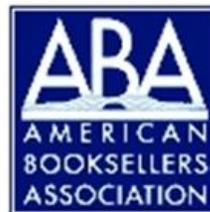


**INDIE IMPACT STUDY SERIES 2013-14:
A NATIONAL SURVEY**

***RE>THINK LOCAL:
NEW YORK'S HUDSON VALLEY***

CIVIC ECONOMICS
CREATIVITY · OPPORTUNITY · PROSPERITY



RE>THINK LOCAL

Civic Economics is pleased to present the **American Booksellers Association**, **Re>Think Local**, and ABA members **Half Moon Books** and **Oblong Books and Music** with this local edition of the Indie Impact Study Series detailing the impact of the independent business community in the Hudson Valley of New York State.

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://www.civiceconomics.com/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.

THE HUDSON VALLEY AND THE INDIE IMPACT SURVEY

Re>Think Local collected surveys from independent, locally-owned businesses engaged in the retail and restaurant trade in Dutchess, Orange, and Ulster Counties in the Hudson Valley. 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.

Seventeen retailers and six restaurants, all independent and locally-owned, completed the survey. These retailers return a total of **58.2%** of all revenue to the local economy. The restaurants surveyed return a total of **77.7%**. Ulster County produced enough surveys to merit separate reporting, with ten retailers and four restaurants returning **55.6%** and **77.1%** respectively.

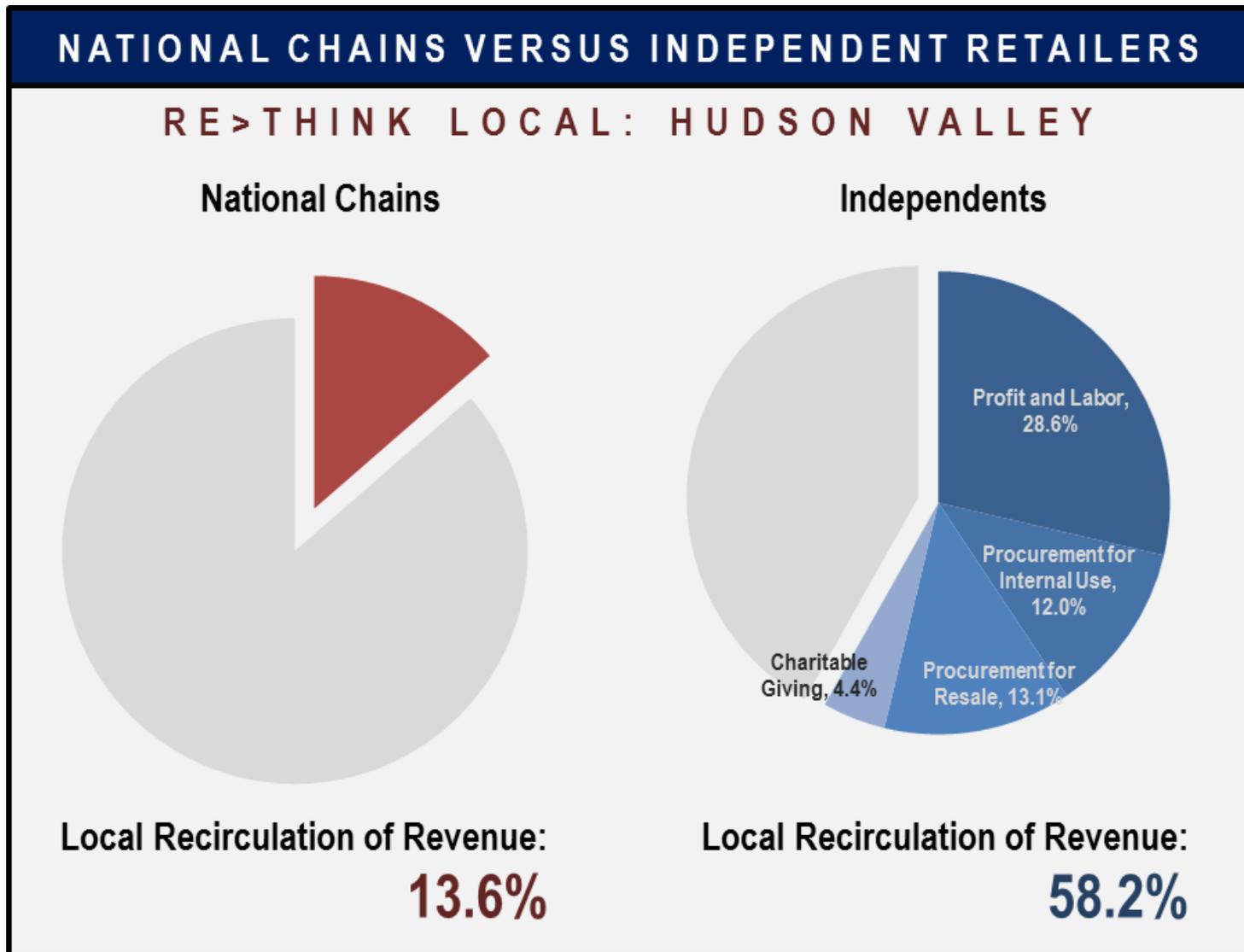
For comparison purposes, Civic Economics analyzed annual reports for four major national chain stores (Barnes & Noble, Home Depot, Office Max, and Target). These stores recirculate an average of **13.6%** of all revenue within the local markets that host its stores. For chain restaurants, we analyzed 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:

