THE
AMERICAN EXPRESS OPEN INDEPENDENT RETAIL INDEX

DALLAS
SUPPLEMENT

OCTOBER 2011

INTRODUCTION

Civic Economics is pleased to present this community supplement to the American Express OPEN Independent Retail Index, a study of market trends in independent retailing and food and beverage service in 15 major American cities. This document is a supplement to the main study report.

The Index is the first longitudinal market share study, charting the success of independent, local proprietors over a 20-year period, from 1990 to 2009. The data source for sales and employment at retail stores, restaurants, and bars is the NETS Database, built from Dun & Bradstreet business data for every year since 1990. The Index itself is a way of scoring communities based on the vitality of the independent business community in Retail Shopping and Eating & Drinking. *The higher the index, the higher the market share captured by independents*. An index of 100 reflects the average market share in that sector in 2009.

The Index additionally provides localized analysis of those trends in fifteen major cities, studies one or more independent business hot spots in each, and reviews trends in those neighborhoods to identify the impact of those successes. We have provided a supplemental document for each of the study communities.

For more information about the Index and the methodology, please review the primary study document. All study documents are available online at ***SmallBusinessSaturday.com***.

DALLAS AND THE OPEN INDEX

Dallas County, in which Dallas is situated, has a population of 2,368,139, the 7th largest among the 15 study communities; its growth rate of 6.7% over the last decade is just above the average for study communities. On the basis of per capita income, Dallas is not a wealthy city; nonetheless, retail spending per capita is above average for both the study group and the nation.

Dallas earns an Index combined ranking of 14 out of 15, beating only fellow southwestern city Phoenix. While the city ranks dead last in the Eating & Drinking Index, its Retail Shopping Index is a respectable 11tth.

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COMPARISON OF STUDY COMMUNITIES

City	Study Area	Combined Ranking	Growth 2000-2010	Per Capita Income 2009	Retail per Capita 2007	Density (per Square Mile) 2010 *
NEW YORK	Five Boroughs	1	2.1%	$ 28,516	$ 9,375	26,980.6
SAN FRANCISCO	San Francisco County	2	3.7%	$ 44,373	$ 15,516	17,246.4
WASHINGTON	District of Columbia	3	5.2%	$ 40,846	$ 6,555	9,800.0
BOSTON	Suffolk County	4	4.7%	$ 53,751	$ 10,381	12,338.1
PHILADELPHIA	Philadelphia County	5	0.6%	$ 20,882	$ 7,299	11,296.2
MIAMI	Miami-Dade County	6	10.8%	$ 22,619	$ 14,074	1,282.8
LOS ANGELES	Los Angeles County	7	3.1%	$ 26,983	$ 12,336	2,417.9
SEATTLE	King County	8	11.2%	$ 37,797	$ 20,002	908.4
ATLANTA	Fulton County	9	12.8%	$ 36,412	$ 13,363	1,741.3
CHICAGO	Cook County	10	-3.4%	$ 29,021	$ 11,571	5,493.1
DETROIT	Wayne County	11	-11.7%	$ 21,691	$ 8,720	2,694.4
SAN DIEGO	San Diego County	12	10.0%	$ 30,705	$ 13,009	737.0
MINNEAPOLIS	Hennepin County	13	3.2%	$ 35,687	$ 19,646	2,070.4
DALLAS	Dallas County	14	6.7%	$ 25,703	$ 13,929	2,692.3
PHOENIX	Maricopa County	15	24.2%	$ 27,185	$ 15,153	414.8
	Study Community Average		5.5%	$ 32,145	$ 12,729	6,540.9
	U.S. Average		9.7%	$ 27,041	$ 12,990	87.3

