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Article provided by: IE News Service
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The 3/50 Project! How YOU Can Save Local Business

IE News Service, November 20, 2009 — Which three local businesses would you miss if they closed their doors? Maybe it's that deli on the corner where you grab the best sandwiches. Perhaps it's the video store down the street where the clerk stashes the latest release behind the counter so it will still be there when you stop after work late on Friday night. Is it the florist who already seems to know exactly what your wife will love for her birthday—and is good enough to give you a reminder call so you never forget the date?

Small business (defined as having 500 or fewer employees) are the lifeblood of the American economy, accounting for an astounding 99.7 percent of all employer firms, according to a 2007 study by the U.S. Department of Commerce. Yet locally owned independent businesses are under far more pressure than ever. Trying economic times that have consumers closing their wallets, the credit crunch, and shoppers searching for perceived bargains at large chain stores have taken a severe toll, while buyouts of corporations that are “too big to fail” largely don't benefit the little guys.

It was that combination of factors that was weighting heavily on Cinda Baxter, a Minneapolis-based retail consultant, early in 2009. “It began with a really rotten week in March,” Baxter explains.

That Monday, a friend told her to turn on *Oprah*. “I flipped it on and saw an hour-long program telling consumers to stop discretionary spending. As someone who knows how small business works, it was devastating. Then CBS did a piece on consumer saving and how consumers were now doing such a good job of it. The headlines were just dire and abysmal; by the end of the week, more people I knew had turned off the news than were still watching it.”

A few days later, after seeing CNBC's Erin Burnett discuss how the headlines were impacting consumer psychology on the *Today Show* and a later interview on *Meet the Press* in which Burnett said part of the problem was dire media coverage, Baxter decided to take matters into her own hands: “I am not a person who thinks the glass is half empty with holes drilled in the bottom, so three days later, I wrote a blog post.”

That post meant for only a few friends was the start of what would soon become an international movement to support locally owned businesses. Baxter's idea was simple: if half of the employed U.S. population chose three locally owned independent businesses they would hate to lose, and then spent a combined total of \$50 a month with them, it would have a major impact—generating an estimated \$42.6 billion of revenue annually.

What Baxter couldn't have envisioned was how quickly what she dubbed The 3/50 Project would take off. “I thought maybe a dozen of my friends would see the post. I came up with a flyer explaining the idea that businesses could hand out to customers, and I thought that perhaps half of that dozen would go that far,” Baxter recalls. Instead of the six she initially envisioned, “within 48 hours, I had more than 350 emails from total strangers asking, ‘This is great, what else have you got?’” She spent a Sunday afternoon designing a website—www.the350project.net—that launched on Monday, March 30, 2009. It drew 7,600 absolute unique visitors in seven days. By early November, more than 12,800 businesses had become supporters, there were 21,600 Facebook fans, and absolute unique hits were at 203,700.

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What caused the groundswell? Perhaps it's the straightforward way Baxter presents the facts: For every \$100 spent in locally owned stores, \$68 remains in the local economy. In contrast, only \$43 of every \$100 remains local when spent in national chains, and little or no local revenue results from online purchases.

"No one has talked this through with consumers," Baxter says. "The experts all talk in terms of macro or micro-economics—not how consumers talk to each other over the dinner table. We simply say, 'Here's the impact.' It really resonates that even a small amount of spending can make a big difference."

Another difference is that The 3/50 Project takes a realistic approach. "We're the only buy local movement that doesn't ask consumers to stop going to big boxes. I understand that while you can find many things in a local business, there are some items that people will continue to go to big boxes for. We just ask them to balance their spending a little better; that all or nothing mentality is what got us into this mess in the first place," she states.

What is essential to helping small business is gaining and maintaining local support. "The 3/50 Project is definitely having an impact," Baxter says. Facebook is filled with comments from business owners and consumers echoing Baxter's sentiments, like these by Martha Pesta Smith, who owns Peafunk Designs in Wickford, R.I.: "As the owner of a small gift shop, I cannot thank you enough for launching this website!! BRILLIANT idea. I hope enough people follow your advice! If so, it will literally change the lives of people like myself and so many of my fellow small business owners."

Baxter's own email box is happily logged. "I now average 350 to 450 emails daily. I hear from business owners who are grateful to finally have a message that's positive and a ridiculously easy way to explain it—they simply hand customers a flyer. I hear stories about long-lost customers coming back and new customers coming in. I even hear that consumers are printing out the flyers and taking them to businesses they want to support. I never would have dreamt of that."

Baxter also never imagined the impact that post would have on her own life, as she now speaks about The 3/50 Project to audiences across the country. "I quite inadvertently created a second full-time job for myself. It has completely up-ended my personal life, which just demonstrates how obviously necessary this is," she says.

Future plans for additional membership levels and Canadian, UK and Australian sites are in the works. "I'm also looking at corporate sponsorships that will allow us to keep growing," she says, then adds with a laugh, "At some point, though, I just hope to get a good night's sleep."

Thanks to The 3/50 Project, many local business owners may be sleeping a bit more soundly as well.

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