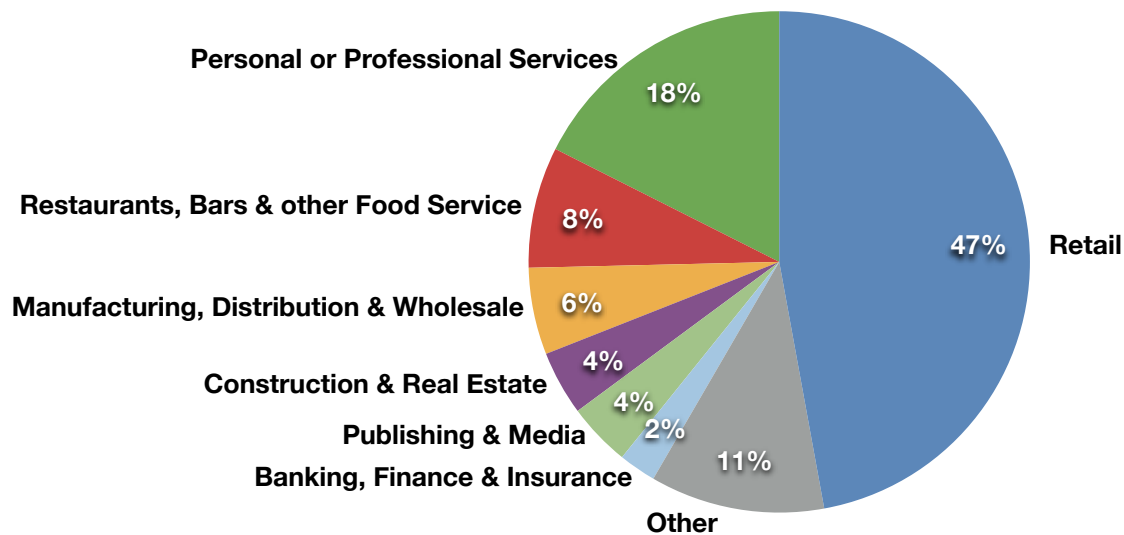


2011 Independent Business Survey

The 2011 Independent Business Survey was conducted by the Institute for Local Self-Reliance, a nonprofit research and educational organization, in partnership with dozens of national and local business organizations, including the American Booksellers Association, Alliance of Independent Media Stores, American Independent Business Alliance, American Specialty Toy Retailing Association, Business Alliance for Local Living Economies, National Bicycle Dealers Association, and TriMega Purchasing Association.

