



INDIE IMPACT STUDY SERIES 2013:

A NATIONAL SURVEY

***CHARLESTON AND THE LOWCOUNTRY,
SOUTH CAROLINA***

CIVIC **ECONOMICS**
CREATIVITY · OPPORTUNITY · PROSPERITY



LOWCOUNTRY
LOCAL FIRST®

Civic Economics is pleased to present the **American Booksellers Association**, **Lowcountry Local First**, and **Indigo Books** with this local edition of the Indie Impact Study Series detailing the impact of the independent business community in Charleston and the Lowcountry of South Carolina.

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 measurable local impact advantage). To date, the average participating community has produced 13.4 complete surveys.

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 is a follow-on to the 2012 edition of the Indie Impact Study Series, also prepared with support from the American Booksellers Association. To learn more about the 2012 series, see results, and download reports, please visit:

<http://www.civiceconomics.com/aba-study-series>

This study series was designed to allow 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.

CHARLESTON AND THE INDIE IMPACT SURVEY

Lowcountry Local First collected surveys from independent, locally-owned businesses engaged in the retail and restaurant trade in greater Charleston. 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.

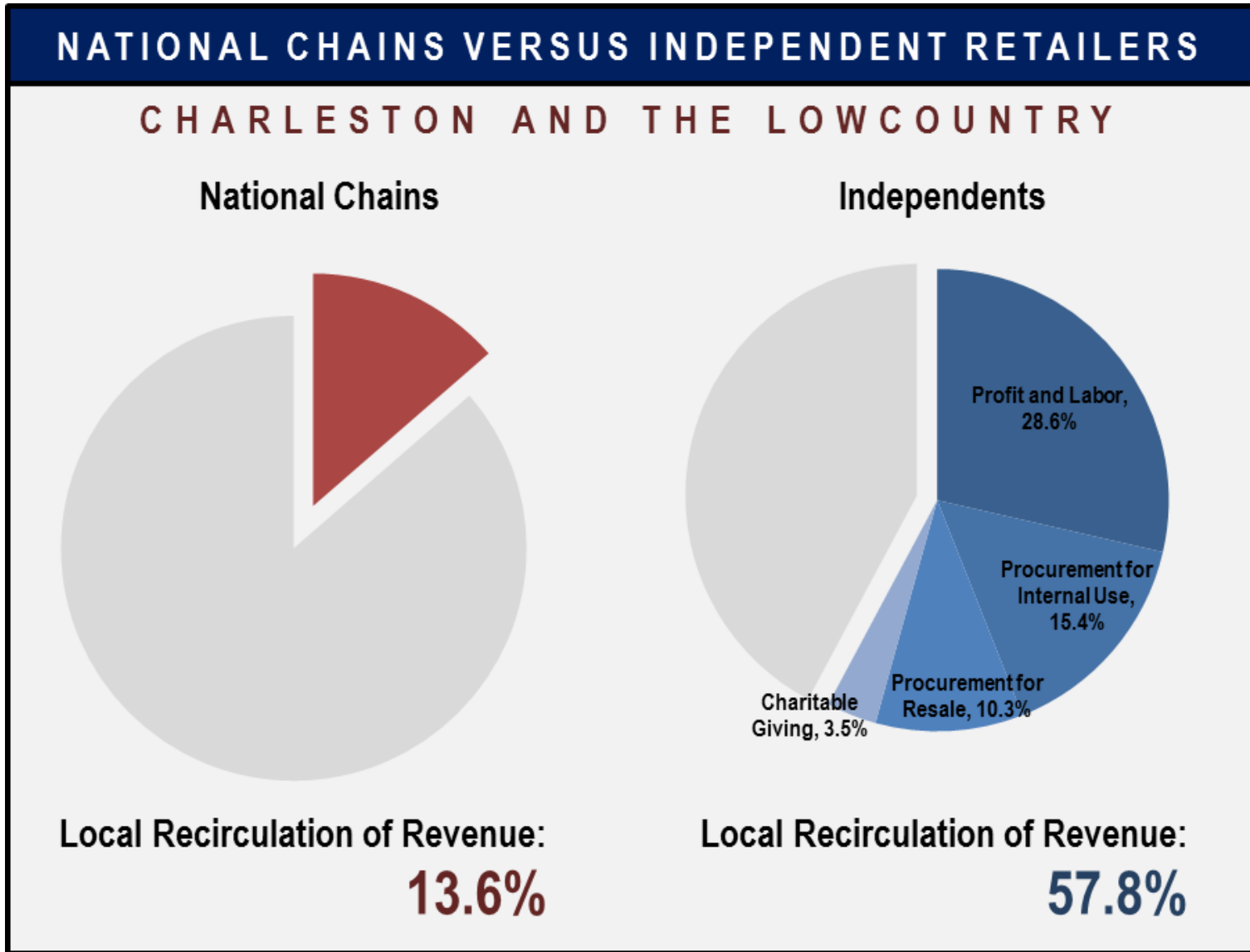
13 retailers and 5 restaurants, all independent and locally-owned, completed the survey. These retailers return a total of **57.8%** of all revenue to the local economy. The restaurants surveyed return a total of **68.8%**.

