



HOME SWEET HOME STUDY

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Independent We Stand

HARDWARE
Retailing


NRHA
North American Retail
Hardware Association

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CIVIC ECONOMICS
CREATIVITY · OPPORTUNITY · PROSPERITY

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Manufacturers' Impact

Showing consumers that shopping local can have an impact on their communities isn't just incumbent on retailers. **Channel partners can also help in the effort.**

STIHL®

Small Business Impact

“Small businesses
account for **65%** of all
new jobs in America.”

Source: U.S. Small Business Administration

Small Business Impact

“Nearly all (94%) U.S. consumers say that shopping at small businesses makes them **“feel good.”**”

Source: American Express Consumer Insights Study

Small Business Impact

“**9.3%** sales increase vs.
4.9% for independent
businesses in places
without such an initiative.”

Source: Institute for Local Self-Reliance

The Purpose

To quantify the local economic impact when consumers concentrate their purchases for a home improvement project through **local, independently owned businesses** versus national home center chains.

The Project

Because a typical home improvement project involves a variety of both goods and services we used a “hypothetical project approach” to this research.

The budget for this hypothetical project was \$10,000, divided as follows:

\$4,000

A Variety of
Hardware
Items

\$1,000

A Specialized
Piece of Power
Equipment

\$2,000

Lumber and
Building
Materials

\$3,000

Professional
Installation
Services

The Merchants

For the purposes of this study, we examined two different kinds of merchants who could provide all of the products and services needed for our “hypothetical project.”

- 1** Locally owned, independent retailers
- 2** Chain big-box home improvement retailers

The Methodology

Has been developed and tested over years of related analyses by Civic Economics, which quantifies the actual proportion of revenue that is re-circulated into the local communities by both chain and independent retailers.

The Methodology

The lions' share of local economic impact generated by businesses is generally attributed to four categories:

1

Labor

2

Profits

3

Procurement

4

**Charitable
Giving**

In this study, Civic Economics examined the local economic impact generated by both independent home improvement retailers and chain retailers within these four categories.

