

American Booksellers
Association

Key Policy Issues: *for 2025*

How you can support the needs of independent bookstores

Background

Small businesses are the engine of our economy and independent bookstores are the hub of every community in which they reside. And, like so many other small businesses, independent bookstore owners are facing myriad challenges, many of which state, federal, and local governments can help with through pro-small business policies.

This policy paper delves into key issues independent bookstores face and how policymakers can help.

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About the American Booksellers Association

The American Booksellers Association (ABA) is the not-for-profit trade association of independent bookstores across the country. ABA provides members with education, networking opportunities, advocacy, resources, and technology. In turn, ABA's members support local schools through book fairs, donations and author visits; promote literacy; provide inclusive community centers; connect readers and books; add character to neighborhoods; champion and center diverse and new voices; and contribute to the local economy. ABA has over 2,500 independent bookstore members representing thousands of jobs and over \$2 billion in tax revenue.



Key Issues for Independent Bookstores

ANTITRUST

For decades, Amazon’s uncompetitive practices and antitrust violations have gone unchallenged by lawmakers or regulators. Due to this, Amazon’s unchecked growth has resulted in a loss of jobs and tax revenue, and empty storefronts.

Moreover, this growth has led to Amazon developing cozy business relationships with federal and state governments and bureaucracies, among them the Small Business Administration (ironically, see below), the NSA, and the CIA, providing the behemoth with tremendous political influence.

Amazon’s goal is clear: to put its small business competitors out of business. ABA

urges an antitrust investigation into whether Amazon is using illegal tactics such as predatory pricing and/or price discrimination to do so.

While ABA supports the FTC’s lawsuit against Amazon for violating the Sherman Antitrust Act, ABA believes the time has come to strengthen and enforce the Robinson-Patman Act (RPA). Currently, neither the FTC or DOJ has investigated Amazon for violating the Robinson-Patman Act. We believe that lawmakers must amend RPA to make it stronger so that companies such as Amazon can no longer take advantage of their size and position in the marketplace to sell books as loss leaders or to bully publishers into unearned price discounts.

AMAZON DISPLACES COMMUNITY RETAIL SHOPS

In 2021, Amazon displaced 136,000 retail shops – that’s 1.1 billion square feet of retail space.



AMAZON HURTS WORKERS

In 2021, Amazon displaced 1.7 million retail workers – a net loss of 800,000 retail jobs – and an additional 70,000 distribution-related jobs.





END AMAZON'S SPONSORSHIP OF NATIONAL SMALL BUSINESS

Every year, the Small Business Administration (SBA) holds National Small Business Week, which celebrates the importance of small businesses across the country and provides education for small business owners. Ironically, one of the sponsors of National Small Business Week is Amazon, a company that is a direct competitor of small businesses and was

hit with an FTC lawsuit for antitrust violations in September 2023. ABA urges Congress to include National Small Business Week in the budget so sponsorships are not needed. At the very least, SBA should not be allowed to accept money from Amazon (or any large retail chain competitor) or feature them in SBA programming.



SWIPE FEE REFORM

ABA supports the Credit Card Competition Act and urges congressional leadership to bring this bill to the floor for a vote.

Congress can help bring relief to all Main Street businesses and consumers by passing the Credit Card Competition Act. The Credit Card Competition Act is a simple, 10-page bill that requires the largest US banks to enable at least two unaffiliated networks on each credit card: Visa or Mastercard plus a competing network. Lawmakers need to stand up for small businesses and vote YES on the Credit Card Competition Act.

Independent bookstores and their customers are struggling with the highest inflation in 40 years and face increasing economic pressures. Every time a consumer inserts, swipes or taps a credit card in person or enters their card number online, small businesses must pay non-negotiable processing fees known as swipe fees that vary between 2% and

4% of the transaction amount. These fees are invisible to many consumers who are unaware that a percentage of their purchase doesn't go to the retailer – it goes to big banks, Mastercard, and Visa.

Visa and Mastercard set the swipe fees that they and the giant Wall Street banks collect on every transaction made with credit cards issued under their names. As a percentage of the transaction, the amount collected in swipe fees automatically goes up as prices rise. While Main Street businesses and US consumers struggle with inflation and pay the highest swipe fees in the world, Visa has bragged on its earnings calls about being a beneficiary of inflation.

