Responding to the Economic Downturn
THE NATIONAL TRUST FOR HISTORIC PRESERVATION (www.PreservationNation.org) is a non-profit membership organization bringing people together to protect, enhance and enjoy the places that matter to them. By saving the places where great moments from history—and the important moments of everyday life—took place, the National Trust for Historic Preservation helps revitalize neighborhoods and communities, spark economic development and promote environmental sustainability. With headquarters in Washington, DC, nine regional and field offices, 29 historic sites, and partner organizations in all 50 states, the National Trust for Historic Preservation provides leadership, education, advocacy and resources to a national network of people, organizations and local communities committed to saving places, connecting us to our history and collectively shaping the future of America’s stories.
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*A foreclosed house in Detroit, Mich.*

PHOTO COURTESY OF PRESERVATION WAYNE
A growing body of evidence suggests that public enthusiasm for all things local and independent is on the rise, providing locally owned businesses with a measure of insulation from the worst effects of the recession, even as some of their biggest competitors teeter and collapse.

In January 2009, a national survey conducted by the Institute for Local Self-Reliance, in partnership with several organizations, found that, in an extremely challenging economic climate, independent retailers as a group are outperforming many chains.

The survey of 1,142 local retailers found that their holiday sales declined an average of 5 percent over the previous year. While that’s a significant drop-off, it wasn’t nearly as bad as the numbers reported by many chains. Sales were down 14 percent at The Gap, 7.7 percent at Barnes & Noble, 6.5 percent at Best Buy, 24.2 percent at Williams-Sonoma, 7.5 percent at Macy’s, and 14 percent at Borders Books. According to the Commerce Department, holiday retail sales overall were down a record 9.8 percent compared to the 2007 season.

The survey also found that independent retailers in communities with active “Buy Local” or “Local First” campaigns reported stronger holiday sales than those in places without such campaigns. The difference was a drop of 3.2 percent for independents in Buy Local towns versus a steeper decline of 5.6 percent for those elsewhere. (An identical survey last year, when independent retailers were averaging modest sales gains, not losses, also documented about a 2-point spread between those in Buy Local communities and those in areas without such an initiative.)

Anecdotal reports from around the country provide further evidence that these grassroots efforts to build support for local businesses are indeed changing people’s shopping habits.

“Never has public awareness been more pronounced than right now,” said Betsy Burton, owner of the 32-year-old King’s English Bookshop in Salt Lake City. Four years ago, Burton joined with other local business owners to launch Local First Utah, a sweeping educational campaign that focuses on the economic and community benefits of locally owned businesses. Today more than 2,000 local businesses throughout the state are participating in the campaign.

Many are finding that it is making a real difference. Customer traffic at The King’s English is up and sales are holding
relatively steady despite the downturn. That the “buy local” message has seeped into the hearts and minds of shoppers is evident in the conversations that Burton hears in the store. “They talk about community—how important it is to them, how important we are to them,” she says.

Burton hopes that this is the beginning of a long-term shift in consumer choices, which would be good news not only for our local economies, she notes, but also for historic business districts. Situated about four miles southeast of downtown Salt Lake, The King’s English is part of a small commercial district that has been serving the surrounding neighborhood for the better part of a century. “People now in their 80s and 90s recall fondly stopping by Pat’s on their way home from school to buy candy—or being sent to Pat’s to pick up a quart of milk,” said Burton of one of the many businesses that once occupied the building where the bookshop is now.

Across the country, historic neighborhood business districts like this one have been hit hard by the spread of big-box stores and malls. Now the buy-local movement is helping to bring many back to life, as more people develop a preference for small-scale enterprise and seek out goods and services closer to home.

**DEFINING AND DEVELOPING THE MOVEMENT**

Buy-local campaigns are typically run by local business alliances—nonprofit organizations with anywhere from a few dozen to a few thousand members. To join, a business must meet the organization’s definition of “locally owned” and “independent.”

The first of these formed in Boulder, Colo., in 1998. Still going strong today, the Boulder Independent Business Alliance was the brainchild of David Bolduc, owner of a local bookstore, and Jeff Milchen, a community organizer who now serves as outreach director for the American Independent Business Alliance (see box, next page).

The idea soon spread to other cities,
slowly at first, and then quite rapidly in the last few years. Today local business alliances are running buy-local campaigns in more than 100 communities. They span the full spectrum of small towns to big cities and dot every region of the country from Tampa to Grand Rapids, Mich., and San Francisco to Portsmouth, N.H.

The primary focus of most of these groups is educating people about the community value of local independent businesses and promoting those businesses through posters, window decals, banners, customer thank-you cards, business directories, coupon books, t-shirts, advertising, and events. Collectively, local businesses, through their storefronts and countertops, have the ability to reach large numbers of people at relatively low cost and to build “local” as a strong shared brand.

