

Homegrown Economics

In Boulder, local businesses stay ahead of the chains

BY STACY MITCHELL
ORION AFIELD

If you visit Boulder, Colorado, you can't miss it. It's displayed on the door or window of nearly every locally owned business in town: the Mountain Sun Pub & Brewery on Pearl Street, Heritage Bank on Ninth, Albums on the Hill. Stop for coffee at Sidney's Cafe and it'll be on the side of your cup. At the Boulder Book Store you'll

find it on the complimentary bookmarks. Open up the *Boulder Weekly* and you'll see it in advertisements for local video and music stores.

This widely visible symbol—two arrows circling into each other, much like the mark on a recyclable container—is the logo for the Boulder Independent Business Alliance

CARREL ZUCKER

Plotting the overthrow of the franchised world. Bookstore owner David Bolduc (right) and political organizer Jeff Milchen strategize on how to preserve hometown businesses in Boulder, Colorado, and around the country.

(BIBA), a pioneering coalition of nearly 150 locally owned businesses determined to defend the city's home-grown economy from takeover by out-of-town chains. Like everything BIBA does, the logo conveys an important lesson in community economics: Compared to their chain competitors, locally owned businesses recycle a higher percentage of their revenue and profits back into the local economy.

BIBA's primary mission is to make the "local or chain?" choice a significant consideration for Boulder residents. Recent national trends provide a sobering picture of what BIBA is up against. Since 1990 more than 13,000 locally owned pharmacies have closed. The market share of independent bookstores has fallen from 58 percent in 1972 to just 15 percent today. Local hardware dealers are disappearing too. Home Depot and Lowe's have captured one-third of that market. Five companies account for about 42 percent of all grocery sales. Blockbuster Video rents one of every three videos nationwide. A single corporation, Wal-Mart, now captures 7 percent of all consumer retail spending.

Preventing Boulder from succumbing to these trends has long been a concern of David Bolduc, owner of the 29-year-old Boulder Book Store, which occupies a four-story building in the heart of downtown. "I wanted to develop a way to inform people of the differences between chain stores and independents," he says. Local businesses are owned by people who live in the community and are invested in its future. Their kids attend local schools. Their tax dollars pay for local services. They are often actively involved in civic and cultural organizations. By doing business with our

neighbors, Bolduc believes, we build a web of personal and economic relationships that are essential to a strong community.

Bolduc raised the idea of an alliance with other local merchants several times, but the demands of running their businesses got in the way of getting anything started. Then, in 1997, Bolduc met Jeff Milchen, a community activist and founder of ReclaimDemocracy.org, a national organization that promotes grassroots democracy and works to restore democratic authority over corporations. Working together to outline their goals, Bolduc and Milchen persuaded 10 local businesses to become founding members and incorporated the Boulder Independent Business Alliance in early 1998.

The organization now has 143 members and boasts a renewal rate of nearly 90 percent. A wide variety of businesses have joined, from McGuckin Hardware to the nonprofit Boulder Community Hospital, which employs more than 2,000. Membership is open to any business that is majority owned by area residents and keeps decision-making authority local. Annual membership fees start at \$200 for businesses with fewer than six employees and increase to \$400 and up for those employing at least 20. It is run by three full-time staff members and four interns.

The immediate membership benefits include the popular window decals featuring the BIBA logo, reduced advertising rates with local media, and a bumper sticker—*Put Your Money Where Your House Is!* The group has also developed marketing tools for specific business sectors, including bookmarks listing nearly two dozen locally owned book, music, and video stores and BIBA coffee cups used at eight local cafés. Perhaps most useful is *The BIBA Guide*, a semi-annual directory of locally owned alternatives to chain shopping.

A recent innovation, the Community Benefit Card, assures that resi-



For information on promoting locally owned businesses in your town contact the American Independent Business Alliance, 1510 5th St., Boulder, CO 80302; 303/402-1575; info@AMIBA.net.

The Boulder Independent Business Alliance at: 1202 Folsom, Boulder, CO 80302; 720/565-3854; biba@boulder.iba.org; www.boulder-iba.org.

dents need not have to choose between supporting local business and getting the best deal. Available for \$15—less than a membership at a warehouse buying club—the card provides discounts at more than 70 member businesses. Cards can be bought at local stores or from several nonprofit groups, which keep part of the proceeds. Other new ideas in development include gift certificates, a pooled health insurance program for local businesses and their employees, a local business investment fund to serve as an alternative to stock market funds, and even a local currency.

While these efforts have raised local awareness around Boulder, Milchen says “voting with your dollars” has limits. “Chains have used their economic and political power to stack the deck,” he contends, noting that many public policies—tax breaks


for big retailers, land-use rules that favor sprawling developments over central business districts, and lax enforcement of antitrust laws—give large corporations unwarranted advantages over local businesses.

