



FOR IMMEDIATE RELEASE

1.5 million jobs, a billion dollars at stake as mystery shopping industry delivers strong message to Capitol Hill

Ridgefield, CT, **February 17, 2010** – Local business owner, Stanley Hart, of Brand Equity Builders, Inc. and RitterAssociates, Inc., visited legislators in Washington, D.C. on February 2 and 3 to discuss proposed legislation that would affect an industry that contracts with 1.5 million mystery shoppers, along with many other industries that rely on independent contractors.

Hart's visit was a part of a series of meetings coordinated by the Mystery Shopping Providers Association (MSPA), which included nearly 50 people representing more than 30 companies across the country.

Mystery shopping is the practice of using educated, experienced shoppers to anonymously evaluate customer service, operations, merchandising, product quality and other elements of the consumer's experience. Mystery shoppers receive instructions that outline the specific details to look for while conducting an evaluation.

MSPA leadership is concerned this news comes at a time when the United States economy relies on every job that's created or maintained and Americans are relying on every dollar of earned income. Small businesses are playing a vital role in sustaining the American workforce, and this potential legislation will make it even more difficult for small businesses, such as mystery shopping entrepreneurs, to survive.

While the potential legislation attempts to address the "tax gap" caused by the improper classification of workers for tax reporting purposes, it would also negatively impact those properly classified as independent contractors. In one industry alone, the legislation could significantly hinder the ability of about 1.5 million mystery shoppers and about 130 U.S. mystery shopping companies to maintain business operations.

"When you look at it in terms of 1.5 million votes, that can carry a lot of weight for a legislator," said Hart, President, Brand Equity Builders, Inc. and RitterAssociates, Inc. "This is an issue I trust will be looked at fairly, and from all sides."



The MSPA is closely monitoring this proposal and cites multiple concerns:

- It hinders a person's ability to earn extra money at a time when so many people need it
- It will impose new compliance costs on small businesses and others who rely upon independent contractors
- It will increase the cost for companies to utilize mystery shopping providers to objectively evaluate a customer's experience and train/reward their employees
- It will make it impossible for many independent contractors to survive because the businesses that use them today would be forced to turn elsewhere
- One proposed budget from President Obama suggests eliminating independent contractor status altogether

“Independent contractors are the lifeblood of the mystery shopping industry. Changing their status would increase administrative costs to the point where most mystery shopping providers would be forced to close their doors, allowing large corporations to get even bigger at the expense of small businesses,” said John Swinburn, executive director of the MSPA. “The businesses of these independent contractors would be lost, along with an estimated \$1 billion dollars that make up the mystery shopping industry. If there is a concern about reducing the tax gap between independent contractors versus employees, the solution is to require businesses to complete a Form 1099 for each independent contractor, not to crush small businesses under the heels of oppressive legislation.”

About RitterAssociates

Since 1974, RitterAssociates has provided accurate, quantitative, and actionable customer measurement data that enable our clients to maximize their return on investment and gain a competitive advantage in the marketplace. RitterAssociates combines talent with technology to create the most effective custom measurement program to fit your needs. For more information about RitterAssociates, visit us at www.ritterassociates.com.

Media Contact:

Julia Unbehend
Public Relations
RitterAssociates, Inc.
209 North Reynolds Road
Toledo, Ohio 43615 USA
Tel: 419-535-5757
Fax: 419-535-5646
Email: PR@ritterassociates.com

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