

**INDIE IMPACT STUDY SERIES 2013:
A NATIONAL COMPARATIVE SURVEY**

UTAH:

Salt Lake City, Ogden, & Wayne County

Civic Economics is pleased to present Local First Utah with this supplement to the Indie Impact Study Series detailing the impact of the Utah independent business community based on surveys conducted in Salt Lake City, Ogden, and Wayne County.

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 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 is a follow-on to the 2012 edition of the Indie Impact Study Series, prepared with support from the American Booksellers Association. That series included Salt Lake City and Ogden, as well. To learn more about the 2012 series, 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.



UTAH AND THE INDIE IMPACT SURVEY

Local First collected surveys from independent, locally-owned businesses engaged in the retail and restaurant trade in three Utah communities: Salt Lake City, Ogden, and Wayne County. 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.

27 retailers and 17 restaurants, all independent and locally-owned, completed the survey. Collectively, these retailers return a total of **55.3%** of all revenue to the local economy. The restaurants surveyed return a total of **69.1%**.

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, 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:

15th Street Gallery
Alpine Sports
Andersons Cabinets and Furniture
Baby Bump Maternity
Backcountry Outfitters
Beehive Cheese Co. LLC
Bellas Fresh Mexican Grill
Cafe Diablo
CastleRock Coffee & Candy and Red
Desert Candy Co
Chuckwagon General Store & Lodge
Eggs In The City
Fabulous Signs & More
Fresco Italian Cafe
FRESH

Green The World
Grounds for Coffee
Grounds for Coffee Historic 25th Street
Guthrie Bicycle
HAPPY INC Db a Dylan's on 12th Street
Harmons
Hip & Humble
Home Again LLC
Jolley's
Mazza Middle Eastern Cuisine- 15th
Mazza Middle Eastern Cuisine- 9th
Mesa Farm Market
Mestizo LLC
Ogden's Own Distillery
Red Iguana Restaurant

Robbers Roost Books and Beverages
Roosters 25th Street Brewing Company
Sea Salt
Stan's Burger Shak
Stan's Chevron
Sterling Furniture Company
Sugar House Coffee
The Cosmic Spiral
The Dog Show
The King's English Bookshop
The Paris
Tona Sushi Bar and Grill
Two-Bit Street Cafe'
Viva Markets
WISEBIRD BOOKERY



NATIONAL CHAINS VERSUS INDEPENDENT RETAILERS

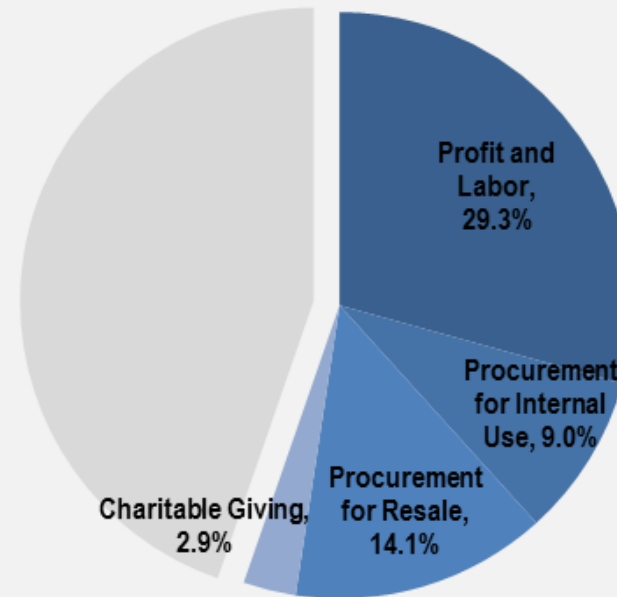
UTAH COMBINED (SLC, OGDEN, WAYNE)