Source: US Census

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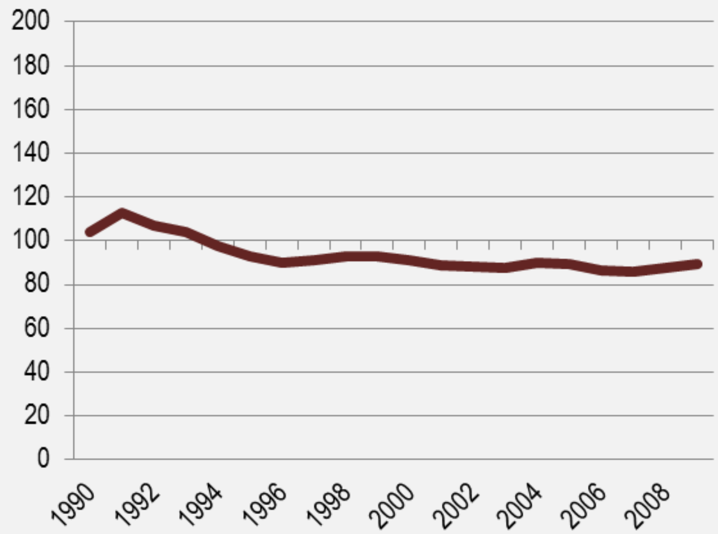
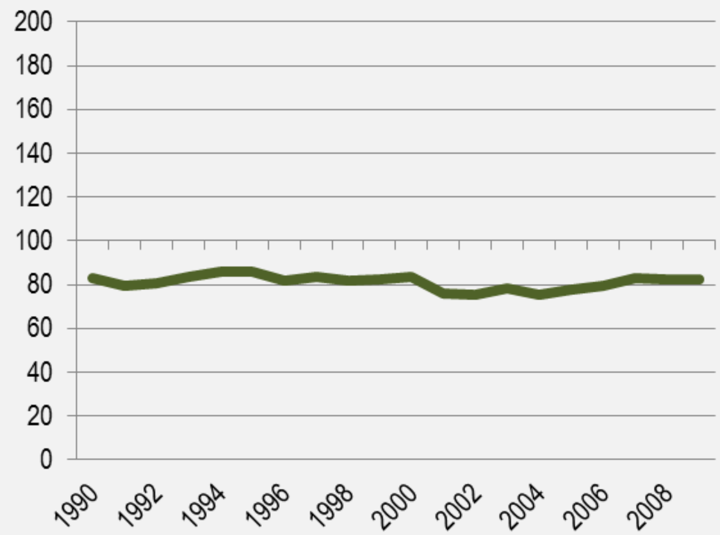
DALLAS (DALLAS COUNTY)

RETAIL SHOPPING INDEX



EATING & DRINKING INDEX



1990 Index:	104	Rank:	14	1990 Index:	83	Rank:	15
2000 Index:	91	Rank:	11	2000 Index:	84	Rank:	14
2009 Index:	89	Rank:	11	2009 Index:	82	Rank:	15

Combined Ranking, 2009: #14

Source: NETS, Civic Economics, US Census

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OPEN INDEX RANKINGS BY CATEGORY, 2009

SHOPPING RANKINGS

City	Points	Rank
New York	155	1
Miami	125	2
Boston	116	3
Los Angeles	115	4
San Francisco	114	5
Washington	112	6
Philadelphia	105	7
Detroit	100	8
Atlanta	95	9
Seattle	91	10
Dallas	89	11
San Diego	89	12
Minneapolis	88	13
Chicago	82	14
Phoenix	75	15

EATING AND DRINKING RANKINGS

City	Points	Rank
San Francisco	136	1
New York	132	2
Washington	126	3
Philadelphia	119	4
Boston	118	5
Chicago	109	6
Seattle	108	7
Los Angeles	98	8
Miami	98	9
Atlanta	97	10
Minneapolis	95	11
San Diego	95	12
Detroit	84	13
Phoenix	84	14
Dallas	82	15

COMBINED RANKINGS

City	Points	Rank
New York	287	1
San Francisco	250	2
Washington	238	3
Boston	233	4
Philadelphia	224	5
Miami	223	6
Los Angeles	213	7
Seattle	199	8
Atlanta	192	9
Chicago	191	10
Detroit	185	11
San Diego	184	12
Minneapolis	184	13
Dallas	171	14
Phoenix	159	15