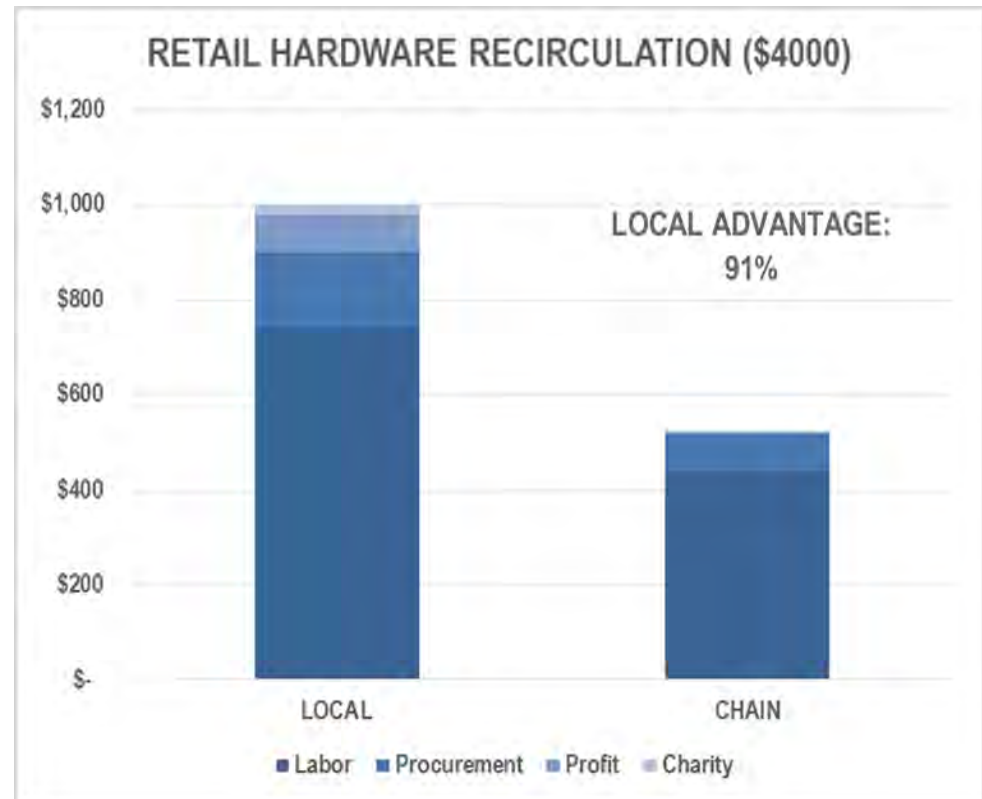
The Results

Based on our findings we used real-world data from study participants to determine what percentage of each dollar spent on the different goods and services for our “hypothetical project” would end up being re-circulated in the local community.

We then compared these figures to the percentage of each dollar that would be re-circulated into the local community if the goods and services were purchased through the national chain home improvement store based on public financial data from the industry’s leading home improvement retailers.

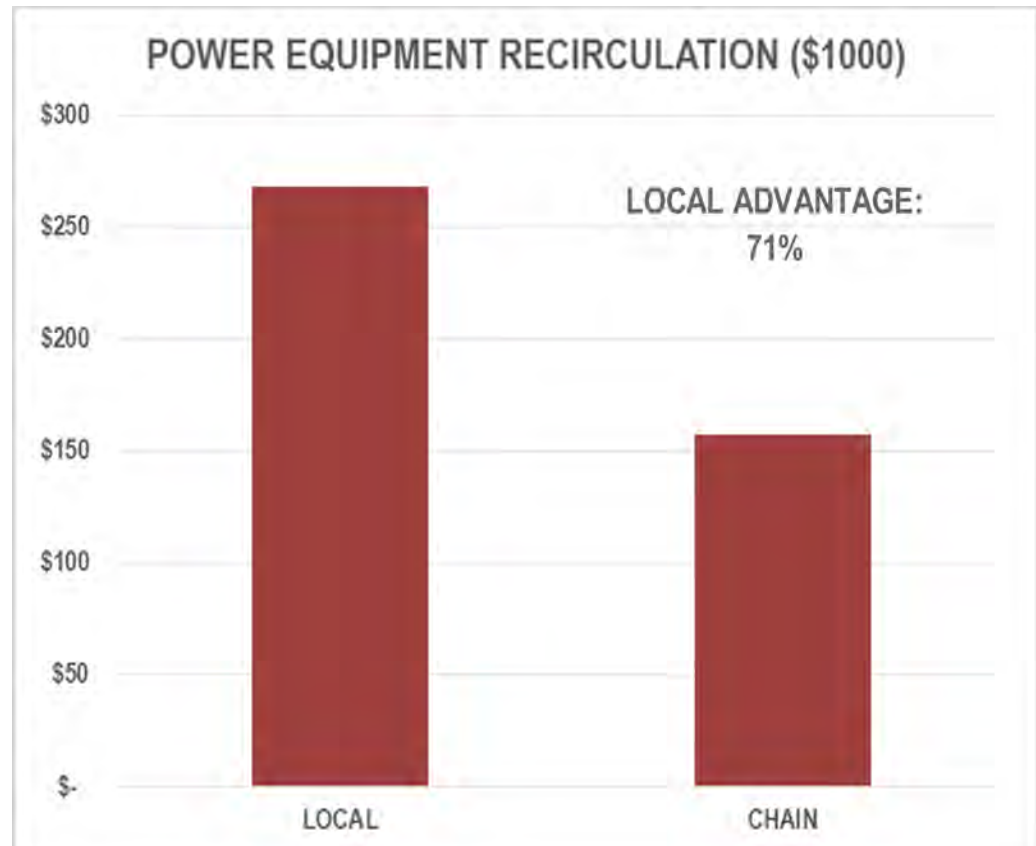
The Results – Hardware Items

Of the \$10,000 project, our homeowner will need \$4,000 of goods purchased from a retail hardware store. These might include fasteners and screws and paints, as well as a host of small purchases to make the job work.



