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Danville Business Alliance Urges Danville Residents to Spend Their Stimulus Dollars Downtown

Danville, Pa. – Danville Business Alliance (DBA) today encouraged Danville residents who are receiving the Making Work Pay provision from the Internal Revenue Service (IRS) to spend those few extra dollars per week at locally-owned, independent businesses. During 2009 and 2010, the Making Work Pay provision of the American Recovery and Reinvestment Act (ARRA) will be seen in the form of a refundable tax credit averaging up to \$400 for individuals, and up to \$800 for married taxpayers filing jointly, according to statistics released by the IRS. The Making Work Pay provision translates to an average increase of \$13 per week in take-home pay, per household.

Jim Wilson, DBA Executive Director and Main Street Manager, said “many people do not realize how positively and significantly spending \$13 per week at businesses other than big-box, national chains will affect local economies across the commonwealth.” DBA estimates that an average central business district has about 5,000 households in its trade area receiving the Making Work Pay tax credit. Therefore, if each household spends just \$13 per week at locally-owned, independent businesses, this equates to \$65,000 per week in additional sales for the local economy. Over a 52-week period, that dollar amount will grow to more than \$3 million dollars.

According to DBA, the true impact of spending \$13 per week locally would be seen in the multiplier effect of local businesses investing their increased revenues back into the community.

“There are many statistics out there regarding the ways communities benefit from buying locally,”

said Mr. Wilson, “but one constant is that independent businesses are more likely to buy their own goods and services locally. So, if 60 percent is a middle of the road figure for revenue remaining in the community through secondary purchases, then the \$3 million figure increases to more than \$5 million over the same one-year period.” At a truly local level, Danville’s trade area is estimated at 50,000 households. Using the same figures across the entire trade area, this would annually translate to more than \$50 million of primary and secondary sales for local businesses.

Founded in 2001, the mission of the Danville Business Alliance is to advance the sense of place, quality of life and economic vitality of downtown Danville. For more information about the DBA, call (570) 284-4502.

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