



the
MAIN STREET
alliance



WHY MAIN STREET ALLIANCE IS FIGHTING BACK AGAINST MONOPOLY POWER

For generations, small businesses have been the lifeblood of the American economy, rooted in and lifting up their communities. But increasing monopoly power poses an existential threat to America's true small businesses—and with it, our economy and our democracy.

In industry after industry, corporate concentration is growing, and competition is declining to dangerously low levels.¹ That's why Main Street Alliance's small business owners are fighting back across the country against the rise of monopoly power and standing up for the fairer, kinder, community-rooted capitalism we deserve.

BIG BUSINESSES CAN CHARGE LESS— BUT COST US ALL MORE

When large corporations dominate a market, they can demand lower prices from suppliers while limiting stock available to small businesses, tilting the competitive playing field.² MSA member Altimont Wilks, owner of Carmen's Corner Stores, summarizes: "Monopolies buy in bulk, so they're able to cut prices in ways that small businesses can never do. And this is how they monopolize. This is how they end up controlling your town."

For a growing small business, the pricing power of large companies can be a major challenge. This makes it harder for her to grow her business and compete for customers, allowing big businesses to crowd out the competition.

“Operating a boutique store has its difficulties, because I do have mainstream competitors. They buy at a larger capacity, so they can mark their items down cheaper than I can.

- [Davida Reed, MSA Member](#)
Divine Twenty-Six, Pontiac, MI

SMALL BUSINESSES KEEP MONEY AND CONNECTIONS IN COMMUNITIES

Locally rooted small businesses keep cash circulating in communities, benefiting all of us. When you shop at a small business, two-thirds of your dollar stays in the community.³ Moreover, every dollar you spend at a small business generates nearly fifty cents in additional local spending, creating a powerful multiplier effect.⁴ But when consumers spend at big chains or massive online retailers—often for lack of other options—those profits flow out of town or overseas.

Keeping money local means opportunities for investment in public goods and services, like schools, parks, and emergency services. Monopoly power threatens that backbone of community economic strength, taking dollars far away from the people who earned them. As MSA member [Masani Barnwell](#), a bookstore owner in Newark, NJ, put it, “the big monopolies and those huge corporations, they’re removed from the communities. They seemed to lose touch with what got them there, which was the people and their customers.”

“

If we fail to organize and join together and take back the power that we’ve ceded, we’ll live in a world in which there are few choices, in which our day-to-day lives are dictated to us by powerful interests who pay for the political decisions they want that come at our expense.

-[Kelly Conklin, MSA Board Chair](#),
Founder and Co-Owner of Foley Waite LLC
Kenilworth, NJ



MONOPOLY POWER IS ESPECIALLY DANGEROUS WHEN IT OPERATES BEHIND THE SCENES

The influence of consolidation can be felt throughout the supply chain. MSA member Kelly Conklin owns and operates an architectural woodworking firm in Kenilworth, New Jersey, and rising supply costs are squeezing that. Conklin says “during the pandemic, the cost of shipping a container doubled and then tripled. And you know what? It hasn’t come down since. So the materials that I buy now cost 20%, 30%, sometimes 40% more and there’s no explanation for it except there’s a high consolidation in the shipping industry.” As another MSA member noted, monopolies’ power over shipping carriers is making it impossible for small businesses to get what they need: “I am literally being cut off from my own product.”

WHEN MONOPOLIES PUSH OUT SMALL BUSINESSES, EMPLOYEES SUFFER—NOT JUST CONSUMERS

Small businesses employ 61.7 million Americans—nearly half the private sector workforce.⁵ When monopolies force small businesses to close their doors, they take high-quality jobs with them, to be replaced with fewer, lower-paid jobs, if those jobs are replaced at all. For instance, when Walmart, the nation’s largest private sector employer, opens up a Supercenter, employment and wages go down across the county.⁶ Fewer small businesses means fewer employers competing for workers, pushing wages down for everyone.⁷ These impacts can be particularly troubling in small towns and rural areas.⁸ More broadly, across the economy, the negative impacts of corporate consolidation on workers fall disproportionately hard on Black and brown workers.⁹ A thriving economy needs a competitive labor market—and a competitive labor market needs small businesses.