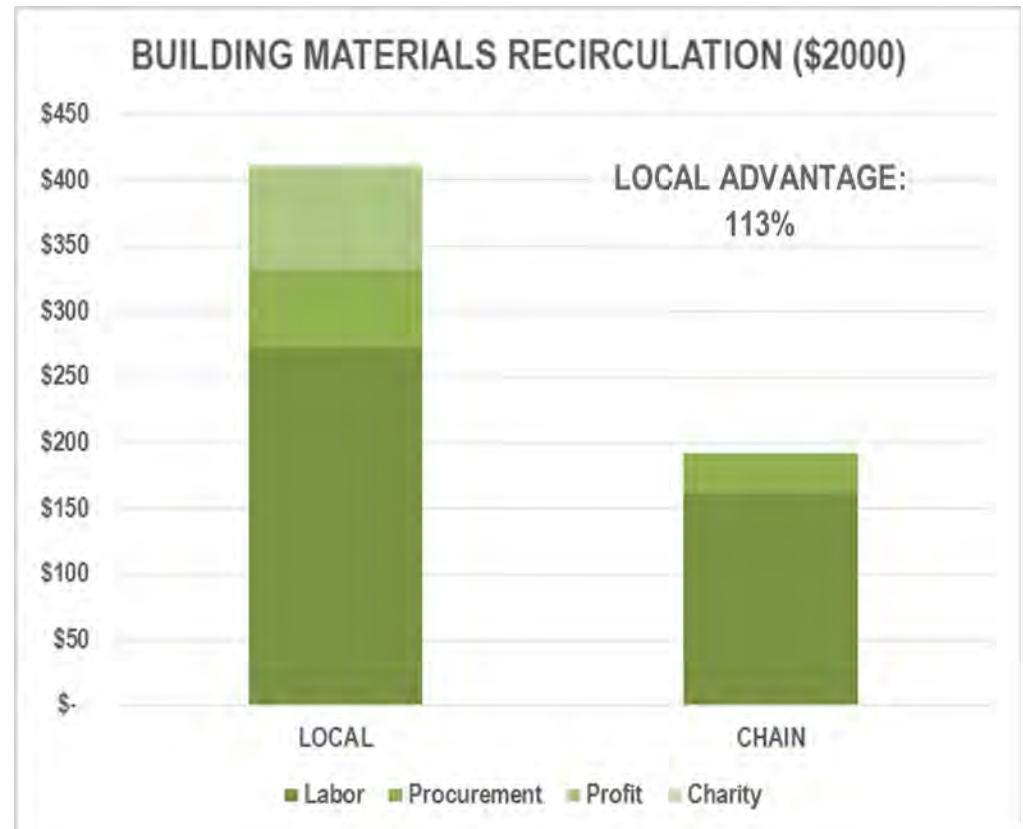
The Results – Power Equipment

Of the \$10,000 project, our homeowner will need to spend \$1,000 on specialized outdoor power equipment that will make the job easier and improve results. This purchase might occur at a specialized dealer or within a broader hardware and home improvement store.



