



Executive Summary

www.IndieCityIndex.com



Copyright American Booksellers Association and Civic Economics, 2011
The indie "i" logo is a trademark of the American Booksellers Association



THE AMERICAN BOOKSELLERS ASSOCIATION
200 WHITE PLAINS ROAD, SUITE 600
TARRYTOWN, NEW YORK 10591
WWW.BOOKWEB.ORG

January 18, 2011

As part of the American Booksellers Association's ongoing efforts to focus attention on independent, locally-owned retail businesses, we commissioned a new study from the economic analysis and consultancy firm Civic Economics to serve as the first national measure of independent retail vitality nationwide.

Our goal was to build on Civic Economics' groundbreaking work in documenting the substantially greater economic impact locally-owned businesses have on their communities, research that has played an essential role in raising national awareness regarding the importance of locally-owned businesses.

In the Indie City Index, Civic Economics has created the first detailed study of independent retail vitality nationwide. The index ranks each MSA on the share of retail sales captured by independent retail businesses, provides category rankings based on such criteria as population and region, and offers an initial look at some of the most telling variables identified in the study. The report's analysis offers a new and eye-opening map of independent retail performance.

During our Advocates for Independent Retail Summit (AIR) being held in January 2011, and the months that follow, ABA hopes that this new insight on the critical role independent businesses play will help stimulate, amplify, and enrich the discussion about the indispensable contributions they make to strengthening and growing the American economy.

OREN TEICHER, CHIEF EXECUTIVE OFFICER
AMERICAN BOOKSELLERS ASSOCIATION

INTRODUCTION

Civic Economics and the American Booksellers Association are pleased to present this summary of the Indie City Index, a ranking of every Metropolitan Area in the United States based on the health of the local, independent retail sector.

Over the last decade, Civic Economics and others have produced a series of studies quantifying the economic and community benefits of independent retail and service providers. The essential finding of these studies, that locally-owned and independent businesses recirculate substantially more money within the local economy than do their chain competitors, has entered the mainstream of economic and community development.

The Indie City Index is designed to build on that knowledge by providing a benchmark of community performance at the Metropolitan Area level and establishing a database for future research.

