

Mayor's Column
May 16, 2017

The Village's campaign to shop close to home is so much more than a feel-good, its-worth-paying-more-for-local matter. Researchers who study how money flows are demonstrating a profound economic impact of keeping money local. One researcher analogizes money to blood -- "it needs to keep moving to keep the economy healthy". When money is spent out of the local sphere -- at big box stores and online retailers, "it flows out like a wound."

Local shopping also produces a multiplier effect as revenue earned by a small store recirculates to their employees, often local residents, area advertisers, attorneys, graphic designers, local printers, payroll services, donations to local charities, accountants, restaurants and fellow local suppliers.

A study done for the city of Austin, Texas demonstrated that an independent bookseller (Book People) and music store (Water 100 Records) returned more than three times as much money to the local economy as the proposed Borders Books Music Outlet World. On average nationally, 47% of each sale at a locally owned independent business was recirculated locally compared to less than 14% of a purchase at a chain store.

By shopping at the neighborhood store, we can ensure that our Village doesn't become a "ghost town" or almost equally bad a "clone town" where "Main Street" looks like every other Main Street with the same fast food and chain stores. As some people are dubbing communities like these throughout the county part of the "United States of Generica."

Local and small businesses also account for more than 70% of the jobs in the United States.

Continuing on the economic front, the sales tax revenue generated by local businesses is key to the success/stabilization of every municipal budget nationwide. Fully one-third of all state revenues, totaling over \$150 billion annually, comes from the collection of a sales tax.

Because of the increase in non-taxed internet purchasing, the State of Massachusetts estimates they "lose" \$335 million yearly in sales tax revenue and California pegs its "losses" at over \$1 billion annually.

Bottom line, if you shop online versus on Pondfield Road or Palmer Avenue, the sales tax savings you reap will eventually come home to roost in the form of higher local property taxes and/or a decrease in municipal services. In contrast, a purchase made in the Village sends money directly back to our school and Village government and sends a message that you are investing in the future of our small village and all that it adds to your quality of life.

In addition, it has been conclusively proven that home values are directly affected by the condition and vitality of one's local business district. The nexus between the value of often our greatest personal asset and local commerce is indisputable.

In addition to direct financial benefits, studies have also proven:

- Independent stores consistently beat their large competitors in overall customer satisfaction
- They foster a human connection, even friendships between merchant and customers, which fulfill a basic human need.
- The environment is positively affected – people walk more, less gas is consumed and the air quality is bettered.
- Even our personal health is enhanced – those who can buy goods on foot near their homes have less incidences of obesity and diabetes.
- Small businesses donate more than twice as much per sales dollar to local non-profits, events and teams, compared to big companies.
- Local small size businesses are also regulated; i.e. signage, awnings, sidewalk conditions, by local residents who then have a say as to their surrounding environment and aesthetics.
- Research proves that citizens are attracted –often the more skilled workers and entrepreneurs – and more likely to settle in communities that preserve their unique and varied character.
- Children are offered an appropriate degree of independence when allowed to walk for school supplies or an after school treat.

As champions of “Buy Local”, we realize it is not possible to purchase everything you need locally; we just ask you to think locally first. Investing in Bronxville is so much more important than driving out of town to “save” a few dollars.

Net-Net - Research has conclusively affirmed what we already know – small scale locally owned businesses create communities that are more prosperous, entrepreneurial, connected and generally better off on a wide range of metrics.