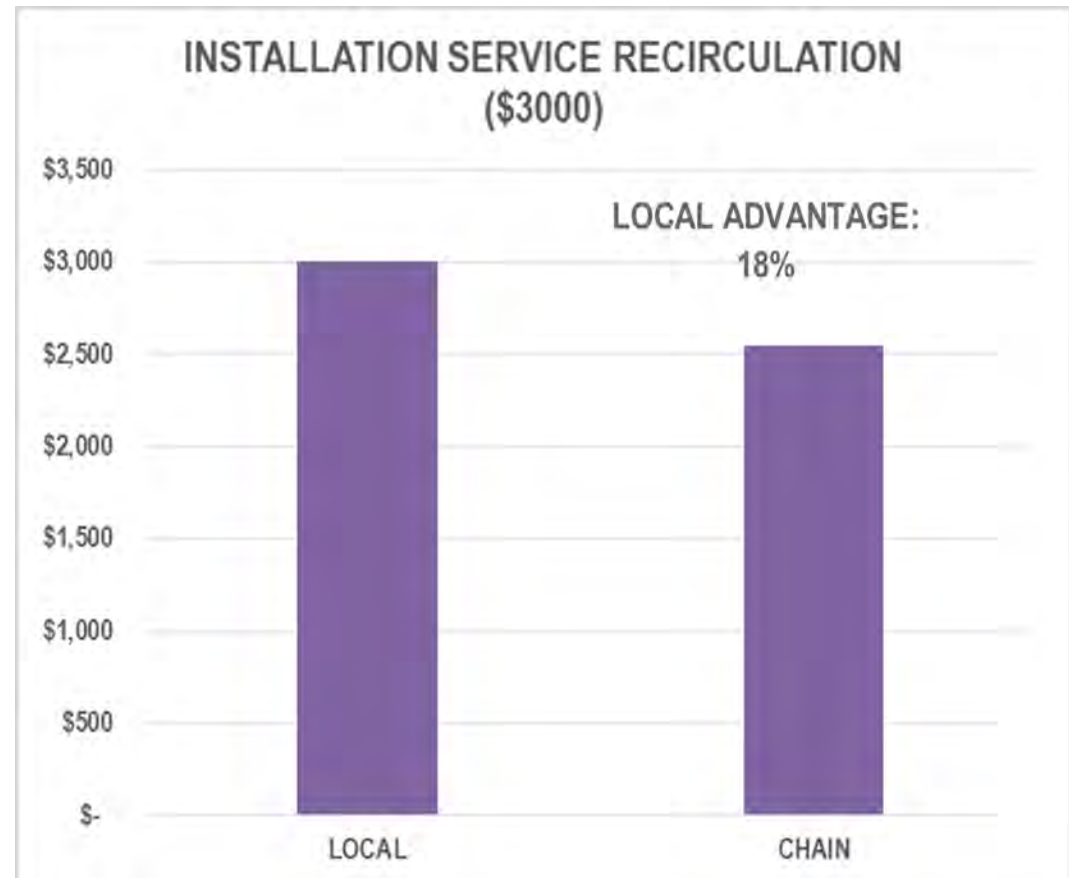
The Results – Building Materials

Of the \$10,000 project budget, our homeowner will need to spend \$2,000 on materials from the lumberyard, including anything from raw boards or shingles to finished windows and doors.