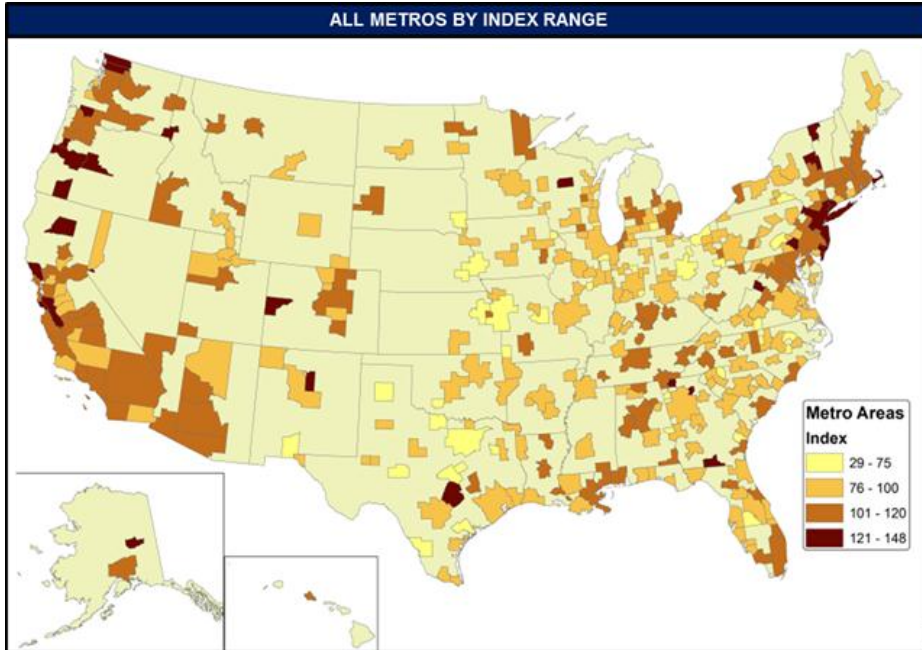
CONSTRUCTING THE INDEX

The goal of the project was to identify those markets with the strongest independent retail sectors, but no single dataset exists that would allow us to directly quantify independent retail sales. As a result, we chose to come at the question from the other side, looking at sales of major chain stores in each market. The idea is that by identifying a substantial portion of retail sales in each market attributable to the major chains, we would develop a gauge of chain store saturation. The flip side of that gauge, then, provides a strong indication of the relative market share of local, independent retailers.

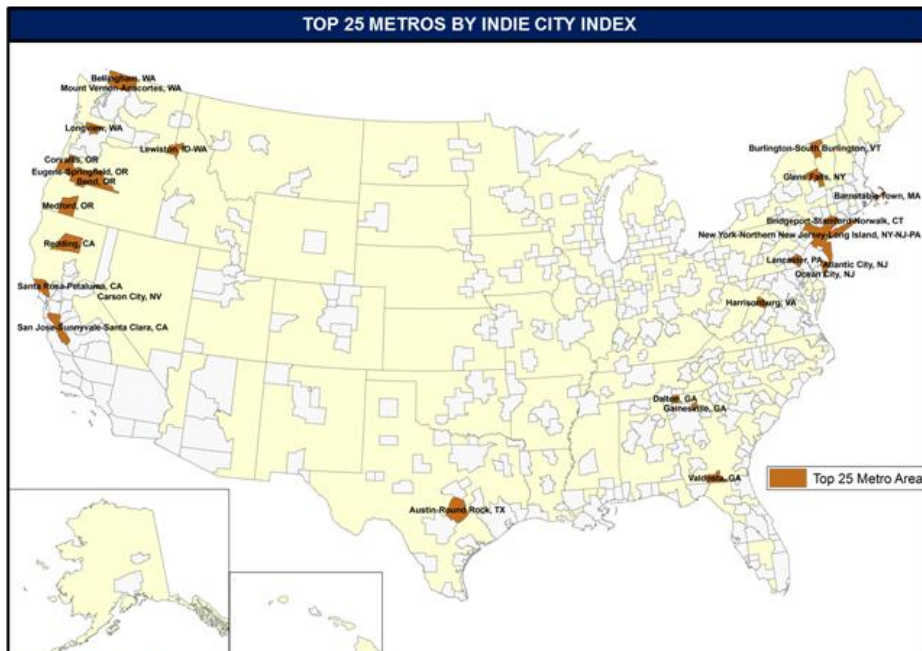
The study uses the Metropolitan Statistical Area as its base. The MSA represents economically integrated communities and provides a manageable structure with 363 areas to consider. The study uses all storefront retail sectors except automotive and grocery stores. Using data from OneSource, Civic Economics mapped the locations and estimated sales of every outlet, more than 120,000, for every retailer with more than \$1 billion in annual sales. Sales totals were then matched with estimates from Nielsen Claritas for included sectors by MSA. The Index was constructed from the proportion of local retail sales not captured by the major chains. An Index of 100 represents the national average. Index scores above 100 represent healthier independent retail markets while scores below 100 represent the more chain-dominated markets.

THE INDIE CITY INDEX

Ranked by raw Index scores, strong concentrations are seen on the east and west coasts. However, notable outliers appear throughout the map.



