

SHOP LOCAL FOR THE HOLIDAYS | COMMUNITY IMPACT



Why Shopping Local Matters

It's easy to forget that shopping local helps your community and state in many, many ways. From tax dollars to supporting mom-and-pop businesses, the benefits are myriad.

SPEND LOCAL AND MORE STAYS LOCAL

Numerous studies have analyzed the way money recirculates, and most agree that

money spent locally has a much higher chance of staying in the community.

A study commissioned by the British Columbia division of the Canadian Union of Public Employees found that for every \$1 million in sales, independent retail stores generate \$450,000 in local economic activity, compared to just \$170,000 for chains. Among restaurants, the figures are \$650,000 for independents and \$300,000 for chains.

Across both sectors, this translates into about 2.6 times as many local jobs created when spending is directed to independent businesses

instead of chains. The study concludes that a shift of just 10 percent of the market from chains to independents would produce 31,000 jobs paying \$940 million in annual wages to workers.

MORE STABLE JOBS

Economists at Yale University and the University of Bristol found that in times of high unemployment, small businesses both retain and create more jobs than large firms. During the recession of March 2008 to March 2009, the employment growth rate of large employers fell 1.65 percent more than the growth

rate of small employers, compared with the previous year. In every other recession and recovery period in the study's sample, large firms took years to recover relative to small firms.

IT'S BETTER FOR THE COMMUNITY

A study by a professor at Baylor University found strong positive relationships between local ownership, firm size and employee loyalty, which they refer to as organizational commitment.

Using data from a nationally representative public opinion survey, the study found that

57.2 percent of small firm workers scored in the highest commitment category, compared to 40.5 percent of large firm workers. They found a similar relationship for ownership, with 56 percent of workers at locally owned firms having high commitment scores, compared with just 38.7 percent of workers at non-locally owned firms.

When the researchers plotted the scores on a 16-point commitment scale, the authors found that, together, the two civic measures accounted for as much as a 1.7 point increase in organizational commitment, effects.