

## **Citations for studies of economic impact of spending with LOCALLY OWNED INDEPENDENT BUSINESSES**

Anecdotal claims by local independent business owners are now replaced with detailed professional economic analyses, establishing repeatedly that **spending with locally owned independent businesses generates substantially greater economic impact than chain retailers**, and there have been no studies or arguments disputing these findings.

**Three times as much money stays in the local economy when spent with locally owned independents rather than national chains.** Specifically, for every dollar spent locally, about 45 cents stays in the local economy, while the same dollar spent in a national chain only leaves 13-15 cents in the local economy. Up to 80% of money spent in national chains literally leaves town in the night deposit. (*Local Merchants vs. Chain Retailers*, Austin, 2002, <http://www.liveablecity.org/lcfullreport.pdf>; *Economic Impact of Locally Owned Businesses vs. Chains*, Maine, 2003, <http://www.newrules.org/retail/midcoaststudy.pdf>; *Andersonville Study of Retail Economics*, Chicago, 2004 & 2005, <http://www.civiceconomics.com/Andersonville/>)

Applying those figures to Florida Department of Revenue figures shows that if all spending on taxable sales in Hillsborough County was with locally owned businesses and none with national chains **for just one average November day, it could mean over \$17 million dollars to our local economy.** In addition, the "multiplier effect" of repeated tax collection as dollars circulate locally is estimated to bring up to five times the revenue for public projects.

**Even moderate increases in market share generate dramatic local economic impact.** (*San Francisco Retail Diversity Study*, San Francisco, 2007, <http://www.civiceconomics.com/SF/>). For example, **with a population of 600,000, a 10% shift of spending from chains to locally owned independents could create \$140 million of new local economic activity, enough for 1600 jobs with a \$53 million payroll.** (*Examining the Impact of Local Business on the West Michigan Economy*, Grand Rapids, 2008, <http://www.civiceconomics.com/localworks/>)

Without any change to existing tax laws or enforcement practices, **shifting a portion of sales from the internet to local businesses would have a significant impact** as well. It is estimated that one full-time job is lost for every \$100,000 spent online and that Florida is losing more than \$5.2 billion annually from untaxed Internet sales. **With an estimated 4 percent of consumer purchases made online**, that adds up to about **52,000 jobs lost each year.** (Florida Tax Watch study, cited by Florida Retail Federation President, 2009, [http://www.palmbeachpost.com/opinion/content/opinion/epaper/2009/01/25/sundaywebletters\\_0125.html](http://www.palmbeachpost.com/opinion/content/opinion/epaper/2009/01/25/sundaywebletters_0125.html))