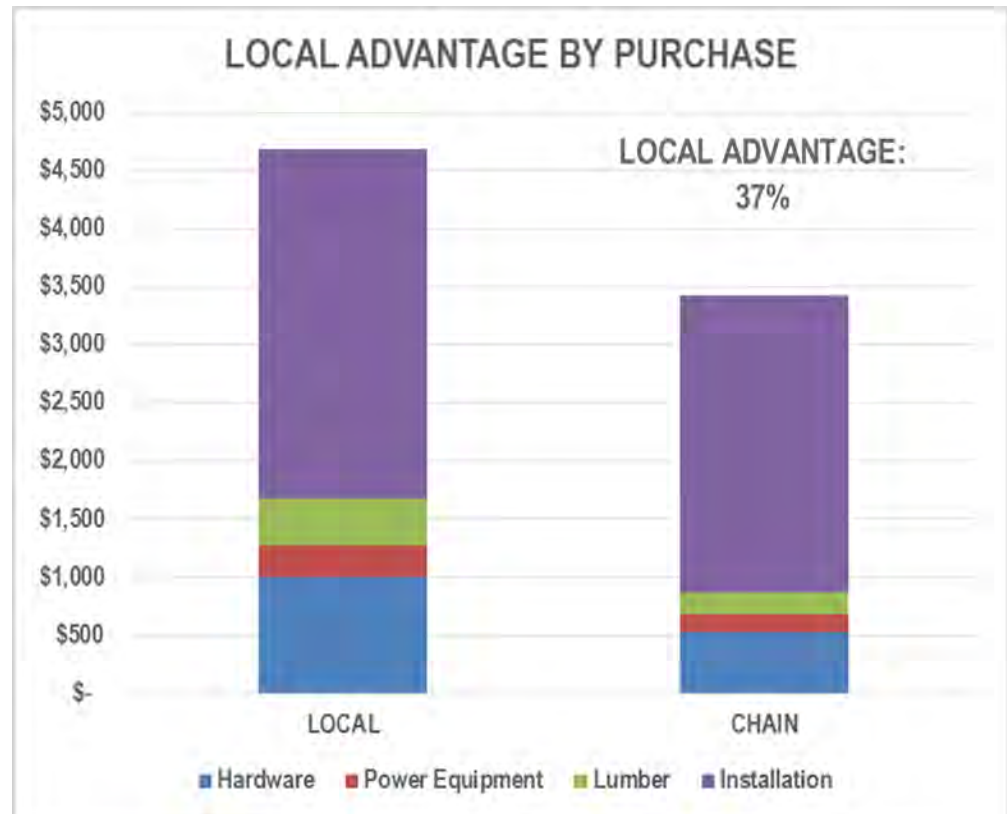
The Results – Installation Services

Of the \$10,000 project budget, our homeowner will need to spend \$3,000 on installation services.



The Results – Cumulative Impact

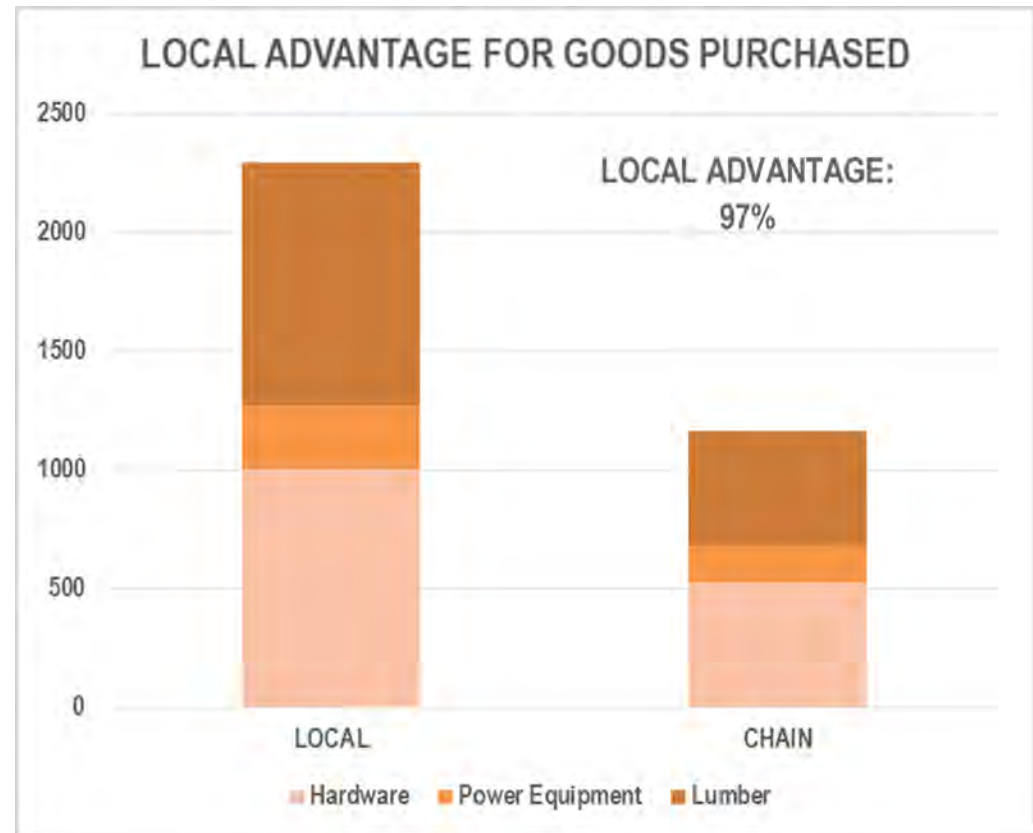
At the end of the project, our homeowner will have created an extra \$1,250 in local economic activity simply by supporting local retailers.



The Results – Cumulative Impact

But that doesn't capture the real local boost to the local economy provided by the retailers under study here.

For the purchase of tangible goods, the local economic advantage associated with independents is 97% greater than that with chain stores.



Conclusions

Every graph produced for this report reflects the same general outcome, with locals generating more economic activity regardless of how it is counted

In our “hypothetical home improvement project” our homeowner would have spent comparable amounts whether with the biggest chains or the smallest independents. But of that spending, 37% more would remain in her community.

