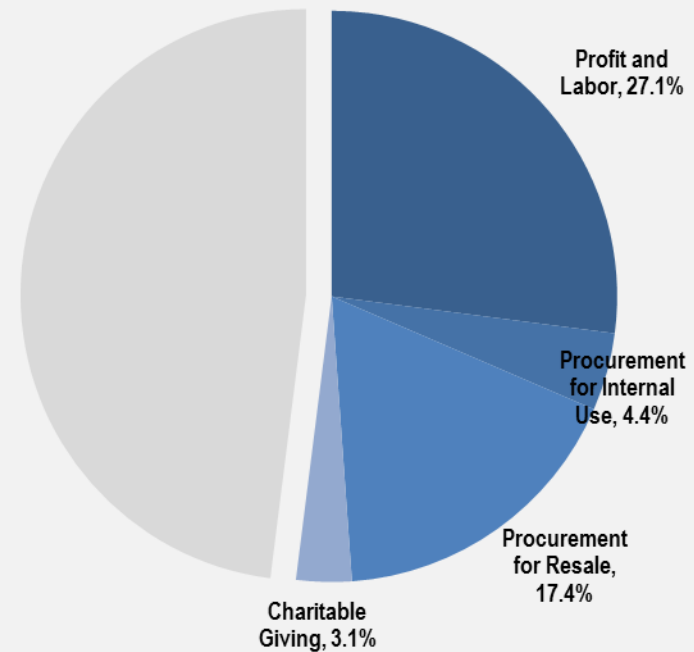
SALT LAKE CITY, UTAH

National Chains



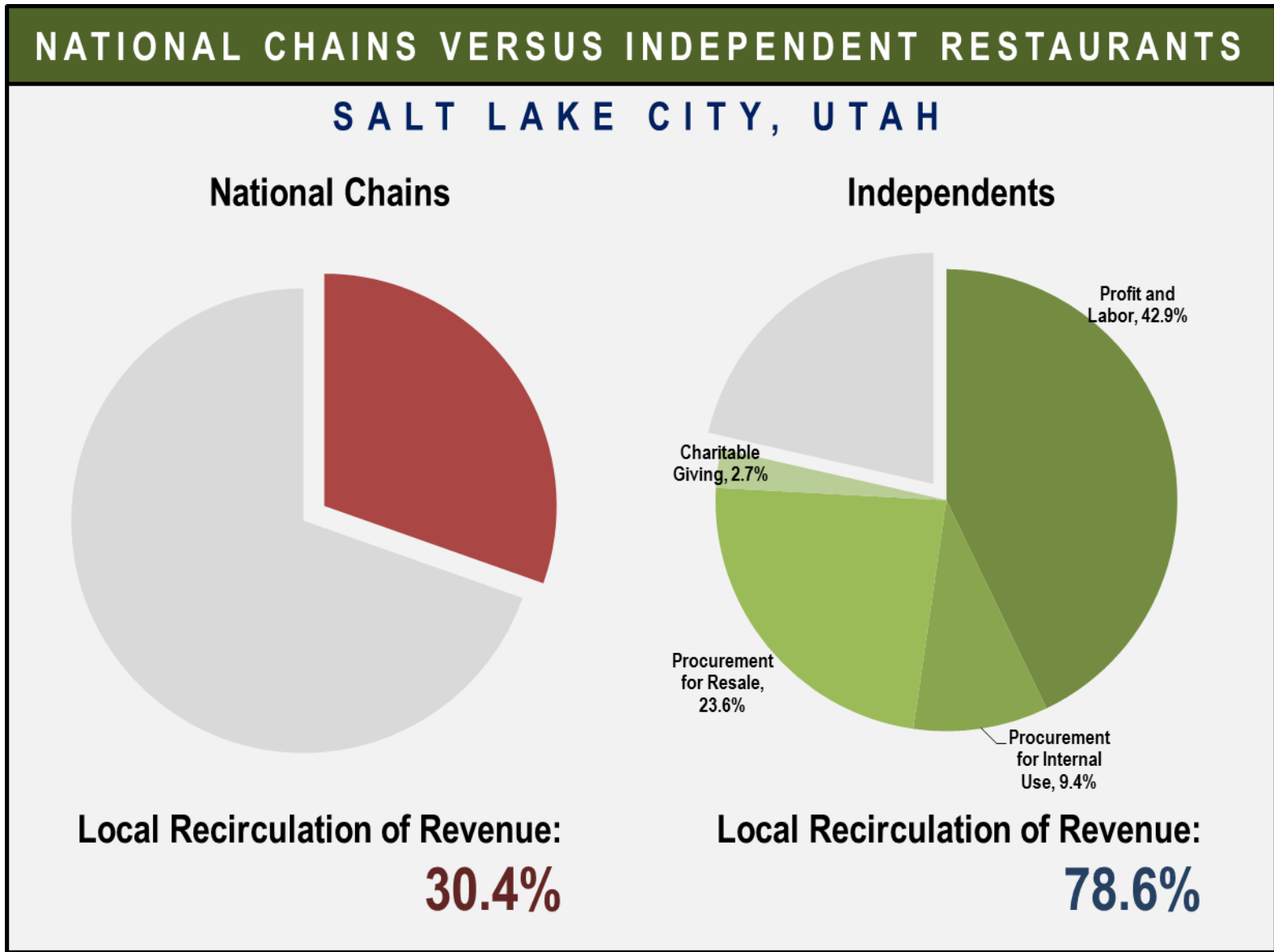
Local Recirculation of Revenue:
13.6%

Independents