Source: NETS, Civic Economics, US Census

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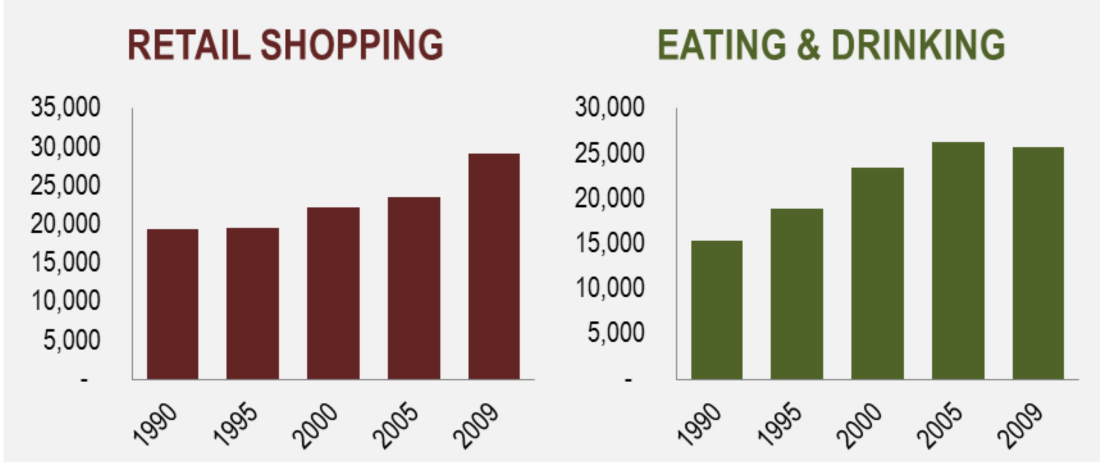
INDEPENDENT BUSINESS IN DALLAS

Chart 4, at right, shows the change in employment in Dallas County Retail Shopping and Eating & Drinking Establishments over the study period.

Collectively, Dallas independents provide more than 110,000 jobs in the county as of 2009, with 68,000 coming in the Retail Shopping category and 42,000 in Eating & Drinking.

4 EMPLOYMENT AMONG INDEPENDENT BUSINESSES, 1990-2009



Source: NETS, Civic Economics

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LOCAL INDEPENDENT BUSINESS HOT SPOTS

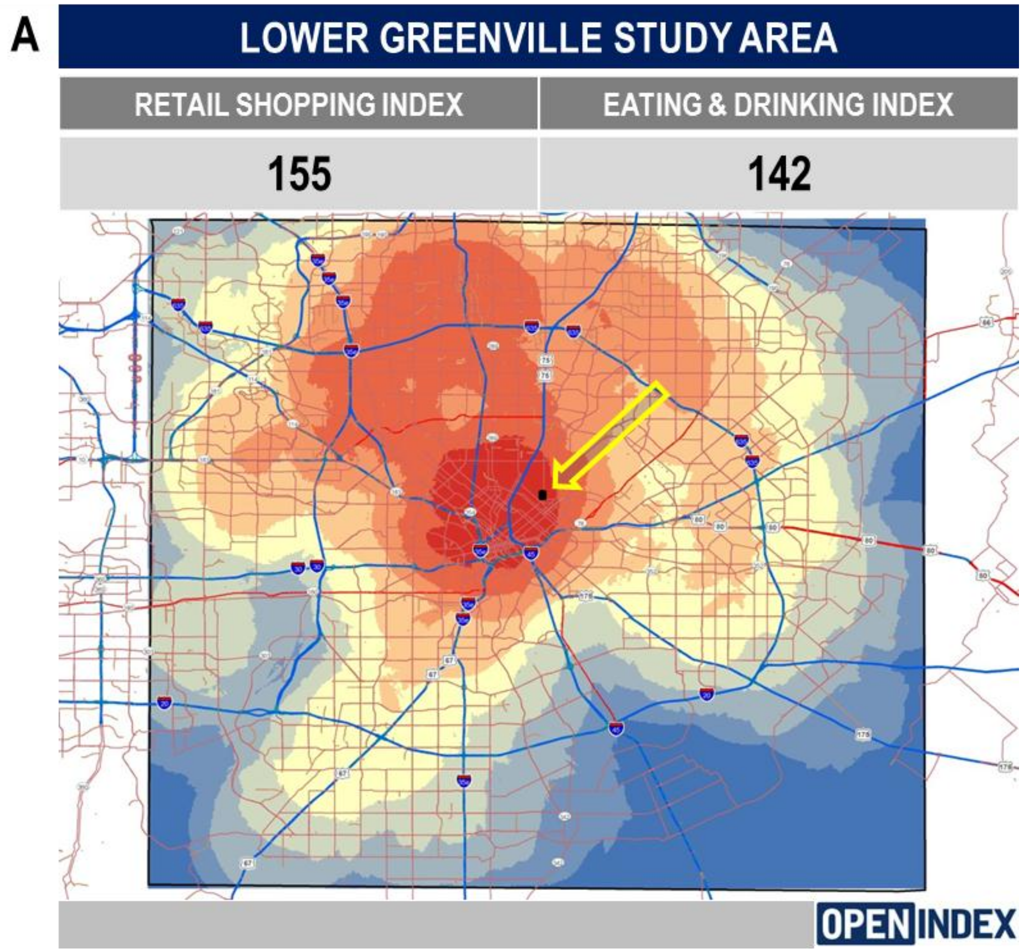
The Index set out to quantify the health of independent businesses in major American cities over time and in comparison with one another. However, this study would be incomplete without a look within those major cities at the independent business districts that help to define the character of the community and contribute mightily to the vitality of nearby neighborhoods.

