

# \$\$\$ SHOP KAHNAWAKE FIRST \$\$\$

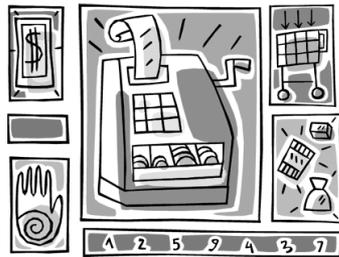
5th of a 5 Part Series

SERIES: • 1. Kahnawake's Economy • 2. Spending-Leakage • 3. Leakage Factors Part 1 • 4. Leakage Factors Part 2 • **5. Shop Kahnawake First**

The information presented throughout this series is based on data collected through the Household Survey conducted in late 2005 and early 2006. This data represents a total of 968 completed surveys using a face-to-face interview; it was entered into a database, and analyzed by a Steering Committee organized by senior management at Tewaohnhisaktha. A full socio-economic report is available for viewing. This series was prepared by Ron Abaira and sponsored by Tewaohnhisaktha Small Business Services.

## INTRODUCTION

"Shopping is good" so says the advertising slogan. It is an enjoyable consumer experience and as we have seen over the past several weeks, we enjoy doing it in all of the areas surrounding Kahnawake.



If we look back to our initial table showing the overall spending patterns and estimated spending amounts we can see the impact. We can estimate that Kahnawake households spend close to \$105 million per year, with somewhere around \$70 million of that amount spent outside of the community, mostly in the surrounding areas, this amounts to about two-thirds of all of our purchases.

## CATEGORIES

"Spending on clothing remains one of the categories where the highest percentage of leakage occurs, about 98% of the spending takes place outside of the community."

Think back to some of the categories we showed where spending externally is in excess of 75%; these include spending in the Food categories, Recreation, Transportation; all the way up to Clothing expenditures.



## KEY CHALLENGES

"The question we should ask ourselves is, how can we overcome these leakage challenges?"

How in the world can businesses overcome these challenges? And, what can be suggested to consumers to encourage them to purchase more products and services in Kahnawake?

What do I need to buy ??



Where should I shop??

There is little sense in worrying about spending 100% in Kahnawake, it is an unrealistic goal. Think of the points related to consumer behavior and you can see the challenge involved. Consumers enjoy shopping, want to have variety, and like to browse through many stores. They will simply enjoy the idea of shopping in a mall and enjoy the day; when this takes them outside of Kahnawake that becomes part of the enjoyment.



The challenge is to suggest to consumers to "Shop Kahnawake First" for as many items as possible. Even a slight reduction in leakage can have a positive impact on the Kahnawake economy and help to support the bottom line of Kahnawake businesses.

It is also important to realize that there are several reasons why consumers enjoy shopping in Kahnawake.

These are:

- **Convenience:** Obviously, many convenience related purchases (last minute needs) are better done inside the community.
- **Size of Item (Purchase):** Item or purchase is small in nature, and the trip outside of Kahnawake is not worth it.
- **Loyalty:** The consumer wants to purchase from another Kahnawa'kehró:non, and usually purchases the product / service in Kahnawake.
- **Availability (Specialty Item):** The consumer has no other option, the product / service is only available in Kahnawake.

## ONE HOUSEHOLD

"Spending an additional \$9.00 per week per household in Kahnawake supports employment."

Think back to that \$70 million for a moment. \$1 million is roughly 1.5% of that amount, if each household (there are about 2,200 in Kahnawake) spent about 1.5% more in Kahnawake that would amount to only \$475 per year, or about \$9.00 per week; and think of the positive impact that would have.

## BENEFITS OF "SHOP KAHNAWAKE FIRST"

"Our dollar is valued higher when spent in Kahnawake than when spent outside of our community."

The most obvious reason to discuss leakage is to present the economic impacts involved. Two key multipliers discussed demonstrate the impact that internal spending has on the Kahnawake economy.

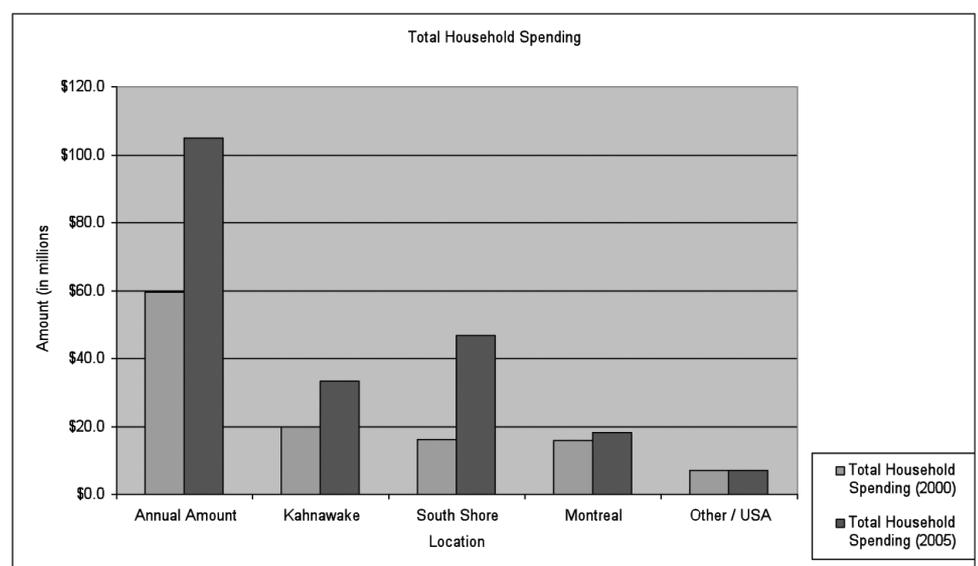
Firstly, the output multiplier illustrates the economic impact of spending locally. This multiplier estimates that for every dollar (\$1.00) we spend locally, the economic impact or value to the community is \$1.27.

The employment multiplier estimates that for every additional \$1 million spent locally, there is the "creation" of about 14 jobs. This means that for every additional \$1 million spent in Kahnawake, about 14 more Kahnawa'kehró:non could be employed.

In the first part of this series we showed total spending in a pie chart. The bar graphs below show total spending compared from the past two surveys, and clearly illustrates the main benefit from our increased wealth is going to the surrounding south shore areas.

## HOUSEHOLD SPENDING (TOTAL)

Comparison of Spending by Locations (in dollars)



## "SHOP KAHNAWAKE FIRST"

"Can any of my purchases be made in the community?."

Think of the choice we make as consumers when we decide to purchase items, and some of the issues discussed such as price, convenience, and the simple enjoyment of shopping in a large mall.

Think of starting the purchasing decision with a look at the "Shop Kahnawake First" directory, and consider spending in the community before going out to shop. Make the effort to "Shop Kahnawake First."

Let the business owner know if you're not sure on the availability of an item, perhaps it can be found in the community.

Remember the sources of income to Kahnawake; they come primarily from government transfers, and ironwork, and business income. Our small businesses contribute greatly to maintaining a diversified economy, an economy more able to withstand the ups and downs of external trends, especially in these times we live in.

Spending more in Kahnawake contributes to overall community development and prosperity for future generations.

## FOR THIS HOLIDAY SEASON:

The Small Business Services team is hosting a kiosk at the Services Complex on Thursday, December 11th from 9:30 am to 2:00 pm. You can purchase Shop Kahnawake Gift Certificates for those lucky people on your Christmas list!



**MAKE THE RIGHT CHOICE  
- CHOOSE TO  
SHOP KAHNAWAKE FIRST!**