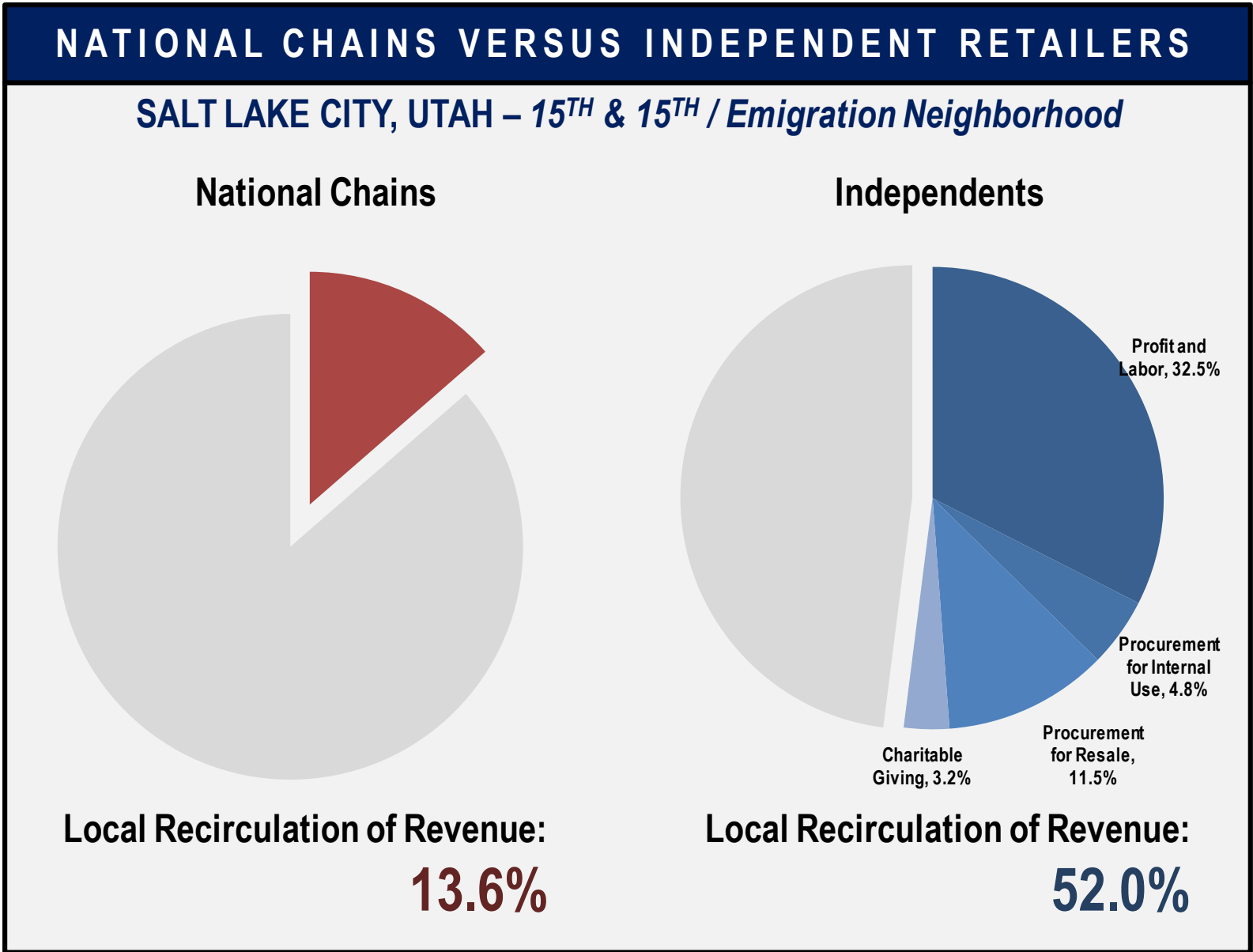
Local Recirculation of Revenue:
52.0%

Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Office Max, Home Depot, Target, and Barnes & Noble