For each of the 15 study communities, Civic Economics tied the NETS database of independent retailers, restaurants, and bars to a map produced in Geographic Information System (GIS) software. From the broadest map of the county, we identified a number of hot spots of independent businesses, and zoomed in on them to find each city's most indie-driven business districts.

A note on data: Within the 60 million data points from which Civic Economics built the Index, there are undoubtedly errors and omissions. At progressively smaller geographic levels, such as the neighborhoods discussed below, those may become apparent. However, despite the occasional misplaced business on a map, we believe the data provides a unique and reliable view of the trends at the nation, county, and neighborhood level.

Among Texans and residents of the southwest, Dallas is a shopping destination. Large, upscale malls draw shoppers from a wide region. For many of those shoppers, the draw is the opportunity to visit upscale department stores. Lower Greenville, by contrast, is the locals' destination for unique shopping and dining.

Lower Greenville Avenue

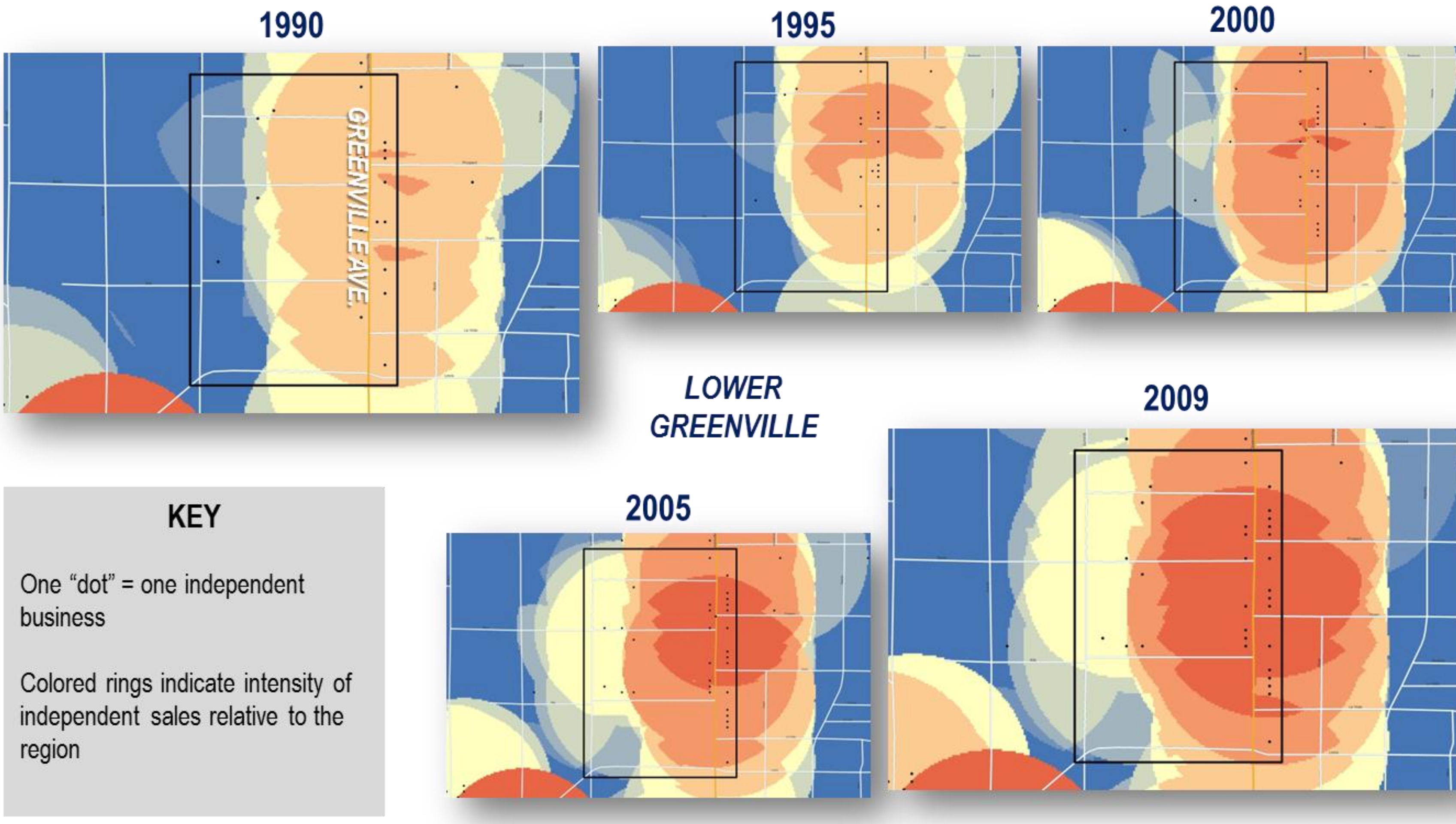


Lower Greenville Avenue (in small box on Map A at right) is a close-in commercial corridor to the northeast of downtown Dallas.

Map B on the following page depicts the evolution of the business district at the lower stretch of Greenville Avenue. From a few businesses with modest sales in 1990, the area blossomed into a regional dining and shopping destination in the mid-1990's. Over the years, pockets of independent businesses have stretched far to the north on Greenville.

Chart 5 (on page 9) compares the retail and food & beverage markets on Lower Greenville with the broader Dallas County market. The street has been best known for an abundance of restaurants and bars, but retail has increased as well in recent years. This short stretch of businesses, nearly all locally-owned, has enjoyed a continuous period of increasing revenues, even as the region felt the effects of the recent recession.

B EVOLUTION OF AN INDEPENDENT BUSINESS DISTRICT



Source: NETS, Civic Economics

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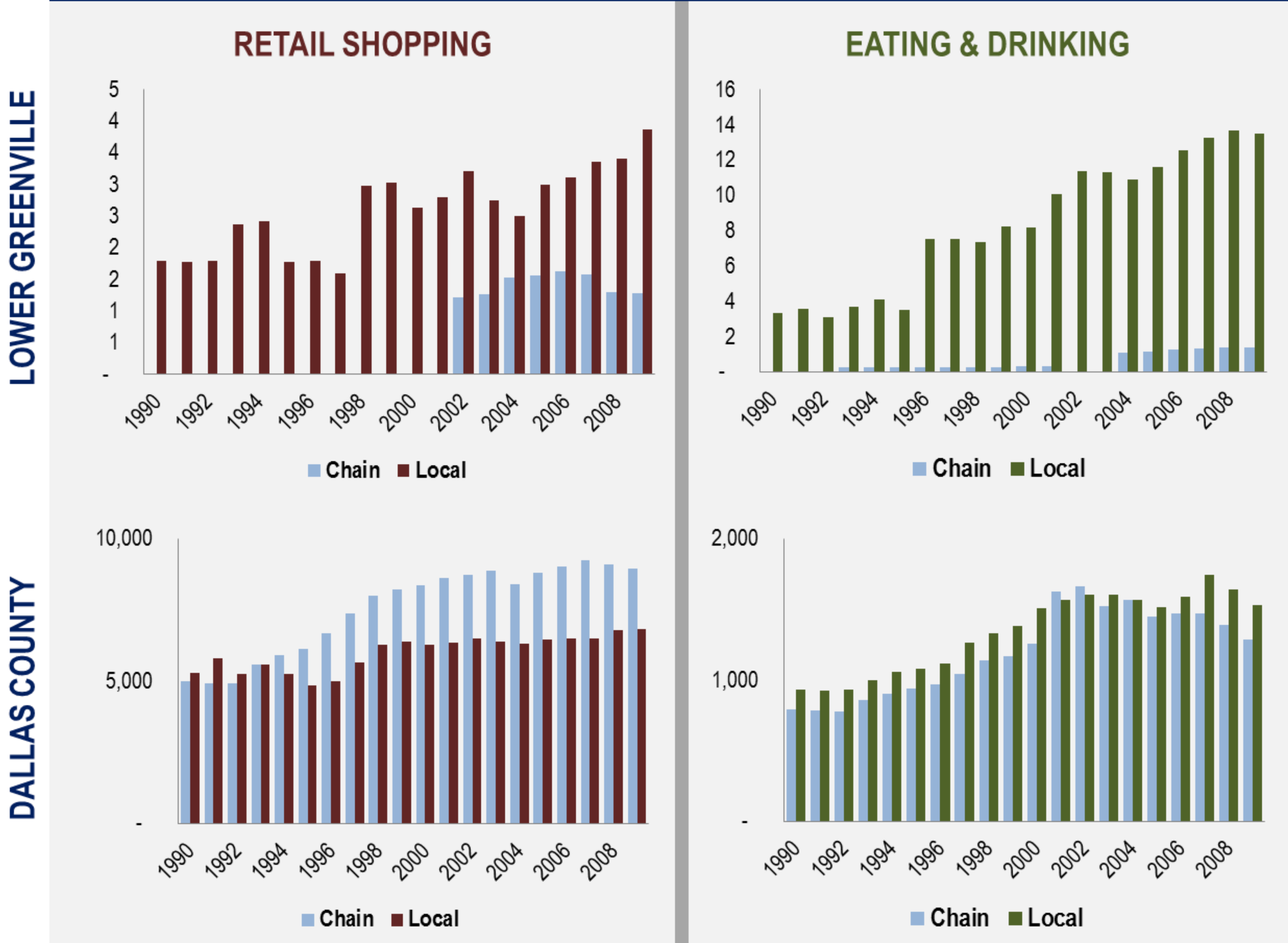
5 NEIGHBORHOOD SALES VERSUS COUNTY ($ Millions)