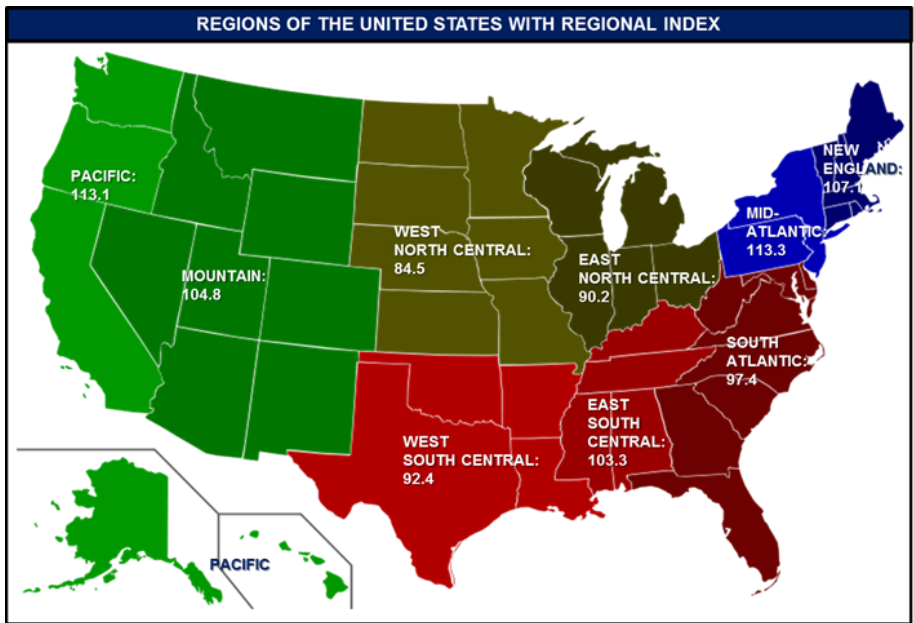
TOP 25 BY INDEX		
National Index: 100		
Rank	MSA	Index
1	Ocean City, NJ	147.7
2	Bellingham, WA	139.5
3	Medford, OR	138.7
4	Carson City, NV	137.1
5	San Jose, CA	137.0
6	Barnstable Town, MA	135.6
7	Austin, TX	134.2
8	Dalton, GA	129.9
9	Harrisonburg, VA	129.4
10	Gainesville, GA	129.3
11	Glens Falls, NY	129.3
12	New York, NY-NJ-PA	128.7
13	Lewiston, ID-WA	128.4
14	Santa Rosa, CA	128.3
15	Bridgeport, CT	127.5
16	Eugene, OR	126.4
17	Mount Vernon, WA	126.3
18	Redding, CA	125.1
19	Longview, WA	125.0
20	Corvallis, OR	124.1
21	Bend, OR	124.0
22	Atlantic City, NJ	123.9
23	Burlington, VT	123.6
24	Valdosta, GA	122.7
25	Lancaster, PA	122.4



Source: Civic Economics

Raw Index scores do not tell the whole story, of course. Performance is better judged with communities placed alongside their peers. To do so, Civic Economics grouped MSAs by into five

population categories and nine regional categories. Rankings within those groups highlight communities that rise above their peers.



Source: Civic Economics, United States Census Bureau

National Average Index: 100		
Rank	Region	Index
1	Mid-Atlantic	113.3
2	Pacific	113.1
3	New England	107.1
4	Mountain	104.8
5	East South Central	103.3
6	South Atlantic	97.4
7	West South Central	92.4
8	East North Central	90.2
9	West North Central	84.5

National Average Index: 100		
Rank	Population Range	Index
1	Greater than 3,000,000	108.0
2	1,000,000 to 3,000,000	98.2
3	500,000 to 1,000,000	97.3
4	250,000 to 500,000	83.9
5	50,000 to 250,000	96.0
6	Non-metropolitan	87.0

To Civic Economics, the top performing metropolitan areas are those that rise above peers in both population class and region. The following communities achieve top 10 rankings in both classifications and, thus, merit special notice:

