

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

ALBUQUERQUE, NEW MEXICO

CIVIC ECONOMICS
CREATIVITY · OPPORTUNITY · PROSPERITY

**Keep it
QUERQUE!**
...buy local

Civic Economics is pleased to present **KeepItQuerque! - Buy Local** with this supplement to the Indie Impact Study Series detailing the impact of the Albuquerque independent business community.

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.



ALBUQUERQUE AND THE INDIE IMPACT SURVEY

KeepItQuerque! - Buy Local collected surveys from independent, locally-owned businesses engaged in the retail and restaurant trade in greater Albuquerque. 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.

15 retailers and 8 restaurants, all independent and locally-owned, completed the survey. Collectively, these retailers return a total of **39.0%** of all revenue to the local economy. The restaurants surveyed return a total of **77.3%**.

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:

- AHL Garden Supply
- Albuquerque Florist, Inc.
- Baillio's LLC
- betty's bath & day spa
- Black Mesa Coffee Company
- Builders Source Appliance Gallery
- Calibers Indoor Shooting Range
- Charlie's Sporting Goods
- Christy Mae's Restaurant
- Dressed To Kill Clothier
- Duran Central Pharmacy
- Fat Tire Cycles
- High Desert Art & Frame
- Marble Brewery
- Mint Tulip Vegan Cafe
- O'Niell's
- Out of the Blue, Ltd
- Range Cafe/Standard Diner
- Shelton Jewelers
- Slate Street Cafe
- TEMA Contemporary Furniture
- The Amish Connection, Inc.
- Vinaigrette



NATIONAL CHAINS VERSUS INDEPENDENT RETAILERS

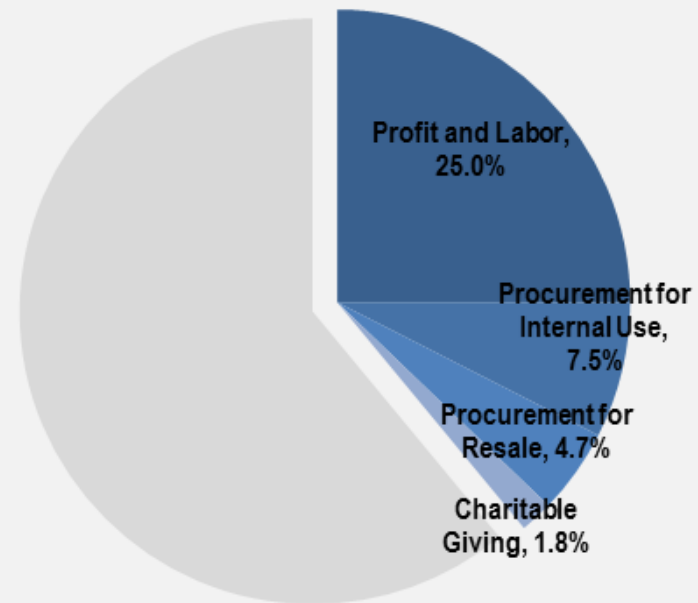
ALBUQUERQUE

National Chains



Local Recirculation of Revenue:
13.6%

Independents



Local Recirculation of Revenue:
39.0%

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



NATIONAL CHAINS VERSUS INDEPENDENT RESTAURANTS

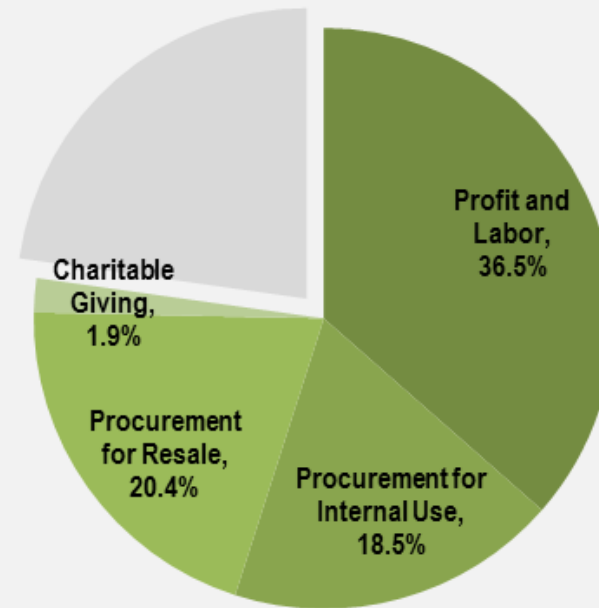
ALBUQUERQUE

National Chains



Local Recirculation of Revenue:
30.4%

Independents



Local Recirculation of Revenue:
77.3%

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, the Albuquerque MSA produces annual retail store sales across all lines of goods (excluding motor vehicles and gas stations) of roughly \$7 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 \$179 million in the local economy every year.

Thanks to our
study sponsor:



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 **KeepItQuerque! - Buy Local** for sponsoring this study.

For more information about this study, please contact the **KeepItQuerque! - Buy Local** (keepitquerque.org) or Civic Economics (CivicEconomics.com). Thank you.