Source: NETS, Civic Economics

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The Economic Impacts of Lower Greenville

To measure the economic benefits provided by a thriving independent business district, Civic Economics studied two questions in each local business district analyzed.

The first is whether the presence of the district produces strong neighborhoods around it. The left side of Chart 6 below provides one answer to that question, tracking the median sales price in the zip code most closely associated with the district.

The 75206 Zip Code encompasses the Lower Greenville and adjacent residential areas, including the area commonly referred to as "the M Streets. Homes in proximity to Lower Greenville and the pockets of business further north on the Avenue enjoyed home value increases that doubled the city average over the period from 1996-2010.

The second question is how many jobs are created by the presence of the district. The right side of Chart 6 below shows job creation at both independent and chain businesses.

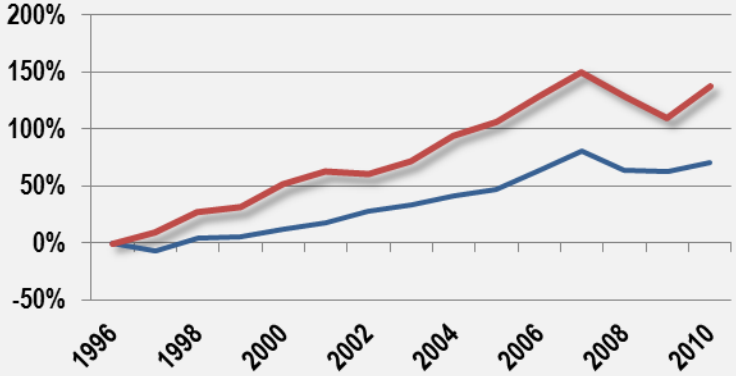
While the study area here is tightly defined, it nonetheless increased employment in shops, restaurants, and bars from just 100 to nearly 500 over the study period.

The City of Dallas as a whole did not experience the dramatic run up in home prices through 2008 that the rest of the country did, nor did it experience a collapse. Rather, slow and steady growth characterized the local housing market. In Lower Greenville, values increased substantially faster than in the city. And while the area was harder hit by reduced home values through 2009, it has rebounded nicely since, a phenomenon we have seen in other cities. But the cumulative effect of property value increases doubling the broader market reflects the attraction of an close in neighborhood with a range of goods and services like those offered by the businesses of Lower Greenville Avenue.