FRIVOLOUS ADA WEBSITE COMPLIANCE LAWSUITS

ABA is urging legislators to strengthen the American Disabilities Act (ADA) to stop unscrupulous lawyers from taking advantage of disabled people and small businesses by filing meritless lawsuits regarding small businesses' websites. We ask lawmakers to pass legislation clarifying ADA website compliance requirements, providing a grace period for noncompliant websites to correct issues, and offer website vendors the opportunity to be certified as ADA compliant, thereby removing liability from those vendors and their clients.

Across the country, a few shameless lawyers are taking advantage of outdated ADA regulations to file frivolous lawsuits against small businesses' websites, including a number of ABA's independent bookstore members. These lawsuits are without any merit whatsoever and would not succeed, but they never go to trial. Small business owners, faced with court summons and the prospect of legal fees for fighting these lawyers in court, have little choice but to settle. ABA has heard from bookstores that had to settle for up to \$30K. Given that the average net profit for an independent bookstore is only 1.5%, a \$30K settlement could at best result in payroll cuts and job losses, and at worst result in a closure.

The lawyers who file these complaints are not doing so to benefit people with disabilities or to

bring websites into compliance. They do it for one reason: to line their pockets at the expense of honest people who cannot afford to fight baseless charges in court. The only people who benefit are the lawyers on both sides of the case – the disabled persons they hire as plaintiffs are paid a small, flat fee, according to most reports, while the vast majority goes to "legal fees." These meritless lawsuits will close small businesses and put people out of work. Surely this was not the goal of ADA regulations when they were implemented.

In regard to our bookstore members, these law firms are going after small business owners who have already gone to great lengths to make their websites as accessible as possible, despite vague regulations, by following best practices and industry standards. Oftentimes, whether or not their websites are compliant doesn't matter because these lawyers know the cases will be settled before ever going to trial.

ABA urges lawmakers to pass legislation to put an end to these wasteful lawsuits: Clarify ADA compliance regulations; stipulate that businesses that receive complaints have a grace period to make their websites compliant before they can be sued for damages; and offer website vendors an opportunity to be certified as ADA compliant.



GIFT CARD FRAUD

Across the country, lawmakers have been looking into ways to prevent theft or scamming of gift cards by thieves and crime syndicates. ABA supports efforts to make it harder for criminals to steal money from pre-loaded gift cards but believes exceptions must be made for gift cards that are displayed at the register or behind the counter, which

are not at risk of card draining. With this in mind, it is imperative that the merchants who sell gift cards are given a seat at the table to discuss the best ways to combat gift card fraud – especially without costing small business owners time or money with onerous new regulations not necessary to tackle the problem.



HEALTH INSURANCE

The continued escalation of health insurance costs is a crucial issue for independent bookstore owners, many of whom would love to offer their employees health insurance but cannot afford it. And for those owners who do offer health insurance, the increasing costs are making it more difficult each year.

ABA is generally supportive of working with stakeholders towards solutions that transition away from employer-provided health insurance. Additionally, ABA would support

any law that allows small businesses to pool their resources across state lines to achieve economies of scale in purchasing health insurance for employees.

We need lawmakers who can stand up for small businesses and their employees by working with insurance companies and state regulators to find a reasonable solution to this issue, without jeopardizing the quality of coverage for employees.

FREE EXPRESSION

Since 2021, book censorship in schools and libraries has spilled over into bookstores. This has resulted in harassment and threats; loss of business due to closing; lower literacy for the next generation of readers; and legislation (which we are currently challenging) in Texas and Arkansas abridging the rights of booksellers. These developments put unmanageable burdens on booksellers who support access to books and a vibrant and diverse literary culture in their communities. We urge the following:

- The federal government and state governments should not make determinations as to the curation of books in bookstores, schools, or libraries. Those decisions should be left to communities and the local experts they have chosen to perform those tasks.
- Consistent with their First Amendment rights, booksellers must not be compelled to speak about the content or age-appropriateness of books against their will.
- How booksellers arrange their stores and displays is a form of speech and must not be abridged by mandating creation of adults-only sections or otherwise restraining what can be sold or displayed
- Curation and book recommendations are the bookseller's speech and intellectual property. Book selections on bookstore websites must be protected from web crawlers, scrapers, and AI training algorithms that duplicate bookstores' curation and content without permission.
- Oppose legislation that: creates state-run book ban panels; removes librarians, media specialists, and teachers from book review panels; removes books due only to nudity or sexual conduct without regard to prurient interest, patently offensive material, or the value of a work taken as a whole. In general, treat the intention to "protect children" with care, as it can be used as a smokescreen for discriminatory book bans.

