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THINKING OUTSIDE THE BOX:

A Report on Independent Merchants
and the New Orleans Economy

October 13, 2009

The Study

- 15 Magazine Street area businesses
- 40,000 square feet (27,000 sf retail)
- 4 lines of goods
 - Consumables & commodities
 - Electronics, entertainment, sporting goods, toys
 - Apparel & accessories
 - Home furnishings & decor

The Study (cont'd)

Quantify dollars retained locally for:

- Profit
- Labor
- Goods
- Services
- Charity

*Based on 2008 revenues and expenditures

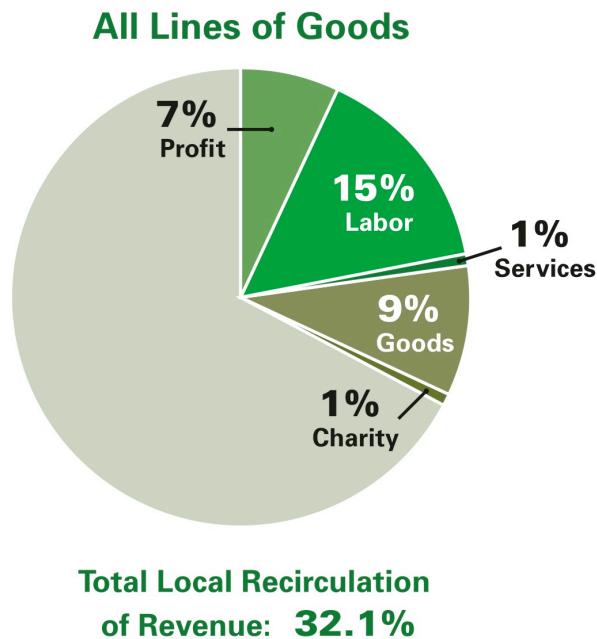
The Findings

Local retailers, when compared to leading chain competitors:

- Generate twice the annual sales
- Recirculate revenue within the local economy at twice the rate
- Have 4 times the economic impact on a per square foot basis

Local Recirculation of Revenue

Local Recirculation of Revenue:
Independent Merchants in the New Orleans Economy



Source: Survey of Magazine Corridor Merchants

- Total recirculation of revenue for SuperTarget = 16% in wages.
- Local businesses return dollars to the New Orleans economy at approximately twice that rate: 32%.
- Local businesses source 10% of their goods and services locally.

Land Use: Car vs. Community

Shopping Local Provides Greater Return to New Orleans Economy

Average Target store

Size: 179,000 square feet

Sales: \$282.51 per square foot

Revenue: \$50 million

Recirculation: \$45 per square foot.

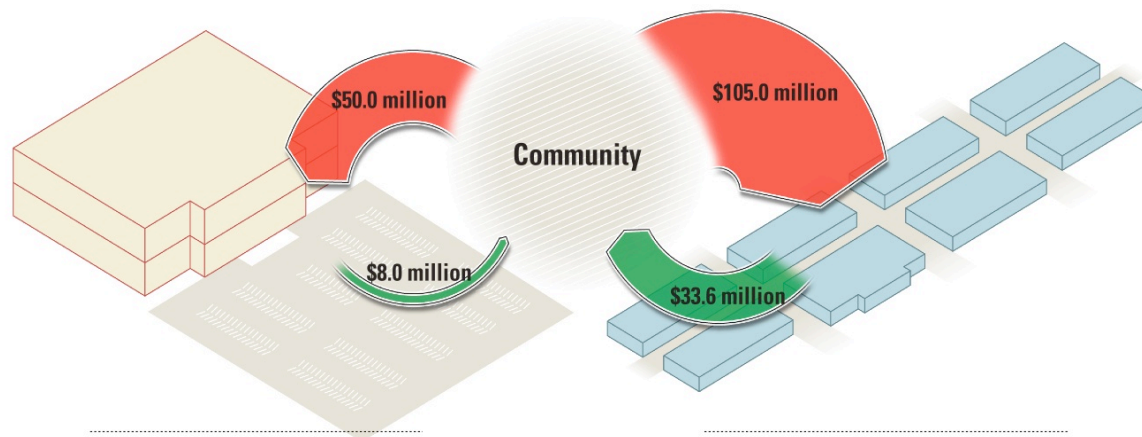
Local merchants

Size: Similar comparison to average Target

Sales: \$587 per square foot*

Revenue: \$105 million*

Local recirculation: \$188 per square foot†



Parking: Roughly 300,000 square feet – nearly seven acres in a surface lot configuration

Parking: Mostly on-street and other existing

*Sales data from participating businesses in survey.

† Recirculation to community of wages, profits, procurement of goods and services, and charitable giving

10% shift in consumer spending =

\$60 Million for Orleans Parish

\$235 Million for Greater New Orleans

Policy Recommendations

Increase local business growth and retention through:

- Investment in traditional commercial corridors
- Procurement policies
- Risk mitigation
- Responsive city government



Commercial Development Considerations:

How will new developments affect existing and future investment?

Will short-term gains be offset by long-term losses in future local business growth and job creation?

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