National Chains



Local Recirculation of Revenue:
13.6%

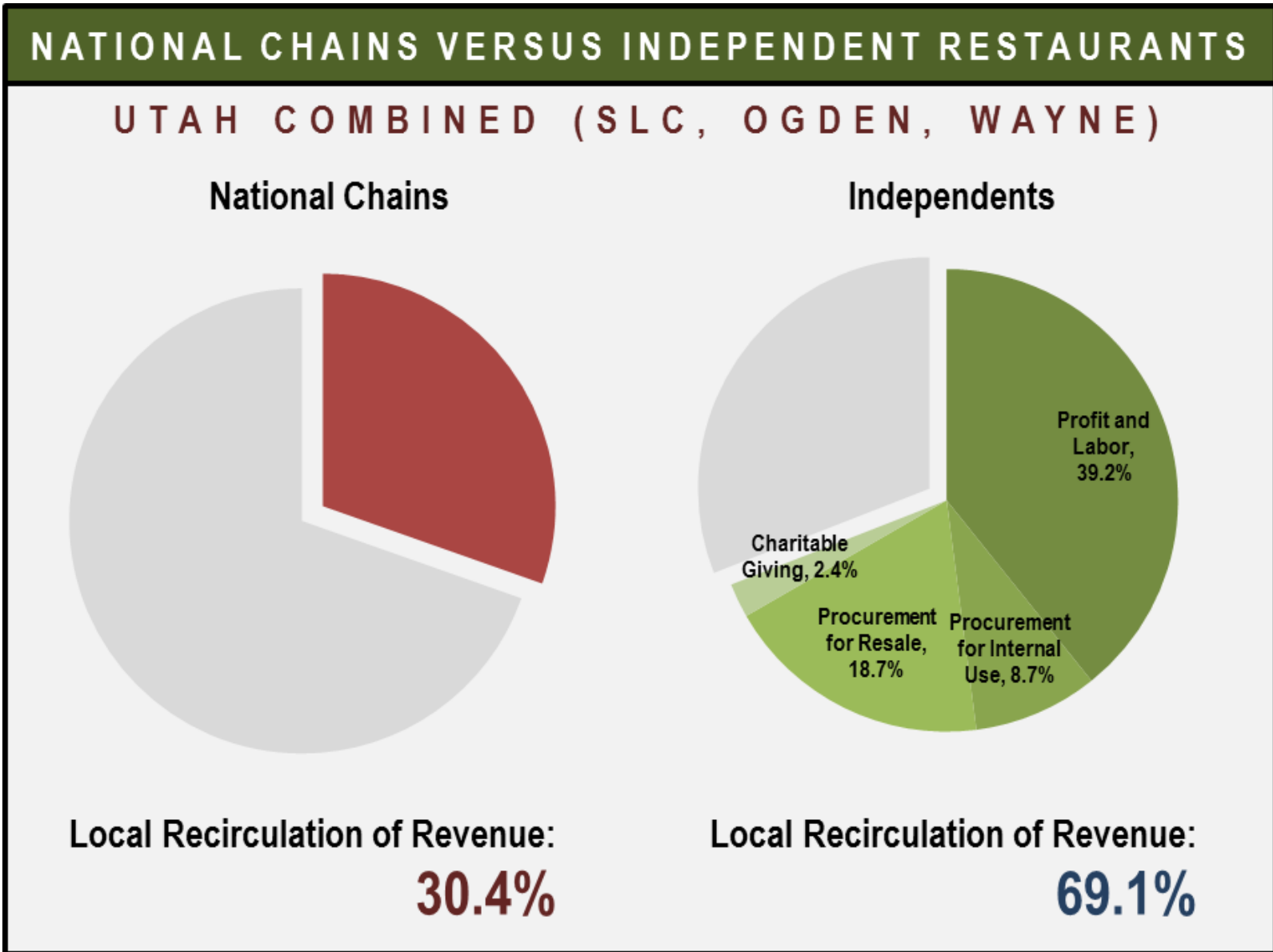
Independents



Local Recirculation of Revenue:
55.3%

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, McDonald's, and P.F. Chang's



THE 10% SHIFT

According to the 2007 Economic Census, Utah produces annual retail store sales across all lines of goods (excluding motor vehicles and gas stations) of roughly \$23.6 billion. Assuming this survey provides a representative sample of Utah independent retailers, a market shift of just 10% from chains to independents would retain an additional \$1.3 billion in the state 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 Local First Utah for sponsoring this study.

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

Thanks to our
study sponsor:

