



Jefferson Economic Development Institute  
...where potential becomes prosperity

December 16, 2013  
Opinion piece from Nancy Swift

### **The Best Gift You Can Give These Holidays Is To Buy Local**

With the holidays upon us, consider giving a gift the entire community can celebrate -- the gift of prosperity. Every holiday dollar spent in an independent, locally owned business not only supports a local job, but also circulates through the community two or three times, supporting *several* local jobs.

By contrast, dollars spent online typically do nothing for the local economy. Online purchases support no local jobs, nor do they contribute tax revenue. In a similar vein, the majority of the money spent at nationally owned chain stores flows up the corporate food chain, never to be seen again.

Adding to the benefits of local buying is this simple reality: the vast majority of rural businesses are micro businesses, so even incremental increases in spending have a big impact on their ability to support jobs (and our community).

One study showed if American consumers simply shifted \$10 in spending each month to independent, locally owned businesses, over \$9.3 billion annually would flow into local economies.

That would mean additional millions for Siskiyou County's economy. And consider the impact on Siskiyou County's economy if buyers aimed 10% of their holiday spending at local businesses.

Now imagine if a portion of that money was spent buying *locally produced* goods, which create even more jobs and prosperity for your neighbors.

The impact would be sizable.

Continued...

## **Spend Local & Create Jobs**

Independently owned micro businesses -- which make up 88% of California's businesses -- are also prime drivers of job growth.

In California, from 2003 to 2010, micro businesses created 720,000 jobs. Over that same time period, big businesses *lost* 180,000 jobs.

More importantly, the kind of jobs provided by small, independently owned micro businesses won't be eliminated by a distant corporate accountant seeking higher profits (and a hefty bonus).

In fact, most of these jobs are woven right into the fabric of our community; some have been held by successive generations of the same family.

## **Money Is Like Blood**

Economists are exploring the benefits of "velocity" in the money supply, and a recent Times article compared the flow of money in an economy to the flow of blood through the body.

If your blood doesn't flow quickly and freely, your body becomes sluggish and ultimately fails. Speeding up the flow of money in a local economy has the same effect as speeding up the flow of blood in your body; every sector benefits.

The faster money circulates, the more hands it touches and the more jobs it creates. According to economists, the velocity of money in the US used to be a constant, but it has slowed dramatically in recent decades (it's draining towards the financial sector).

In simple terms, spending your money locally not only doubles or triples the local impact of your spending, it also increases the velocity -- the liveliness -- of our local economy.

## **We Support The Businesses That Support You**

Clearly, *Buy Local* movements are more than just "feel good" ideas; they're supported by sound economic principles, especially in light of the struggles experienced recently by rural communities.

For more than 15 years, The Jefferson Economic Development Institute has provided training and support for Siskiyou County's entrepreneurs and business owners.

We've learned the value of a vibrant local economy, and witnessed the positive impacts of local spending. It grows a community and generates a shared sense of well-being that is hard to quantify — but is impossible to ignore.

We're not suggesting readers spend every dollar locally; we're suggesting taking an informed, thoughtful approach to your spending over the holidays. In simple terms, spend with prosperity in mind, not just the lowest price.

You, your neighbors, and your community will benefit.

(*Times* article referenced [here](#))

Nancy Swift

JEDI Executive Director

*This Guest Opinion was printed in the Mt. Shasta Herald on December 11, 2013, page A7. See attached copy.*



## GUEST OPINION

# The best gift you can give: buy local

By Nancy Swift

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### Supporting businesses

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You, your neighbors, and your community will benefit. (Time Magazine article referenced: <http://content.time.com/time/business/article/0,8599,1903632,00.html>)

• Nancy Swift is Jefferson Economic Development Institute Executive Director