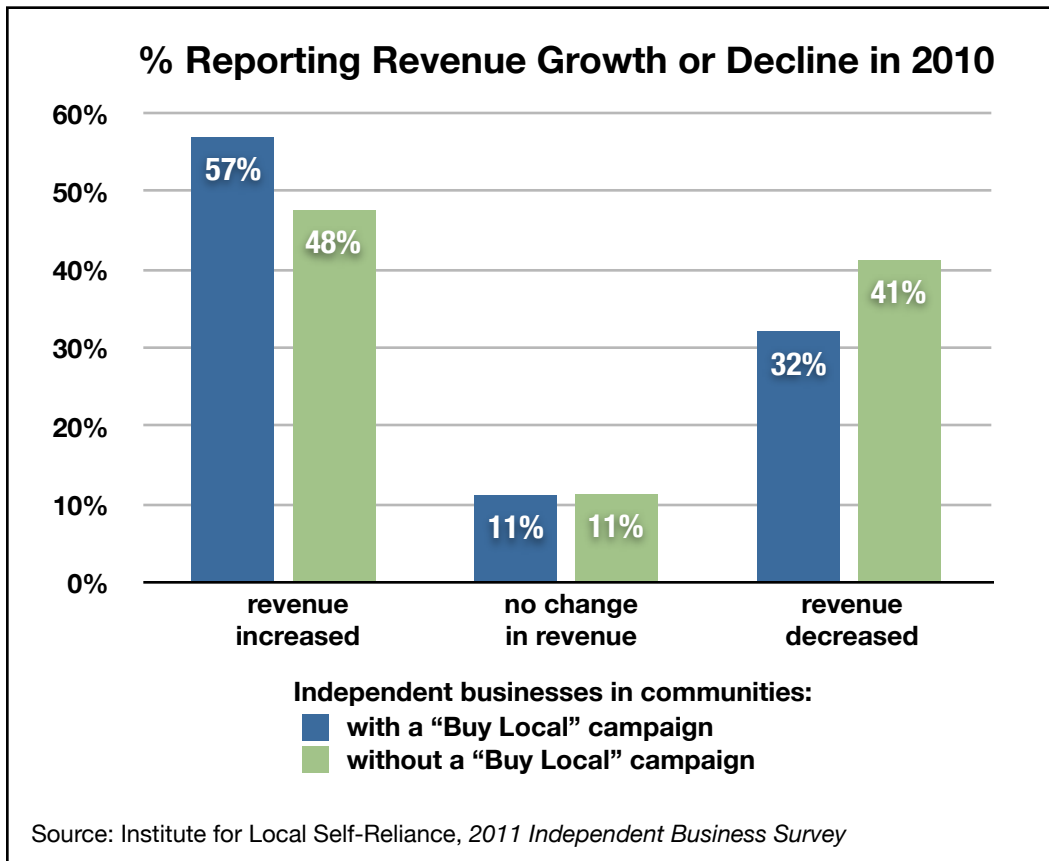
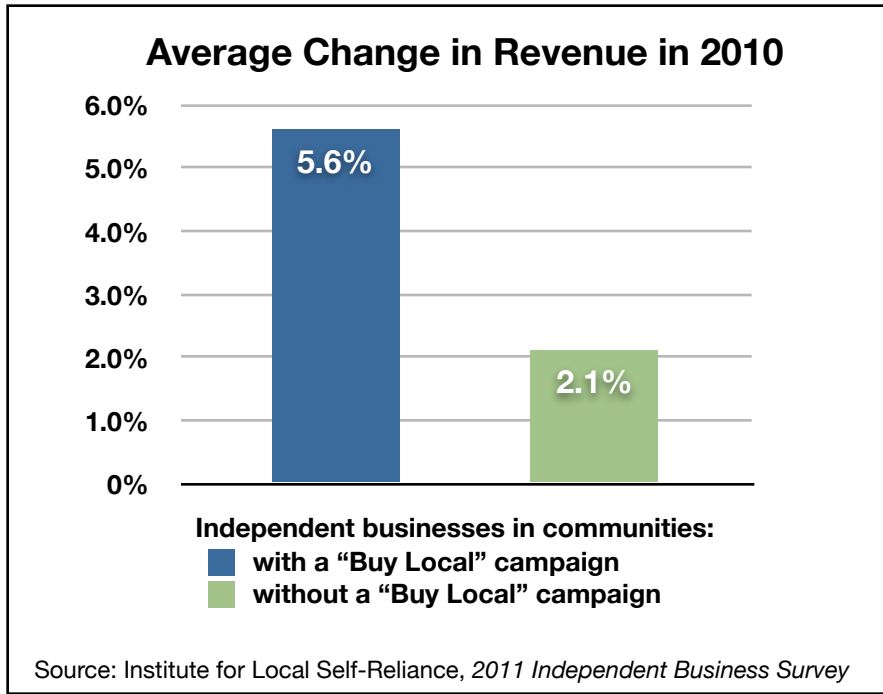
The survey gathered data from 2,768 independent, locally owned businesses during an 8-day period in January. The respondents were located in all 50 states and included a range of business types:



Findings: The Impact of "Buy Local" and "Local First" Initiatives

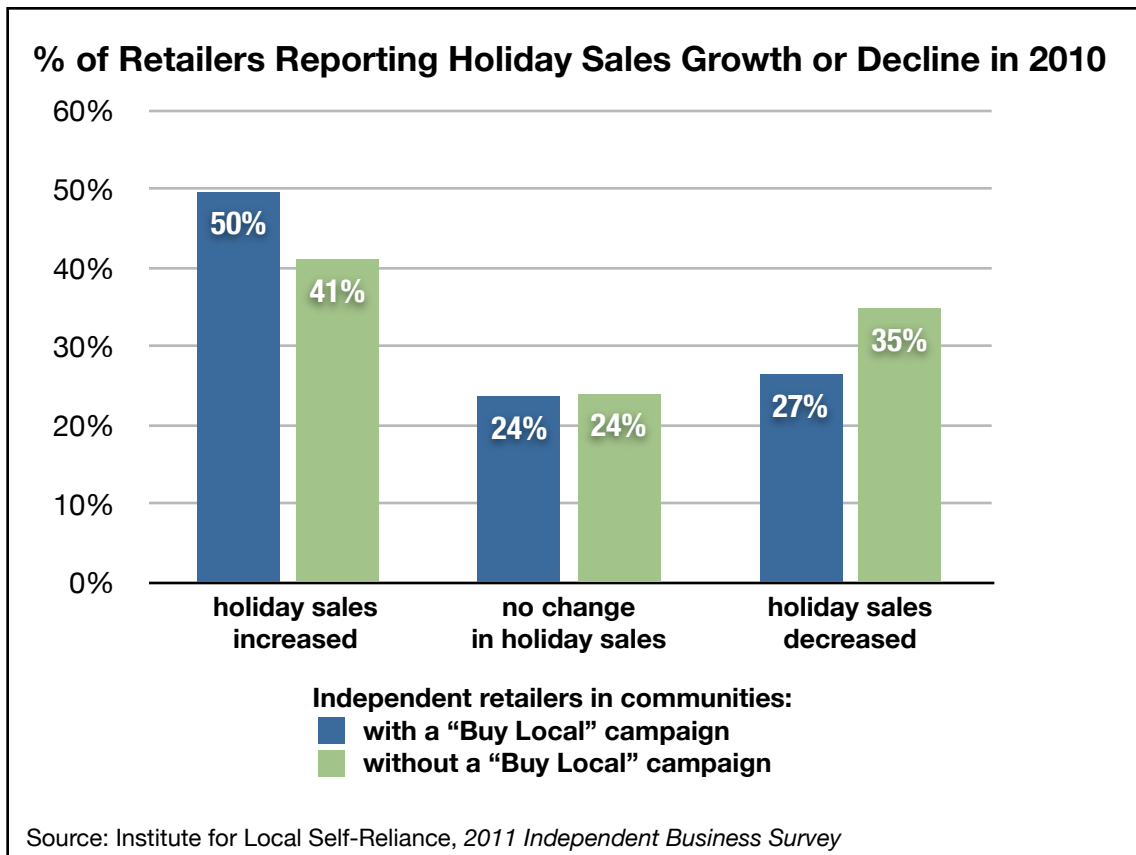
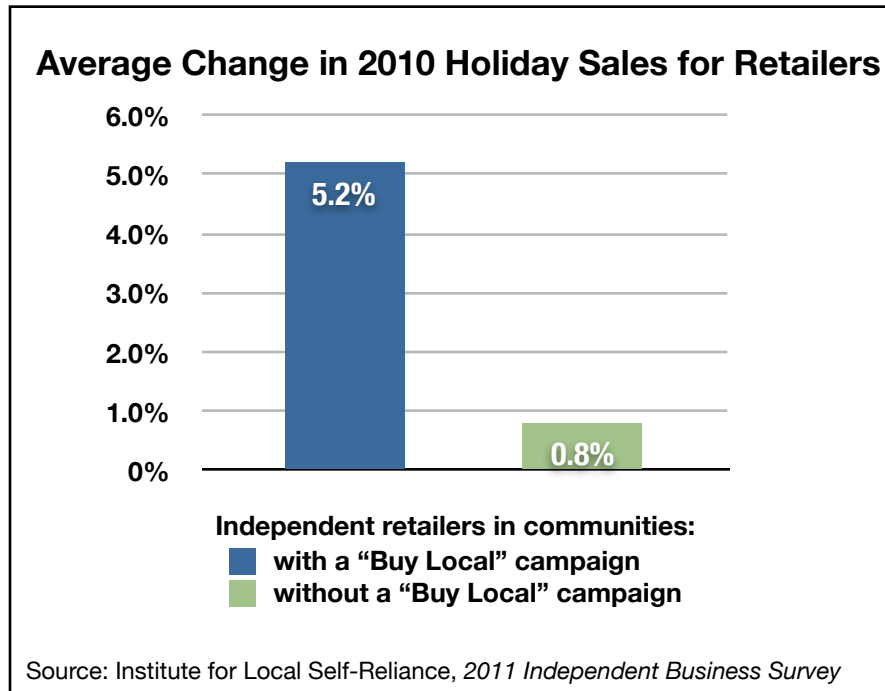
Although the data suggest that independent businesses continue to be challenged by the weak economy, the survey found that those located in communities that have an active "buy local" campaign operated by a local business organization, such as an Independent Business Alliance or a Local First group,¹ experienced markedly stronger revenue growth in 2010 compared to those in areas without such an initiative. Independent businesses in places with a "buy local" initiative, which comprised about half of the respondents, reported an average gain in revenue of 5.6%, compared to 2.1% for those elsewhere.

¹ There are approximately 140 of these organizations, which collectively have an estimated 40,000 independent businesses as members. Most of these local groups are affiliated with one of two national organizations, the American Independent Business Alliance (AMIBA) or the Business Alliance for Local Living Economies (BALLE).