Their goal is not so much to change the habits of those who shop almost exclusively at Wal-Mart, but to catch the attention of a much bigger segment of the population: people who shop at both local stores and chains, but have never given much thought to the difference. Once armed with information, many of these customers will begin to shift that ratio, bypassing chains and choosing local businesses more often.

Buy-local campaigns work in part because they are not simply empty marketing slogans. They aim to educate and their messages are grounded in empirical research. They highlight, for example, the many studies that have shown that $100

Resources for Starting a Buy-Local Initiative in Your Community

THE NEW RULES PROJECT  www.newrules.org/retail
The Institute for Local Self-Reliance offers several useful resources through its New Rules Project, including:

■ How to Start a Buy Local Campaign—a four-page fact sheet with tips for getting started.
■ Buy Local Slide Show—dozens of examples of decals, posters, ads, and other materials from around the country.
■ Key Studies—the best available research on the benefits of locally owned businesses and the hidden costs of big-box retail.

Two national organizations provide excellent how-to resources and advice for starting Local First campaigns. Each is a little different, but they share similar goals and are strong allies in building this movement:

AMERICAN INDEPENDENT BUSINESS ALLIANCE  www.amiba.net
AMIBA helps Independent Business Alliances start and grow in cities and towns across the country. AMIBA offers on-site workshops, a how-to guidebook, templates, and advice for organizers.

BUSINESS ALLIANCE FOR LOCAL LIVING ECONOMIES  www.livingeconomies.org
BALLE works to encourage, strengthen, and connect local business networks dedicated to building strong Local Living Economies. BALLE offers a 100-page kit for creating Local First campaigns and hosts a large national conference every year.
spent at locally owned businesses generates significantly more local economic activity and supports more local jobs than $100 spent at national chains. (This is because independent retail- ers purchase more goods and services from other local businesses than chains do.)

Other research shows that communities with vibrant local business districts score higher on measures of social and civic health, and that local businesses often have a much smaller environmental footprint than their big-box competitors. (For a comprehensive collection of such studies, visit www.newrules.org/retail.)

While they may point out the differences between independents and chains, all of these campaigns maintain a strong positive focus. They are much more pro-local than anti-chain. They encourage people to choose locally owned businesses more often, but do not suggest that they can eliminate chain store spending entirely.

SPREADING THE BUY-LOCAL MESSAGE
Buy-local campaigns almost invariably generate interest from local media. Each interview provides an opportunity for proponents to talk about the value pro-
vided by independent businesses and to broaden the reach of the campaign.

After a news story about Portland Buy Local aired on public television the day after Thanksgiv-
ing, Stuart Gersen, co-owner of Longfellow Books in downtown Portland, Maine, said his store saw a steady stream of new customers. He remembers one man in particular who rushed over to the store shortly after the

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broadcast, confessing that he had been about to buy an expensive art book from Amazon. “I realized I have to support the community,” he said. He had never been in Longfellow Books before, but has since become a regular customer.

Launched by Gersen and other local business owners in 2006, Portland Buy Local has grown to more than 250 members. For residents and visitors alike, the campaign is all but impossible to miss with its “10 Reasons to Buy Local” posters and “Keep Portland Independent” window decals distributed liberally throughout the city.

Local business owners say the cam-
Campaign, which has been voted “best local cause” in an annual newspaper readers poll for three years running, is helping them weather the recession. Although Portland residents have cut back on spending, many seem to be making a more deliberate effort to ensure that what dollars they do spend go to supporting businesses owned by their neighbors.

“I noticed a real shift in consciousness this holiday season. We had a lot of people coming in who said they had decided to do all of their holiday shopping at local businesses this year,” said Kathy Palmer, owner of Fetch, a nine-year-old pet supply store located in a 1860s brick warehouse building along Portland’s historic waterfront. That observation was echoed by Nancy Lawrence, owner of Portmanteau, an artisan shop that makes and sells a wide variety of handbags and totes. She saw a “strong determination this year on the part of many customers to do all of their holiday shopping with independents.”

What Lawrence also loves about the campaign is the mutual support that it has fostered among local businesses. Lawrence now reserves space in her store to display a few books from Longfellow Books, which, in turn, displays a few of her bags and directs customers to her store.

This cooperation has not only helped both stores expand their customer base, but serves to remind customers that locally owned businesses have a stake not only in their own well-being, but in the well-being of the whole community. “Many customers really appreciate how much our businesses support one another and the community,” said Lawrence. FJ

STACY MITCHELL is a senior researcher with the New Rules Project, a program of the Institute for Local Self-Reliance, and author of Big-Box Swindle: The True Cost of Mega-Retailers and the Fight for America’s Independent Businesses (Beacon, 2006). To learn more about Buy Local campaigns, sign up to receive the e-newsletter, The Hometown Advantage at www.newrules.org/retail.