To reverse these trends, communities must adopt rules that support, rather than undermine, the homegrown economy. Two years ago BIBA introduced the Community Vitality Act (CVA), a package of four proposed ordinances drafted with the help of the Institute for Local Self-Reliance’s New Rules Project, a national effort based in Minneapolis to promote policies that build strong, sustainable local economies. The CVA would require the city to give preference to locally owned businesses for its purchases and contracts; prohibit the leasing of city-owned property to non-

local businesses; limit the number of “formula” businesses (chains) that could locate in Boulder; and establish a public review process for approving new big retail stores.

An unprecedented number of people contacted the city council about the controversial proposal,

with supporters far outnumbering opponents. Several debates were widely attended and broadcast on local television. “The CVA clearly touched a chord with the community,” says Boulder Mayor Will Toor. The proposal, however, continues to be debated by city officials. But even if the CVA never passes, says David Bolduc, it was well worth the effort for the public conversation it generated. Milchen says the CVA debate “vastly increased the number of people familiar with the association and generated serious thinking about the difference between acting as an engaged citizen and merely being a consumer.”

 Discuss local economics in the **WorkMoney** forum at Café Utne: cafe.utne.com

How to Save Hometown Businesses

1. Shift as much of your spending as you can to locally owned businesses. Don't assume that this will mean paying more. Many independents offer “frequent buyer” discounts, and some will match a competitor's price if you ask.
2. Educate your friends and neighbors. Most people don't realize how shopping at independent stores can benefit their community. Write letters to the editor. Organize an educational event or demonstration in a busy part of town or in front of a prominent chain store.
3. Encourage local nonprofits and community groups to turn concern for locally owned businesses into part of their mission. Such organizations have an inherent interest in maintaining local businesses and vibrant downtowns.
4. Talk with local business owners. Find out what their challenges are and how the community can support them.
5. Organize against any sprawling corporate retail developments planned for your community. For help and information, contact Sprawl-Busters at www.sprawl-busters.com.
6. Advocate for new rules. To ensure the long-term survival of community-based enterprises we'll have to rewrite public policy, particularly planning and zoning ordinances, so that they support local businesses, not large corporations.

—Stacy Mitchell

Boulder's chain stores may not be dropping in number, but they are taking more heat. In December 2000, in an event unconnected to BIBA, 60 protesters against corporate-driven globalization marched on Borders Books and Starbucks. Protesters have haunted Borders for several months, and, by some accounts, the store is struggling.

Meanwhile, Mayor Toor believes that BIBA has made city officials more aware of how their decisions affect local businesses. The city is now examining zoning changes to help ensure that affordable commercial space remains available for local entrepreneurs.

Nearly a dozen other communities are now forming independent business alliances, some in response to Boulder's success. A new Salt Lake City alliance helped block plans for a sprawling shopping center. In Vermont, general store owners are forming an alliance for joint purchasing and marketing. In Tucson, local restaurants have teamed up to lower purchasing costs and to raise awareness of their value to the city's sense

of place. Hoping to nurture this new movement, Milchen recently launched the American Independent Business Alliance, a national network for supporting local coalitions.

Trends for local businesses right now may look dismal. But trends are not destiny. More and more people are acting to protect their communities from global economic consolidation. The Boulder Independent Business Alliance provides an innovative model for strengthening locally owned businesses and building strong, self-reliant communities.

Stacy Mitchell is a researcher with the New Rules Project of the Institute for Local Self-Reliance and author of The Home Town Advantage (ILSR, 2000). She produces an electronic newsletter (available at www.newrules.org) chronicling efforts to support locally owned businesses. Reprinted from the environmental and community action magazine Orion Afield (Autumn 2001). Subscriptions: \$30/yr. (4 issues plus membership in the Orion Society) from 195 Main St., Great Barrington, MA 01230.

Institute for Local Self-Reliance

Stacy Mitchell, author of this article on Boulder's efforts to promote locally owned businesses, is a research associate for the Institute for Local Self-Reliance (ILSR), a Washington, D.C.- and Minneapolis-based non-profit research and educational organization. For nearly 30 years, ILSR has been charting innovative new paths in the areas of energy, agriculture, technology, environmental policy, and locally owned business. With periodicals like *The New Rules* and *The Carbohydrate Economy*, plus books like Mitchell's *The Hometown Advantage* and several e-newsletters, ILSR offers plenty of ammunition for those who want to bolster home-grown businesses. For more information, visit www.ilsr.org. Also see the *Utne Reader* profile of ILSR vice president David Morris (No. 108, Nov./Dec. 2001, pg. 75).

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