2011 Independent Business Survey

Among independent retailers, which accounted for about half of the survey respondents, there was a similar disparity in how well they did over the holidays, with those in cities with active "buy local" initiatives reporting significantly higher sales gains on average than those in cities without such an initiative.

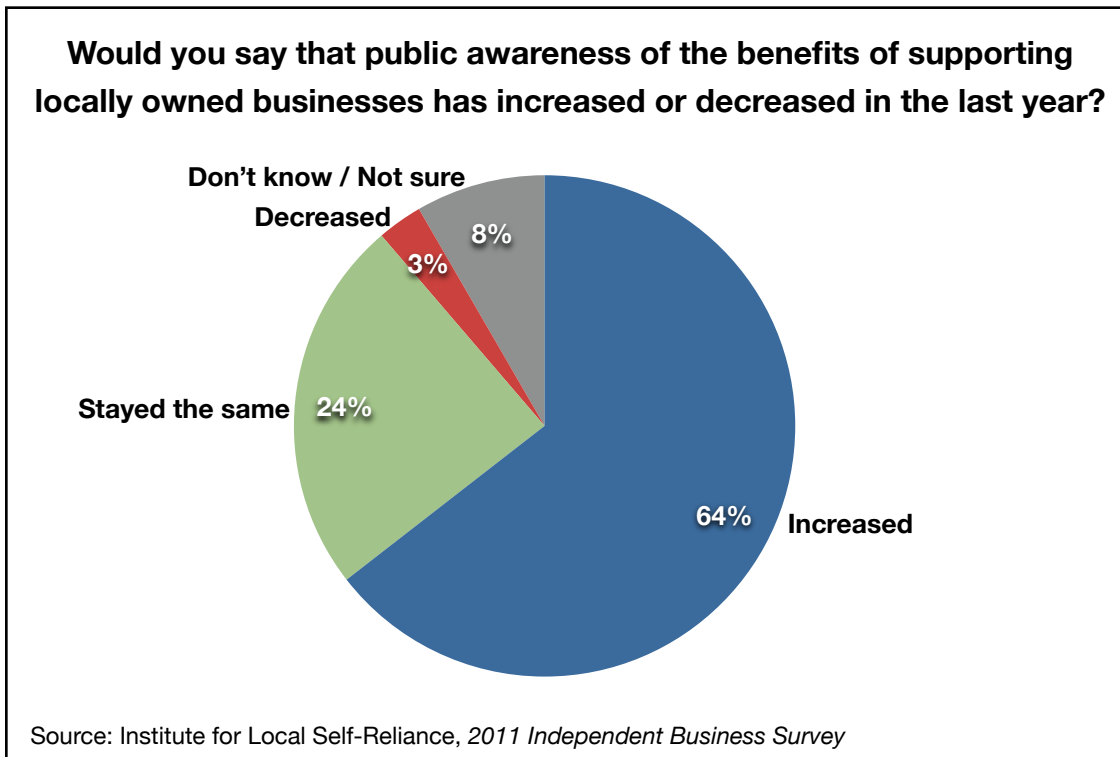


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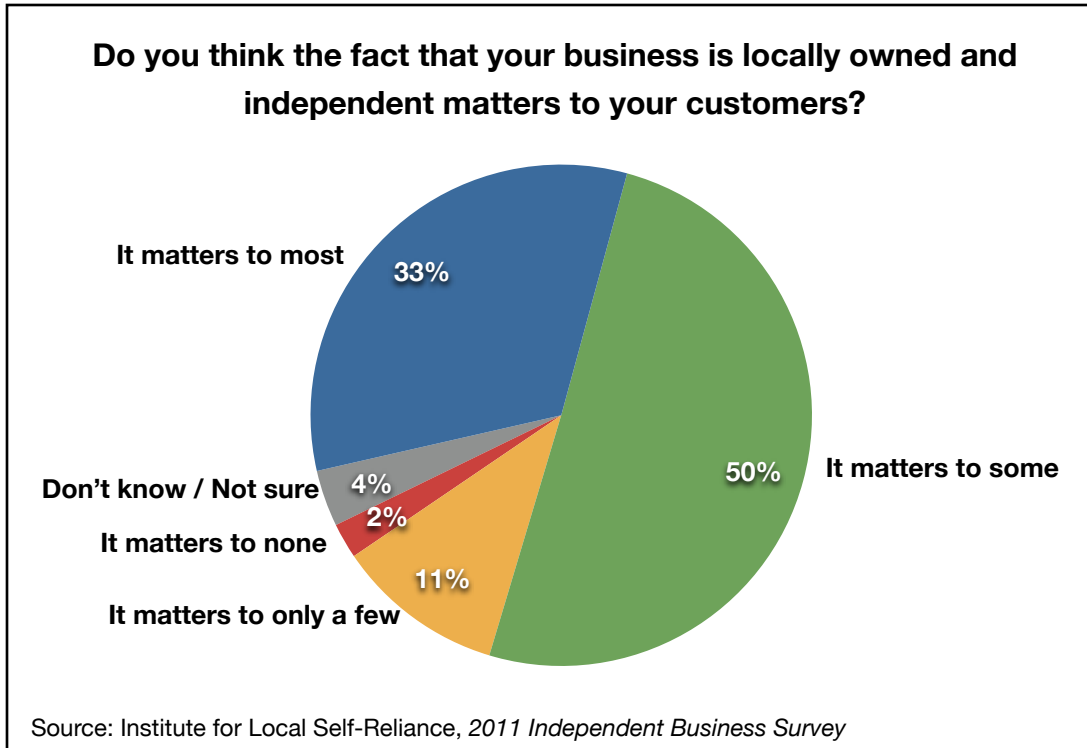
Businesses in cities with an active "buy local" campaign operated by a local business organization, such as an Independent Business Alliance or a Local First group, were asked what impacts they had experienced as a result of the initiative:

- 55% said the campaign had improved the loyalty of their existing customers
- 47% said it had brought new customers to their businesses
- 68% reported that the campaign had increased local media coverage of independent businesses
- 51% said it had made city officials more aware and supportive of independent businesses
- 49% said it had led to more collaboration, purchasing, and mutual support among local businesses

The survey's findings suggest that more people are aware of and seeking out independent businesses. Nearly two-thirds of respondents said that public awareness of the benefits of supporting locally owned businesses had increased in the last year, while 24% said it had stayed the same and only 3% said it had decreased.



Likewise, 83% of respondents said the fact that their business is locally owned and independent matters to some or most of their customers, while 11% said it mattered to a few of their customers and only 2% said that it was irrelevant to customers.



More than 500 of the survey's respondents volunteered comments as part of the survey. Many of these comments touched on three key concerns of independent businesses: the weak economy, the growth of online shopping, and government policies that favor their competitors, such as rules exempting large online sellers from having to collect state and local sales taxes, as local retailers must.

