## Anchors of Good

Shopping centers are more than places to buy things—they're neighborhood mainstays with the power to bring jobs and services to communities.

To say shopping centers simply provide a place for people to shop is just scratching the surface in terms of their importance. In fact, the impact these centers have on the local economy is staggering. They create jobs—both directly and indirectly—and the sales and property taxes fund essential local services, such as public schools, police and fire departments and parks.

"Retail is a local business," says Dan Hurwitz, founder and chief executive of Raider Hill Advisors LLC, a private real estate investment and advisory firm. "And when you think about the number of people who work for retailers, the number of people who work for landlords and the third-party vendors that support that operation, a shopping center is almost an independent village in and of itself."

## THE 'CASCADE EFFECT'

In fact, about 1 in 6 U.S. jobs is shopping center-related, according to an analysis of government data by the International Council of Shopping Centers. The number of jobs that came from retail real estate actually increased annually from 14.6 million in 2010 to 34 million in 2017. Many of those jobs are not sales-focused and pay well above the national average, ICSC research shows.

Hurwitz points to the positive "cascade effect" that shopping centers have beyond their own walls—from the architects and engineers who designed the buildings and the contractors that construct them to the landscapers who maintain the grounds and the distribution network that transports goods and services. There are also the people who clean and maintain the properties and the parking lots. Just the construction of retail developments alone creates \$101.6 billion in total economic activity annually.

Around the holiday season, retailers nationwide often take on more than 500,000 additional workers to support the busy season. "I think it's extraordinarily important that we recognize the impact of shopping centers within our society, especially as we enter the holiday season," Hurwitz says.

## Beyond job creation, shopping centers are a critical source of revenue for communities.

They generate \$27.8 billion in local property taxes annually and \$167.3 billion in state and local sales taxes, according to ICSC analysis of U.S. Census Bureau data.

"Those tax dollars fund infrastructure, public schools, police and all the community services that citizens rely on every day," says ICSC chief executive officer Tom McGee. "Those local public services tend to suffer when a shopping center suffers."

## A BROADER IMPACT

Another significant community benefit to shopping centers is the philanthropy they support. From toy drives for lowincome families over the holiday season to sponsoring local athletic teams, many shopping centers serve as positive forces in their communities, says Barbara Byrne Denham, senior economist at real estate research firm Reis.

"Here, you'll find a car wash set up in the parking lot by a local high school team to raise money for uniforms. There, you'll find a bulletin board festooned with notices for babysitters and pets for adoption," Denham says. "Shopping centers serve vital ancillary benefits to communities, particularly to those that have no other center of town."

And when natural disasters cause suffering near and far, shopping centers provide a valuable resource for communities in peril.

After Hurricane Harvey devastated swaths of Texas and Louisiana this past August, Fayette Mall in Lexington, Kentucky, partnered with local organizations to raise over \$130,000 in relief donations. One man donated jars and jugs full of pennies he had collected over 30 years.

In Puerto Rico, Taubman Centers Inc. owners of the Mall of San Juan—kicked off a yearlong community service program in the wake of Hurricane Maria, which left much of the island without clean water and power. As part of the initiative, the company is donating more than \$100,000 of cash and in-kind support toward helping the people of the commonwealth.

"We know there is a long road ahead for so many, and we want to be of service and support," says Robert Taubman, the company's president and chief executive officer.

> ICSC also raised more than \$1.2 million from its members for hurricane-relief efforts in 2017, matching \$500,000 of their donations.

Though it's difficult to fully quantify all the ways shopping centers benefit their communities, it's not hard to see the everyday tangible effects they have. "Simply put, shopping centers support communities," McGee adds. "They respect that role and try to make sure they dispense that responsibility every day."