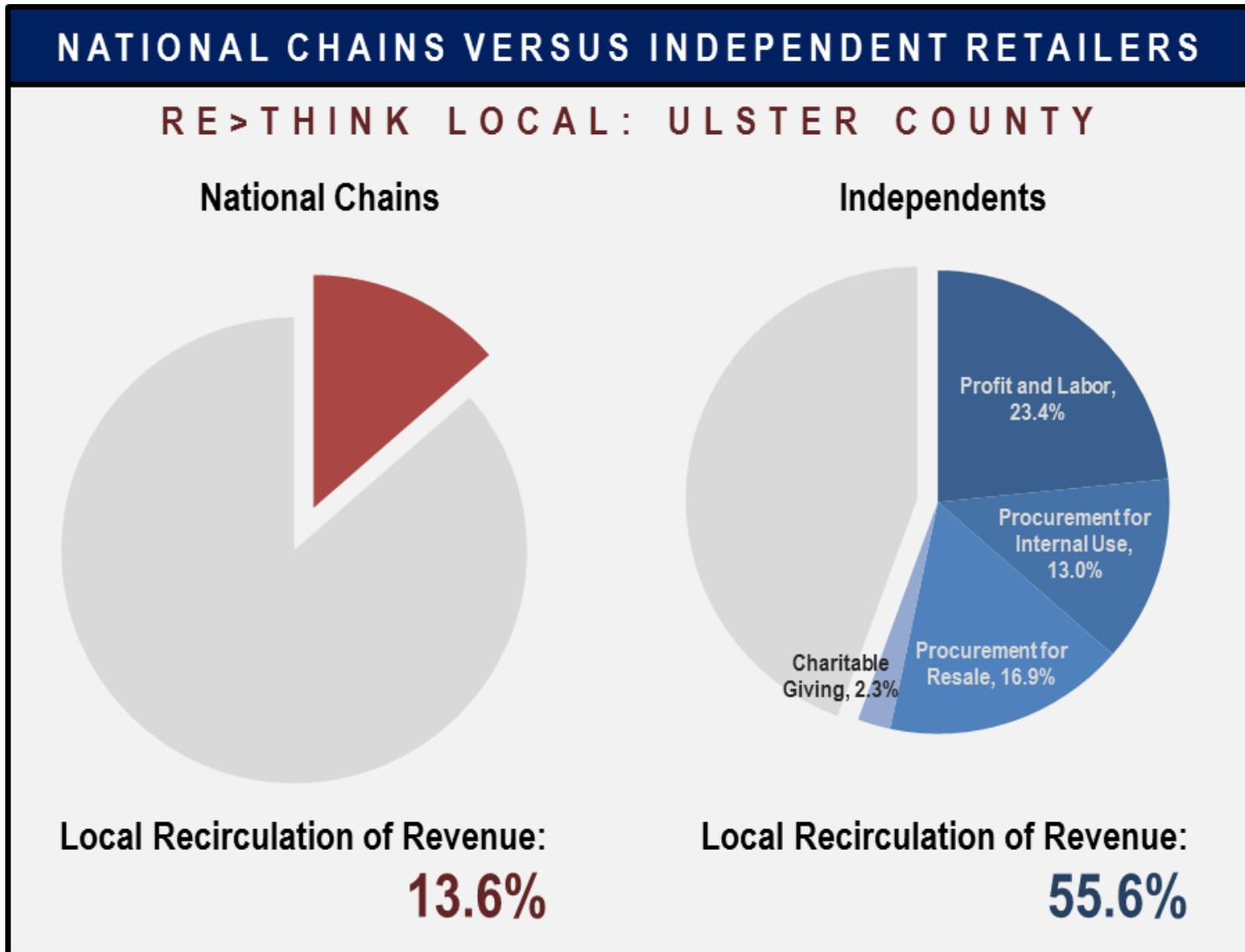
- Aroma Thyme Bistro
- Black Forest Flammkuchen Co.
- EB's Hudson Valley Finds
- H Houst & Son, Inc
- Half Moon Books
- High Falls Cafe
- Hudson Valley Wine Market
- Karmabee
- Kelders Farm
- Kingston Candy Bar
- Latheo Corp d/b/a Town & Country Liquors
- liza jane norman designs llc
- McKeough's Farm & Home Center Inc
- Oblong Books & Music
- Paper Trail
- Peoples Bicycle LLC
- Sound Earth, LLC
- Terrapin Restaurant operating under Hunter-Kroner Ltd.
- The Bakery
- The Village TeaRoom Restaurant & Bake Shop
- TRANSnDANCEnDRUM Center
- Trupiano Uniform Company
- Walkkill River School of Art