“ Wholesale prices aren’t the only place where monopolies have reshaped the structure of our economy to the detriment of small business. In commercial real estate, for example, developers structure offerings to work for chains with deep bank accounts, looking for the safe bet that a large corporation can offer. Small businesses, especially newer small businesses, are riskier partners—making developers and landlords more reluctant to work with them and making it even harder for small business owners to find, much less afford, the space they need.

- Chanda Causer, MSA Executive Director



MONOPOLY POWER STIFLES ENTREPRENEURSHIP AND SUPPRESSES INNOVATION

Big business domination of our economy doesn't just hurt existing small businesses, it prevents new small businesses from getting off the ground.¹² As large corporations leverage their power, would-be business founders can find themselves thwarted at every turn, from monopoly-dominated supply lines to hostile real estate markets to algorithmic abuses. Growing monopoly power means less innovation, as the same old players keep making the same old choices.¹³ Without robust action to rein in runaway monopolization, the next generation of budding entrepreneurs may never start the businesses that would change the world.

MONOPOLIES AREN'T JUST TAKING OVER OUR ECONOMY—THEY ARE DOMINATING OUR DEMOCRACY

For big business, market power quickly turns into political power, allowing big companies to lean on government to lock in their existing advantages and create new ones. For example, one MSA member highlighted that when a dominant firm “opened a new facility here – and got big tax subsidies to build the plant. I don't get it. They pay people rock bottom wages and it's automated.” Monopolies exploit and evade existing laws and policies while using their power to protect their advantages and push for new ones.¹⁴ Increasing consolidation threatens our democracy while exacerbating existing racial inequalities.¹⁵

BIG TECH HAS BIG POWER OVER SMALL BUSINESS

A tiny handful of big tech companies that dominate social media and online advertising have outsized influence on whose products and services get seen and which businesses have a shot at winning your dollars.¹⁰ One MSA member said, “Social media gets harder and harder because they control the algorithms. I have some posts that reach only [200 of 4,000] followers. Even something like that where I do have access to free advertising and I've built quite a following—to have that limited by whoever's controlling those algorithms is another way the odds are stacked against us.”

Nor is the influence of major tech firms limited to social media. Especially after the pandemic, restaurants are under intense pressure to use delivery apps, even when those apps are a bad deal for both businesses and customers. These services tout themselves as local business champions, even as their hefty fee structures make it nearly impossible for small businesses to profit from orders.¹¹ Per one MSA member, “You're not making any money using delivery apps. We were literally losing money . . . For an app that's supposed to make it better for restaurants, it's surprisingly predatory... They can charge you whatever they want.”



CALL TO ACTION

At MSA, we know that building Main Street power is the best way to fight monopoly power. Our small business members are speaking up about how corporate consolidation hurts their businesses, families, and communities and are working together to find and win policy solutions. Big corporate power has taken too much from all of us—it's time we take it back.

- Educate yourself and learn more about the local and state policies that support big businesses.
- [ILSR Report](#) on Dollar Tree
- Learn about the [FTC Merger Guidelines](#)
- If you own a small business or support the local economy, join MSA as a member.
- Gather with 8-12 other small business owners to discuss your experiences and challenges of owning a small business in your community, and reach out to MSA to discuss what you all shared.
- Read the local newspaper, specifically the Local section and the Business section, to learn how they report on small businesses and what is happening.
- Meet with your local city council member or state representative to learn about their small business agenda and share your concerns.
- Serve on a local municipal committee focused on small business issues.
- Work with MSA to build a team of small business owners in your local community.



MSA is the nation's leading organization for true small businesses. We support local communities to push grassroots initiatives that work to create a more just economy and inclusive society. [Visit our website](#) to learn more.