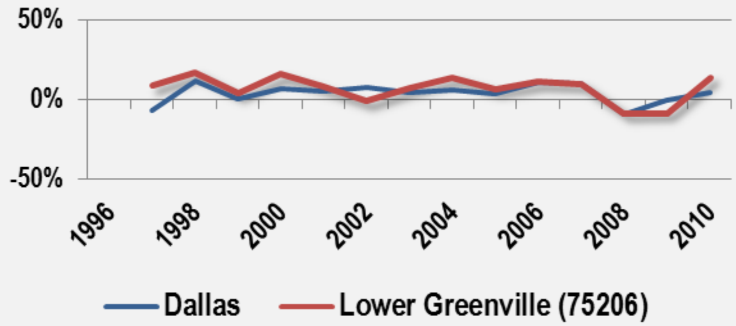
6 THE ECONOMIC IMPACTS OF AN INDEPENDENT BUSINESS DISTRICT

MEDIAN HOME SALES PRICES

CUMULATIVE % CHANGE FROM 1996 VALUES

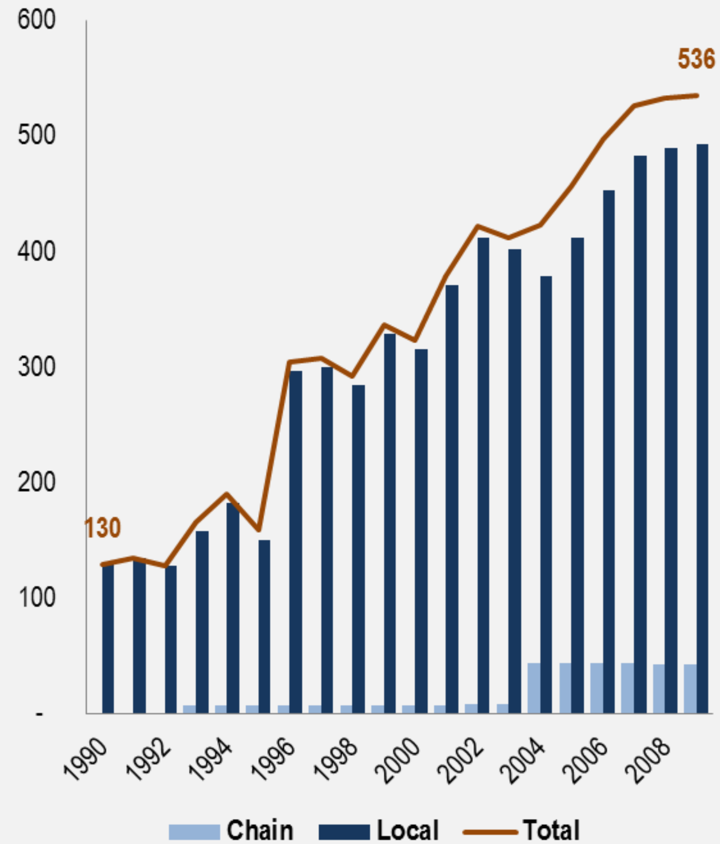


ANNUAL % CHANGE



Source: Zillow.com, Civic Economics

JOB CREATION IN THE NEIGHBORHOOD



Source: NETS, Civic Economics

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CONCLUSION

Dallas is a shopping destination for residents of a large portion of the American Southwest. However, its retail shopping has been built upon a mix of local institutions like Neiman-Marcus and upmarket chain retailers like those found in Northpark Mall or the Galleria. This reputation matches the city's relatively low Index rankings. However, there is another Dallas awaiting those who know where to look, and Lower Greenville exemplifies it. From a nucleus of small restaurants at the bottom of the Avenue, entrepreneurs have created the region's best known destination with a Dallas character.

And the businesses of Lower Greenville don't just create jobs and tax revenues; this pocket of unique businesses has led the way to a revitalization of nearby neighborhoods like the M Streets. When property values in a small area double the city's pace of increase over a long period of time, you know something is right.

CONTACTS

To learn more about the OPEN Index and to download study documents, please visit ***SmallBusinessSaturday.com***.

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Civic Economics is an economic analysis and strategic planning consultancy with offices in Austin and Chicago. Founded in 2002 by Matt Cunningham and Dan Houston, the firm has earned a national reputation for innovative approaches to economic development challenges. Learn more at *www.CivicEconomics.com.*

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