**Indie Fact Sheet**

***A strong Main Street is crucial to ensure a community is unique, vibrant, and economically thriving. As we discuss the best way to move forward regarding minimum wage, here are some things you may or may not know about indies:***

* A study by the research organization Civic Economics shows that independent retailers returned more than three times as much money to the local economy as do chain stores.
* Most local retailers operate on very small margins. Many successful indie bookstores, for example, will generally see a net profit of approximately two percent. With margins this tight, it is important to understand that a small change can have a big effect on profitability.
* Like any retailer, indies’ price flexibility is limited by their market competition, including out-of-state, online retailers, which requires them to keep their prices competitive. Coupled with this, a growing number of states and communities around the country are offering Amazon huge tax breaks to open in the state, meaning that indies not only have to keep prices low to compete but, also, that their tax dollars are being used essentially to subsidize their key competition. In some states, remote retailers are allowed to skirt sales tax laws, thereby enticing our local consumers to buy online thinking it is tax-free shopping.
* Many indies pay more than the current minimum wage already for senior and full-time staff. They do this because offering superior customer service is one of their competitive
advantages – it is what separates them from their chain and remote, online retailing competitors. This also helps indies retain and attract good employees.
* If the minimum wage is raised, it inevitably means indies will have to increase the wages of senior and full-time staff, in addition to increasing the wages of any minimum-wage workers. This increases the ripple effect. A seemingly “insignificant” wage increase can have a dramatic effect on the bottom line, sending a profitable store into the red.
* A small indie has a much better chance of accommodating a gradual wage increase that occurs over a few years, than a drastic wage increase that occurs in one.

## *It’s essential that a carefully planned minimum wage increase be implemented in conjunction with concrete steps to support independent Main Street businesses. How? Here are some suggestions on how to support Main Street:*

* Organize and sponsor events highlighting the importance of shopping locally (e.g. a Shop Local Day)
* Provide tax or other incentives for landlords to rent space to local retailers
* Reduce fees and/or taxes for indie retailers to help them pay employees a higher wage
* Do not provide large, out-of-state retailers with subsidies or tax breaks, thereby putting indie retailers at a distinct competitive disadvantage