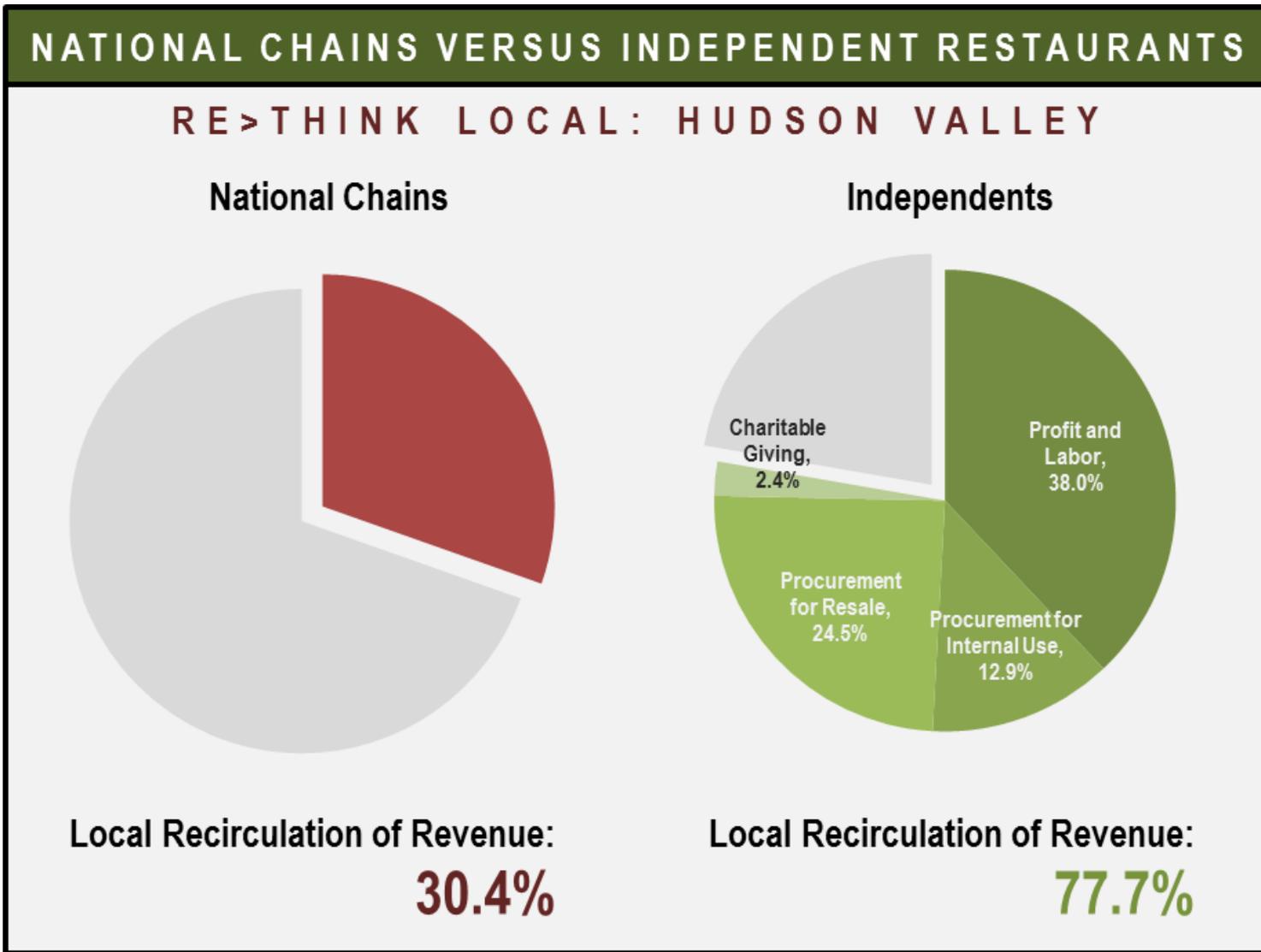


Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Office Max, Home Depot, Target, and Barnes & Noble