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. For chain restaurants, we analyzed Darden (Red Lobster, Olive Garden, etc.), McDonald's, and PF Chang's. These eateries recirculate an average of **30.4%** within the local market.

The charts on the following pages summarize 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:

- The Charleston Mattress
- Affordables, LLC
- Beads & Brushstrokes by Country Bumpkin Arts
- Blue Bicycle Books
- Caviar & Bananas
- Croghan's Jewel Box
- Cru Cafe and Catering
- Crushed Fine Wine LLC
- Haddrells Point Tackle and Supply
- Iacofano's Catering and Foodservice
- INDIGO BOOKS
- REV, LLC
- Ted's Butcherblock
- The Backpacker Quality Gear
- Withers Industries Inc
- Wonder Works
- Workmen's Café
- Yum Yogurt



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

NATIONAL CHAINS VERSUS INDEPENDENT RESTAURANTS

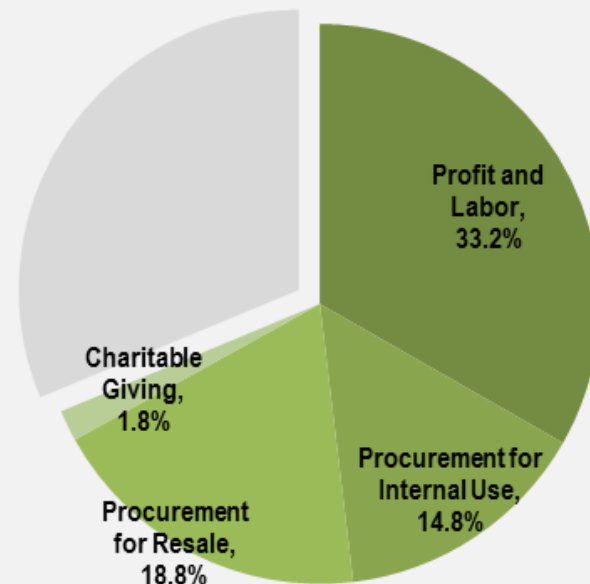
CHARLESTON AND THE LOWCOUNTRY

National Chains



Local Recirculation of Revenue:
30.4%

Independents



Local Recirculation of Revenue:
68.8%

Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Darden (Red Lobster, Olive Garden, etc.), McDonald's, and P.F. Chang's



THE 10% SHIFT

According to the 2007 Economic Census, the Charleston MSA (Berkley, Charleston, and Dorchester Counties) produces annual retail store sales across all retail lines of goods of roughly \$5.5 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 \$140 million in the Lowcountry economy every year.

Thanks to our study sponsors:

LOWCOUNTRY

LOCAL FIRST®



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 **Lowcountry Local First**, the **American Booksellers Association**, and local ABA member **Indigo Books** for sponsoring this study.

For more information about this study, please contact **Lowcountry Local First** (lowcountrylocalfirst.org) or Civic Economics (CivicEconomics.com). Thank you.