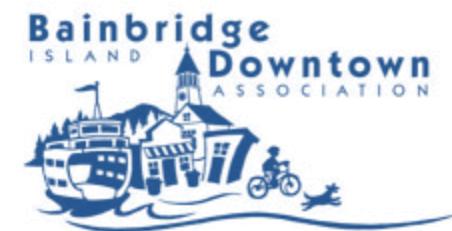
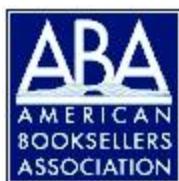


**INDIE IMPACT STUDY SERIES:
A NATIONAL COMPARATIVE SURVEY WITH THE
AMERICAN BOOKSELLERS ASSOCIATION**

BAINBRIDGE ISLAND, WASHINGTON



Civic Economics is pleased to present the American Booksellers Association and the Bainbridge Island Downtown Association with this supplement to the Indie Impact Study Series detailing the impact of Bainbridge Island'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](http://civiceconomics.com/projects/featured-projects/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.

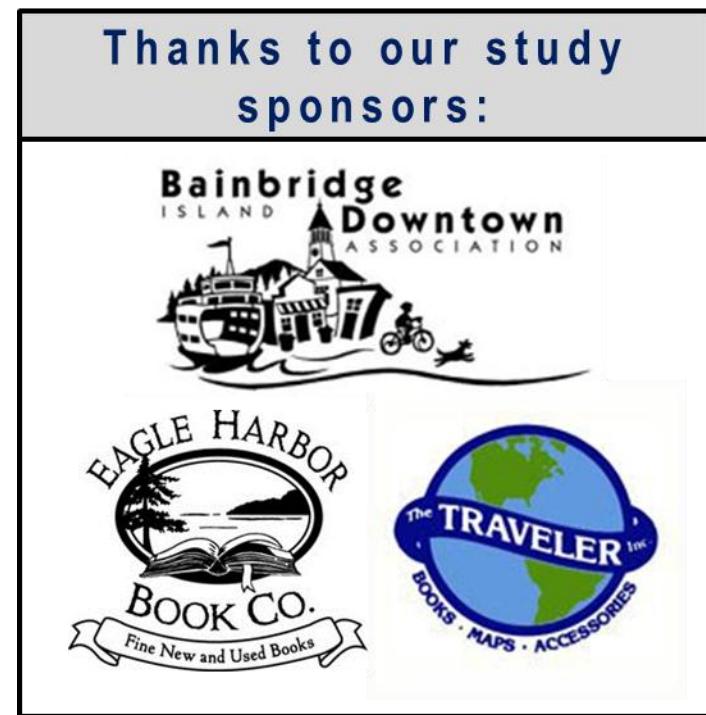


BAINBRIDGE ISLAND AND THE INDIE IMPACT SURVEY

The Bainbridge Island Downtown Association, the Traveler, and Eagle Harbor Books collected surveys from thirteen independent, locally-owned businesses engaged in retail trade on the island. 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.

Fourteen businesses participated in the local survey, all of which can be categorized as storefront retailers. Collectively, these businesses return a total of **39.8%** of all revenue to the local economy.

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 chart on the following page summarizes these findings, providing further detail on local recirculation by local businesses.

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

- Bon Bon Enterprises, Inc.
- Classic Cycle
- Dana's Showhouse
- Eagle Harbor Books
- Esther's Fabrics
- Heart
- Lindsley's
- Lollipops Children's Boutique
- Paper Products, Etc.
- Sweet Deal
- The Traveler
- Town & Country Markets, Inc.
- Willow's Naturally, Inc.



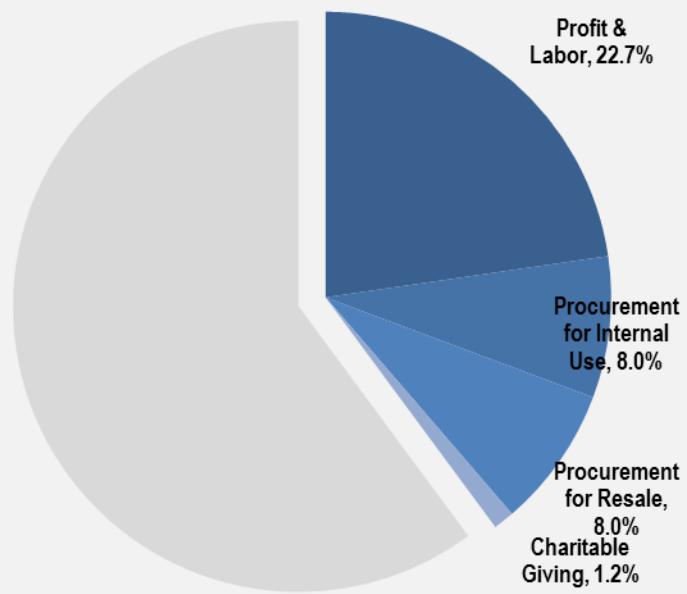
NATIONAL CHAINS VERSUS INDEPENDENT RETAILERS

BAINBRIDGE ISLAND, WASHINGTON

National Chains



Independents



Local Recirculation of Revenue:
13.6%

Local Recirculation of Revenue:
39.8%

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



THE 10% SHIFT

According to the 2007 Economic Census, Kitsap County produces annual retail store sales across all lines of goods (excluding motor vehicles and gas stations) of roughly \$2 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 \$52.6 million in the regional economy every year.

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 Bainbridge Island Downtown Association, and both Eagle Harbor Books and the Traveler for sponsoring this study.

For more information about this study, please contact the Bainbridge Island Downtown Association (BainbridgeDowntown.org) or Civic Economics (CivicEconomics.com). Thank you.