TARIFFS

Given that many books are still printed outside of the US, tariffs could mean supply chain disruptions, higher book prices for consumers, and potentially higher prices for booksellers. Given the importance of books and reading, and the First Amendment rights of citizens, ABA believes books, and materials purchased to produce books, should be exempted from tariffs. Tariffs will inevitably increase the price of books and make it

harder for US citizens to access books, especially in low-income and marginalized communities. ABA opposes the tariffs on Canada, Mexico, and the increased tariffs on China, and urges lawmakers at the very least (given that there are already exemptions with Bibles and children's books) to exempt books, paper, and materials used in the production of books.

USE TAX INCENTIVES TO BENEFIT COMMUNITIES

Given studies that show that independent retailers are job creators and are better for a community's local economy, we urge state and local officials to stop subsidizing chain and online competitors.

ABA opposes direct tax breaks for big box stores or their warehouses, as well as indirect subsidies in the form of commercial development districts and favorable tax treatment for logistics businesses. If state and local officials are seeking a healthy return on their investment, they should direct those incentives to locally owned businesses.

The Benefits of Buying Local



Indie Bookstores

When you purchase an item from an independent bookseller, **29.3%** of the revenue is recirculated into the local economy, through labor, profit, purchasing, and non-profit donations.



Amazon

When you purchase from Amazon, just **5.8%** of the revenue is recirculated into the local economy.

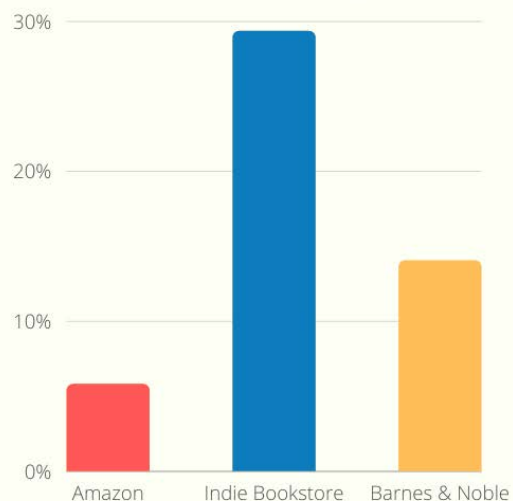


Barnes & Noble

When you make a similar purchase from the chain bookstore Barnes & Noble, **14%** of the revenue is recirculated into the local economy.

SOURCES: American Booksellers Association, Abacus survey of members, 2021; 2017 Economic Census; 2020 10-K; 2021 analysis by Civic Economics

% of Revenue Recirculating Locally



A purchase from an independent bookseller produces more than 2x the local economic activity as the same purchase from Barnes & Noble, and **4x more than Amazon.**



CLIMATE CHANGE

Climate change should not be a political issue. It is a public safety and economic issue. This year, ABA saw hundreds of stores and booksellers harmed by weather/climate disaster events, and the trajectory of these events indicates that it will get worse. We oppose rolling back climate and energy regulations and will work toward advocating for sustainability and green energy. To date, booksellers have lost sales due to extreme

weather; population migration due to droughts and flooding; damage and death from rising sea levels, flooding, fires, and extreme weather. Climate events (Southern California fires, hurricanes in the South) can disrupt every aspect of the supply chain from the availability of raw materials like trees used for paper to road closures that prevent the delivery of books.

IMMIGRATION

The current chaos and confusion surrounding deportation policies and procedures can affect stores, their staff, their customers, and their communities. ABA advocates for reduced work authorization delays, expanded legal temporary worker visa programs,

citizenship for DACA recipients, and a streamlined visa application process in an attempt to minimize the effects mentioned above and to help mitigate the risk of exacerbating the labor shortage.



HELP SMALL BUSINESS DO BUSINESS

Economic studies show that locally owned businesses return three times as much money to the local economy than do chain stores. They also are the key job creators across the country.

There is a lot that communities, states, and even federal legislators can do to help small businesses like independent bookstores thrive. Lessening the regulatory burdens and costs that small businesses face would be one impactful solution, as well as educating constituents on the value of shopping local. Importantly, it is crucial to give small businesses, such as independent booksellers, a seat at the table when drafting legislation or regulations that may impact small businesses.