“The study found that purchasing home improvement products from locally-owned retailers generates **twice as much local economic activity than purchases made at big box chain stores.”**

Conclusions

How might that knowledge help consumers and businesses change their shopping habits? Consider the following:

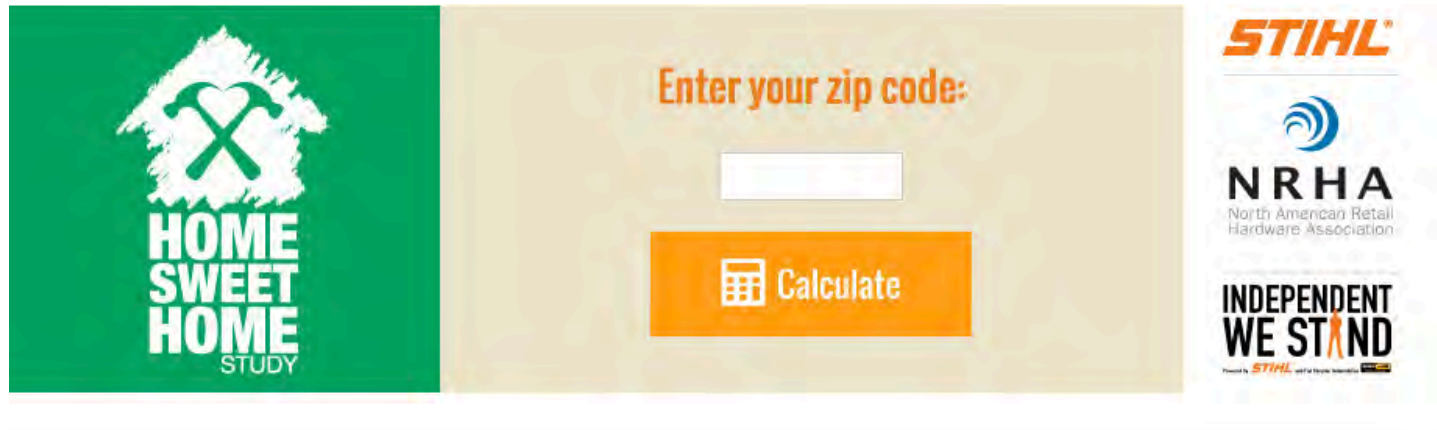
- Together, the two largest national home center chains sold more than \$114 billion in goods in 2013 (excluding installation services).
- If just 10% of that business gone instead to independents, hometowns around the country would enjoy the benefits of an additional \$1.3 billion in economic activity.

That kind of money turns home improvement into hometown improvement.

The Calculator

We wanted consumers to be able to easily see how their shopping decisions have a direct impact on the livelihood of their communities.

We developed a Home Sweet Home calculator to show exactly how consumers' spending decisions will impact the local economy.



The image shows a screenshot of a web-based calculator interface. On the left is a green vertical banner with the Home Sweet Home Study logo. The main content area has a light beige background and contains the text "Enter your zip code:" above a white input field. Below the input field is an orange button with a calculator icon and the word "Calculate". On the right side, there are logos for STIHL, NRHA (North American Retail Hardware Association), and INDEPENDENT WE STAND.

The Calculator



Enter your zip code:

 Calculate

STIHL



NRHA
North American Retail
Hardware Association

**INDEPENDENT
WE STAND**

Powered by STIHL. Call it. Support it. Stand with it.

If every family in your zip code purchased home improvement products for one full year from locally-owned, independent businesses instead of big box stores, over **(Calculation Result)*** would be returned to your community. That means more money returns to your local community to help with things like better schools, road improvements, more support for police, fire and rescue departments and a stronger local economy.

*Based on Civic Economics "Home Sweet Home Study": When consumers buy home improvement products from locally-owned businesses 23.0% of their expenditures return to the local economy vs. 11.6% if purchased at a big box hardware store.

Please support your community and take our "Pledge to Buy Local".



\$4,581,840*

Goes back into your community







HOME SWEET HOME STUDY

THANK YOU!