Yet businesses active in "buy local" and "local first" initiatives repeatedly cited these efforts as making a difference in their survival and success. "The buy local campaign in our area [run by the Asheville Grown Business Alliance] is only a year old, but in that year we've noticed a significant change in people's attitudes towards locally owned and independent businesses. People are shifting their spending habits and are focused on keeping Asheville unique and thriving," reported a clothing retailer in Asheville, North Carolina. "When we stress to new clients that we are a local business, this has a definite positive impact," said a pharmacist in Kalamazoo, Michigan. "It seems in these tougher times, some of our customers are concerned about losing small independent business like ours and are even more supportive," noted an office supply retailer in Bellingham, Washington, where a local business group, Sustainable Connections, has been running a very visible "buy local" campaign.

This public support is relatively new and growing, according to many of the comments. "There does seem to be a steady increase in the number of folks who express an interest in buying local," explained a grocer

2011 Independent Business Survey

in Rollinsford, New Hampshire, who is a member of Seacoast Local. "It is abundantly clear to me that a greater percentage of the public is attuned to the value of supporting local independents compared to just a couple years ago," said a business owner in Tucson who belongs to Arizona Local First. "I think people are starting to understand that locally owned businesses are the ones who invest locally and care about their neighbors," explained a business owner in St Paul, Minnesota, where the Metro Independent Business Alliance has been encouraging people to choose locally owned businesses.

Results from Previous Surveys

This is the fourth year that the Independent Business Survey has been conducted.² Previous surveys were somewhat narrower, focusing primarily on retailers and holiday spending, but the findings of all four have been remarkably similar, with independent businesses in communities with active "buy local" initiatives reporting stronger sales growth than those in cities without such campaigns, and large majorities identifying independent, local ownership as something increasingly on the minds of consumers.

² Results from previous surveys can be found on the Institute for Local Self-Reliance's New Rules Project web site at <http://www.newrules.org/retail/news/holiday-sales-increase-independent-businesses-national-survey-finds>