

Why do Local Shops Matter?

Whilst talking to our local independent small shops recently (May 2012) we were shocked when one of them said that they would probably close within 12 months of ALDI opening in West Kirby, because of the competition.

The disappearance of small shops in West Kirby is part of a well-documented national decline. Research by Thames Valley University reveals the dramatic nature of the decline of small shops in villages, market towns and district centres up and down the country. Since the 1940s, around 100,000 small shops have closed and every year their number drops by approximately 10 per cent. Between 1995 and 2000, independent fresh food specialists – including bakers, butchers, fishmongers and greengrocers – saw their sales drop by 40% as supermarkets consolidated their grip over the retail food sector (New Economics Foundation: Ghost Town Britain Report).

Q: Why do local shops matter to West Kirby?

A: They are important for a strong local economy.

The Local Multiplier is a way of understanding how money moves around a locality. When independently owned businesses and individuals buy from each other locally, then the money accumulates and multiplies within that local economy. For example, if an independently owned shop stocks food from local farms, those farms will then make profit that they can spend locally, in, for example, other local shops, or another farm for supplies like hay. If owners of these shops or farm live locally they are likely to spend their profits on, perhaps, rent, the barber, window cleaner or in more local shops. As these in turn spend their profits in the pub, vet, further local shops, babysitter, farmers' market etc. the money multiplies as it keeps on circulating in the locality. Everyone in the town benefits from a strong local economy – not just the shop owners.

But on the other hand, if nobody uses local shops they close down and shoppers then only have supermarkets to shop in, often a drive away. Most supermarkets are owned by their shareholders who may live anywhere in the world, so the profits will be lost to the local economy, resulting in fewer jobs, less money to spend locally and yet more small businesses closing down.

Please support local shops:

- To keep our town centre active and profitable.
- To keep West Kirby as an attractive place to do the weekly shopping.
- To encourage communication and mutual help between the team of local retailers.
- To keep money circulating within the local community rather than being pocketed by the shareholders of giant, distant corporations.