Here are some ideas on making communities local-business friendly:

Shop Local Initiatives. For instance, NYC's launched Small Business First in 2015, which among other things, reduced the burden of regulation on small businesses. It created 30 initiatives to make New York City an easier city for a small business to open, operate, and thrive. These changes included:

- One online space to create an account and find the applications, permits, and information that relates specifically to your business.
- Personal contacts in city government that help businesses navigate multiple steps of a process or provide a pre-inspection walkthrough to help businesses comply before they receive a fine or violation.



More recently, Pasadena, California, announced the launch of the Shop Local Pasadena, a city-run campaign to celebrate the city’s 1,600 retail businesses and more than 700 restaurants. Shop Local Pasadena kicked off on Small Business Saturday, November 30, 2024, and ran throughout December, highlighting local businesses and encouraging residents and visitors to shop and dine locally.

Zoning and Tenant Protections

- Strategically require or incentivize smaller retail spaces. This can be a requirement to force all five-story buildings to have smaller retail spaces available that would be attractive to booksellers or other locally owned retailers.
- Consciously cluster smaller businesses together rather than allowing them to pop up everywhere to create synergies. Creating districts that focus on smaller retailers allow the retailers to work together and aid both consumers and the businesses themselves.
- Allow specific, limited-use zoning, including bookstores and other targeted independent retailers outside of core retail districts. Although it may sound contradictory to the cluster concept, the zoning codes should allow small retail in spaces outside the core retail districts in areas that may not fit the conventional retail model.
- Allow distribution and limited retail as part of home occupations. This will allow for some smaller retailers to start home-based businesses that may expand to full storefronts over time.

Technology Grants

There is a huge disparity between the technology that large retailers have to retain and grow their market share and the technological capabilities that small and midsize retailers have access to – and that

- One place where the majority of fines and violations can be settled all at once, as well as online.
- Resources available in multiple languages.

gap is getting wider all the time. Making technology accessible to small businesses spurs marketplace competition and is better for innovation and consumers. ABA believes it is critical that the state and federal government offer tech-related grants that can assist small retailers, similar to those offered during the restart following the pandemic.

The One North Carolina Small Business Program, as an example, helps small businesses in the state's science, technology, engineering, and math (STEM) industries. The program provides grants to companies that apply for or receive federal Small Business Innovation Research (SBIR) or Small Business Technology Transfer (STTR) grants.

Apprenticeship Programs.

Most states provide some form of apprenticeship program. ABA urges states to include an apprenticeship for opening and running a bookstore as part of these programs. In New Jersey, for example, the New Jersey Apprenticeship Network boasts a goal to drive economic development through skills and educational attainment by strengthening apprenticeship programs throughout the state and increasing opportunities for both youth and adults. ABA supports these programs but believes they should include bookselling (separate from retail) as an occupation.

Grants, subsidies, low-interest loans

Grants, subsidies, and low-interest loans can help small businesses with startup costs, research and development, and expansion.

The Washington State Small Business Credit Initiative (SSBCI), for example, provides capital to financial institutions and lenders to increase the flow of capital to underserved and underbanked communities across the state who have been otherwise left out of traditional funding opportunities.

New Jersey's Main Street Micro Business Loan provides financing of up to \$50,000 to eligible micro businesses in New Jersey with ten or fewer full-time employees and no greater than \$1.5 million in annual revenues.

Establishing business incubators and accelerators

These programs can provide entrepreneurs with resources, mentorship, networking opportunities, and affordable office space.

The New York State Division of Science, Technology, and Innovation (NYSTAR) helps fund 20 certified business incubators, which receive funding to reach a greater number of early-stage companies. Support may vary by location but generally includes physical space; shared administrative staff; access to capital; coaching; mentoring; networking connections; prototype development; and access to other technical services.

ABA supports such programs but believes they should include starting a bookstore (separate from retail).

Other ideas geared to attracting locally owned businesses, such as independent bookstores: Tax incentives, including target tax breaks (e.g., for landlords who lease to a local business owner as opposed to a chain retailer); business development grants; small business tax credit programs; and/or emergency capital investment programs.

For example, in New York State, START-UP NY helps new and expanding businesses through tax-based incentives and innovative academic partnerships. START-UP NY offers new and expanding businesses the opportunity to operate tax-free for 10 years on or near eligible university or college campuses in New York State.

ABA and its bookstore members would be happy to engage with lawmakers on this issue and brainstorm ideas on how to help independent bookstores thrive and grow!



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