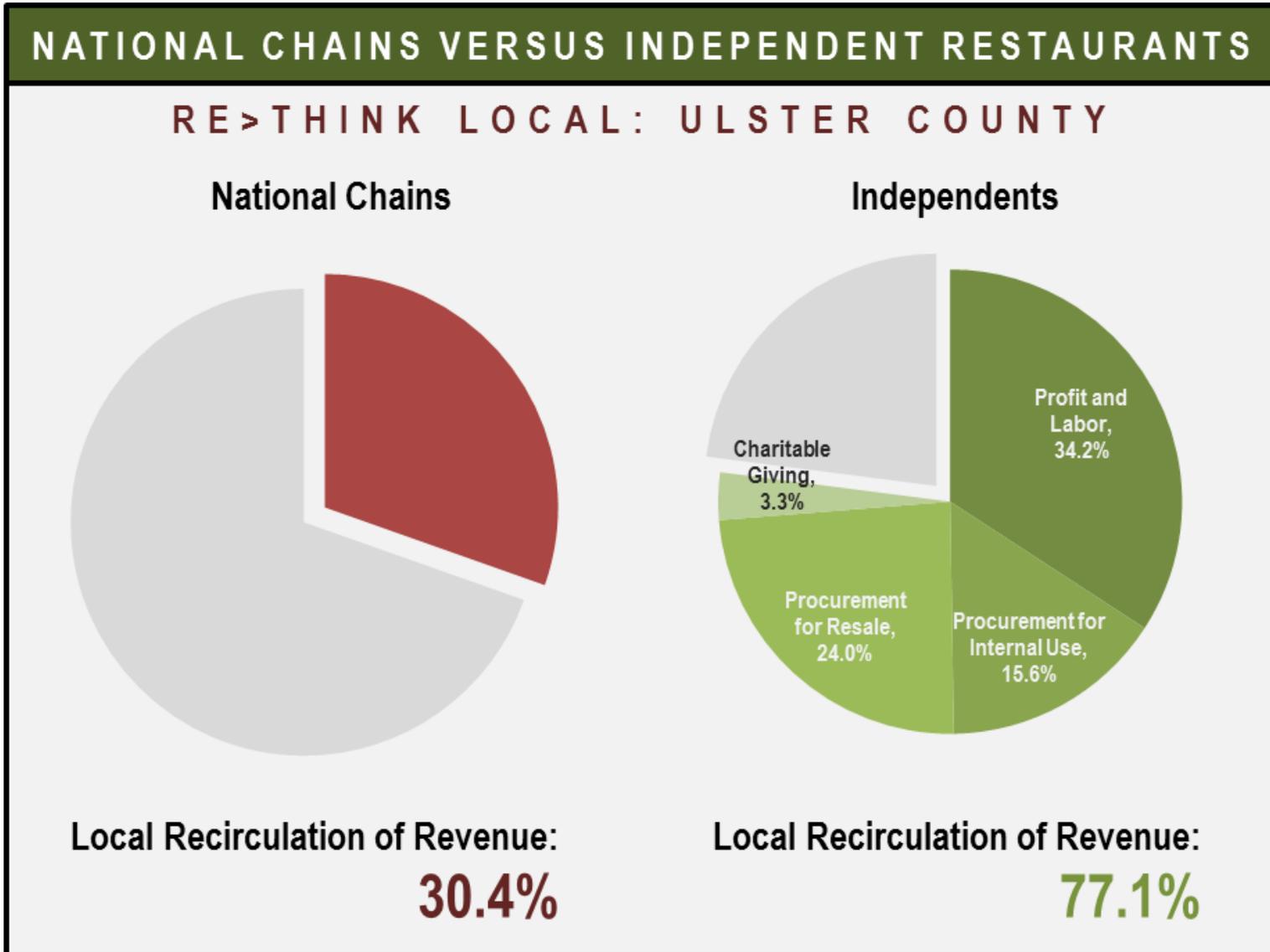




Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Office Max, Home Depot, Target, and Barnes & Noble



Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Darden (Red Lobster, Olive Garden, etc.), McDonald's, and P.F. Chang's. Total does not add due to rounding.

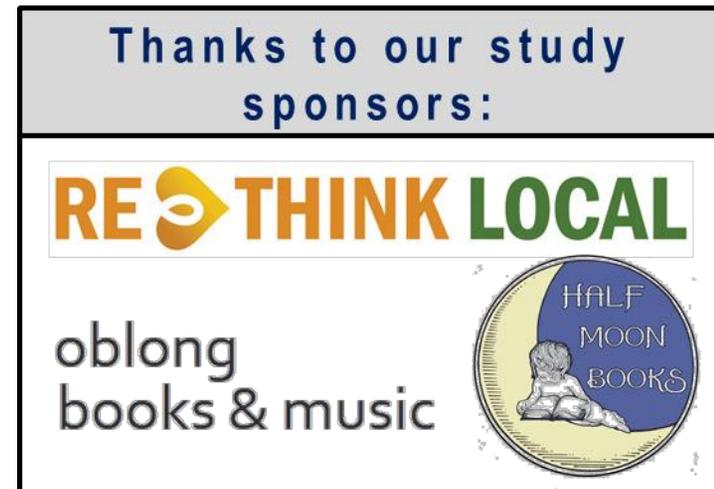


Source: Civic Economics Survey of Independent Businesses; 10K Annual Reports for Darden (Red Lobster, Olive Garden, etc.), McDonald's, and P.F. Chang's



THE 10% SHIFT

According to the 2007 Economic Census, the three-county area currently served by Re>Think Local produces annual retail store sales across all retail lines of goods (excluding automotive sales) of roughly \$9.2 billion and restaurant sales of \$940 million. 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 \$475 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 **Re>Think Local**, the **American Booksellers Association**, and local ABA members **Half Moon Books** and **Oblong Books and Music** for sponsoring this study.

For more information about this study, please contact **Re>Think Local** (rethinklocal.org) or Civic Economics (CivicEconomics.com). Thank you.