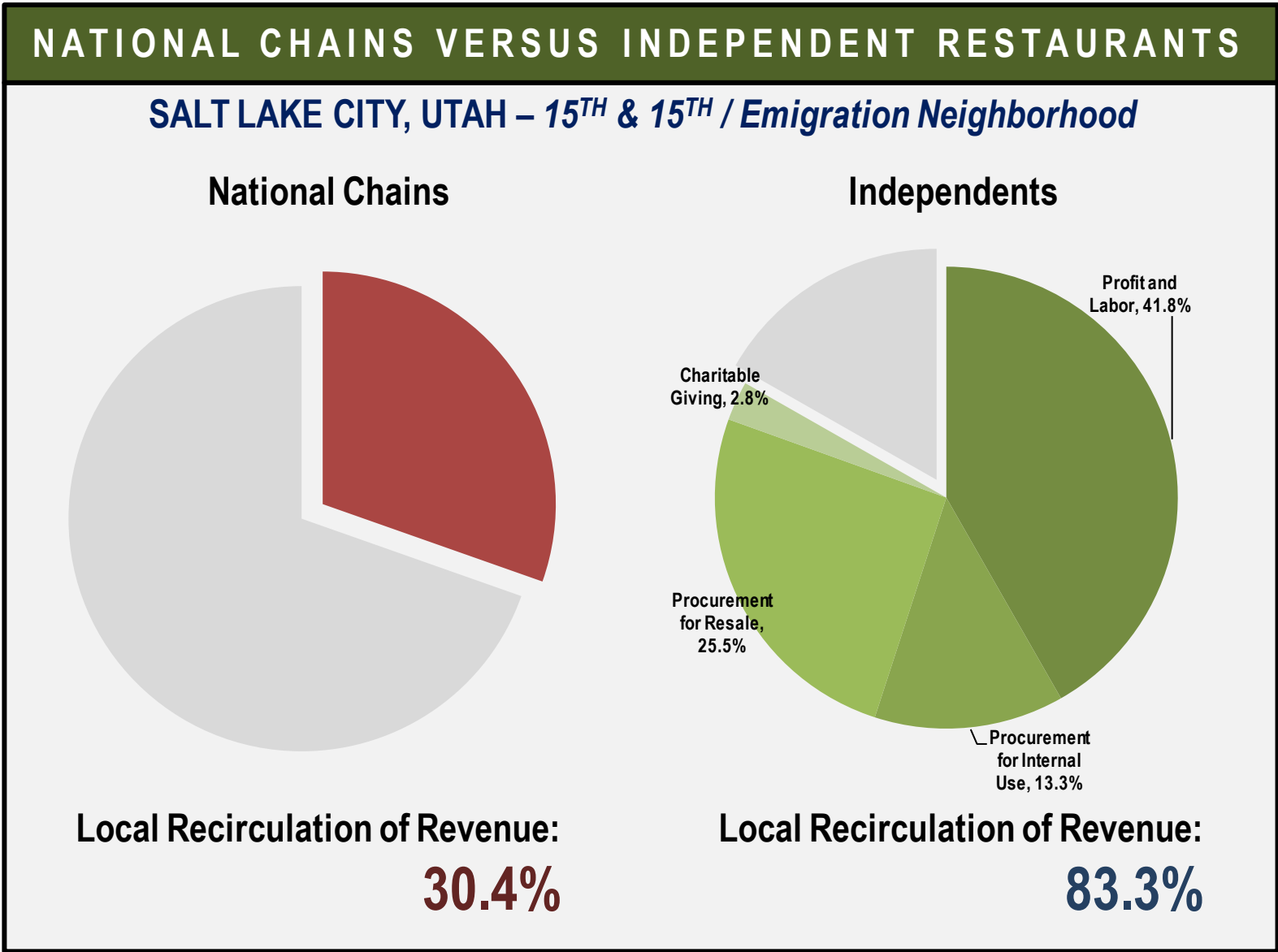
Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Darden, McDonald's, and P.F. Chang's





Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Office Max, Home Depot, Target, and Barnes & Noble





Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Darden, McDonald's, and P.F. Chang's



THE 10% SHIFT

According to the 2007 Economic Census, the Salt Lake City metropolitan area produces annual retail store sales across all lines of goods (excluding motor vehicles and gas stations) of roughly \$9.5 billion. Assuming this survey provides a representative sample of area independent retailers, a market shift of just 10% from chains to independents would retain an additional \$362 million in the regional economy every year.

Metropolitan area restaurants produce annual sales of roughly \$1.25 billion. Again, assuming this survey provides a representative sample, a market shift of 10% from chains to local restaurants would retain an additional \$125 million in the regional economy.

CONCLUSION

This analysis is one in a long line of studies nationwide in which Civic Economics has applied a similar methodology to gain an understanding of the economic impact of independent, locally-owned businesses. In every case, the findings have been unequivocal: independents bring substantial benefits to their local economies when compared to their chain competitors. While chain stores and restaurants extract locally generated revenues from the community with each nightly bank transaction, independents are creating a virtuous cycle of local spending. The extra dollars in the local economy produce more jobs for residents, extra tax revenues for local governments, more investment in commercial and residential districts, and enhanced support for local nonprofits. In short, these businesses create better places.

Civic Economics wishes to thank the American Booksellers Association, the Local First Utah and The King's English bookseller for sponsoring this study.

For more information about this study, please contact the Local First Utah (LocalFirst.org) or Civic Economics (CivicEconomics.com). Thank you.