ENDNOTES

- 1 Heather Boushey and Helen Knudsen, The Importance of Competition for the American Economy, White House Council of Economic Advisors, <https://www.whitehouse.gov/cea/written-materials/2021/07/09/the-importance-of-competition-for-the-american-economy/> (July 9, 2021).
- 2 Rose Adams, Big Business Games the Supply Chain, The American Prospect, <https://prospect.org/economy/big-business-games-the-supply-chain/> (February 8, 2022).
- 3 American Express, American Express Reveals 13th Annual Small Business Saturday® Encourages Consumers to Shop Small® Throughout the Holiday Season and Beyond, https://about.americanexpress.com/newsroom/press-releases/news-details/2022/American-Express-Reveals-13th-Annual-Small-Business-Saturday-Encourages-Consumers-to-Shop-Small-Throughout-the-Holiday-Season-and-Beyond/default.aspx#_ftn3 (November 27, 2022).
- 4 Id.
- 5 Small Business Administration, Frequently Asked Questions, <https://advocacy.sba.gov/wp-content/uploads/2023/03/Frequently-Asked-Questions-About-Small-Business-March-2023-508c.pdf> (March 2023).
- 6 Justin Wiltshire, Walmart is a monopsonist that depresses earnings and employment beyond its own walls, but U.S. policymakers can do something about it, Washington Center for Equitable Growth, <https://equitablegrowth.org/walmart-is-a-monopsonist-that-depresses-earnings-and-employment-beyond-its-own-walls-but-u-s-policymakers-can-do-something-about-it/> (March 29, 2022).
- 7 Carmen Sanchez Cumming, Understanding the economics of monopsony: How labor markets work under imperfect competition, Washington Center for Equitable Growth, <https://equitablegrowth.org/understanding-the-economics-of-monopsony-how-labor-markets-work-under-imperfect-competition/> (April 6, 2022).
- 8 Caius Z. Willingham and Olugbenga Ajilore, The Modern Company Town, Center for American Progress, <https://www.americanprogress.org/article/modern-company-town/> (September 10, 2019).
- 9 Darrick Hamilton and Madeline Neighly, The Racial Rules of Corporate Power, Roosevelt Institute, https://rooseveltinstitute.org/wp-content/uploads/2020/07/RI_Racial-Rules-of-Corporate-Power_Issue-brief_201911-1.pdf (November 2019).
- 10 Emily Stewart, How big business exploits small business, Vox, <https://www.vox.com/the-goods/22550608/how-big-business-exploits-small-business> (June 30, 2021).
- 11 Maureen Tkacik, Rescuing Restaurants: How to Protect Restaurants, Workers, and Communities from Predatory Delivery App Corporations, American Economic Liberties Project, http://www.economicliberties.us/wp-content/uploads/2020/09/Working-Paper-Series-on-Corporate-Power_7.pdf
- 12 Boushey and Knudsen, *supra* note 1.
- 13 Id.
- 14 Stacy Mitchell and Susan Holmberg, Tax Dodging Is a Monopoly Tactic: How Our Tax Code Undermines Small Business and Fuels Corporate Concentration, Roosevelt Institute, <https://rooseveltinstitute.org/publications/tax-dodging-is-a-monopoly-tactic-how-our-tax-code-undermines-small-business-and-fuels-corporate-concentration/> (March 30, 2023); Michael Mitchell and Mike Tanglis, Protecting the Profiteer, Groundwork Collaborative and Public Citizen, <https://gw2023.wpengine.com/wp-content/uploads/2023/05/22.11.02-Protecting-the-Profiteer.pdf> (November 2022).
- 15 Demos, Economic Democracy Explained: Deconcentrating Corporate Power, <https://www.demos.org/sites/default/files/2023-04/Deconcentrating%20Corporate%20Power%20-%20Economic%20Democracy%20Explained.pdf> (April 2023); American Economic Liberties Project, Confronting America's Concentration Crisis: A Ledger of Harms and Framework for Advancing Economic Liberty for All, <https://www.economicliberties.us/our-work/confronting-americas-concentration-crisis-a-ledger-of-harms-and-framework-for-advancing-economic-liberty-for-all/> (July 2020).

The information contained in this resource is provided for informational purposes only and should not be construed as legal advice on any subject matter.