MSAs ranked in the Top 10 for both Region and Population (Ranks added for Pts.)							
Rank	MSA	Index	Pts.	Rank	MSA	Index	Pts.
1	Ocean City, NJ	147.7	2	17	Tucson, AZ	116.3	9
2	Bellingham, WA	139.5	3	21	Nashville-Davidson-Murfreesboro-Franklin, TN	114.1	9
	Austin-Round Rock, TX	134.2	3		Gainesville, GA	129.3	11
5	Bridgeport-Stamford-Norwalk, CT	127.5	3	26	Glens Falls, NY	129.3	11
	San Jose-Sunnyvale-Santa Clara, CA	137.0	4		Greeley, CO	117.6	11
7	New York-Northern New Jersey-Long Island, NY-NJ-P.	128.7	4	27	Holland-Grand Haven, MI	117.1	11
	Medford, OR	138.7	5		Huntsville, AL	114.7	11
10	Carson City, NV	137.1	5	28	Lewiston, ID-WA	128.4	12
	Santa Rosa-Petaluma, CA	128.3	5		Louisville/Jefferson County, KY-IN	109.6	13
12	Barnstable Town, MA	135.6	6	29	Naples-Marco Island, FL	116.5	14
	New Orleans-Metairie-Kenner, LA	114.6	6		Springfield, MA	108.7	15
16	Dalton, GA	129.9	7	30	Miami-Fort Lauderdale-Pompano Beach, FL	108.9	16
	Eugene-Springfield, OR	126.4	7		Boston-Cambridge-Quincy, MA-NH	105.6	16
17	Atlantic City, NJ	123.9	7	32	Asheville, NC	113.8	17
	Lancaster, PA	122.4	7		Charleston-North Charleston, SC	109.8	17
35	Portland-South Portland-Biddeford, ME	113.1	8	36	Albany-Schenectady-Troy, NY	108.9	17
	Harrisonburg, VA	129.4	9		Providence-New Bedford-Fall River, RI-MA	105.4	19
	Poughkeepsie-Newburgh-Middletown, NY	117.6	9		Detroit-Warren-Livonia, MI	105.3	20

THE INDEX IN CONTEXT

Consumer Choice: Local independent businesses enhance the identity of a community. They create a sense of place that a series of endlessly replicated chain stores cannot match. One of the great draws of these businesses is a choice of goods far exceeding the increasingly narrow choices provided by national chains. The Indie City Index, viewed in this light, is more than a list of cool cities, more than a list of communities that benefit from the economic impact of independents. It is a list of cities in which the consumer truly is king.

Drawing Correlations: While it is too soon to draw hard and fast conclusions, the immediate takeaway from the Indie City Index is that communities are strengthened by a vibrant indie retail sector, and no variable appears to prevent a given community from building a strong independent retail sector and enjoying the economic benefits the independents bring.

Regional and population group rankings tell us much, but Civic Economics also collected additional data that might shed light on the characteristics of communities at the top and bottom of the Index. A number of variables are aligned with the Index, and we have highlighted a few. In the coming months, additional correlations and compatible datasets may come to our attention, so the variables provided below should be viewed as an initial pass at the challenge. The Data Appendix includes charts for these variables broken out by population groups, as well.

In general, Index scores rise with total population and population density. More compellingly, Index scores rise with purely economic indicators of attractiveness, media home values and cost of living. Index scores also rise with indicators of educational and cultural achievement.

Localizing the Index: Localized Index analysis, measuring the health of the independent retail sector within MSAs by county, municipality, or sub-market area, will provide local policymakers with a detailed understanding of the dynamics of the regional marketplace. We believe such analysis would illustrate the economic and community benefits of independent businesses as well as the policy choices that help them thrive. Going forward, Civic Economics and the ABA are asking that interested community or government organizations around the nation contact us to discuss the possibility of developing a local analysis. For more information, please contact Civic Economics.

Putting the Index to Work: These rankings and the accompanying data are intended to motivate communities and inspire additional research. Every community can benefit from educating policymakers and residents about the benefits of a healthy independent retail sector. Whether your community appears among the leaders or in the lower ranks of the Indie City Index, we hope it provides an opportunity for building a healthy community, with the consumer choice and economic vitality that independents bring.



For more information:

Download study documents at:

www.IndieCityIndex.com

Dan Houston, Civic Economics

512.853.9044

dhouston@civiceconomics.com

Meg Smith, American Booksellers Association

800.637.0037 x6641

meg@bookweb.org