

[Buying local keeps money in local economy](#)

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By Michelle M. Grandy, director of the Think Local First program at Sustainable Connections

Whatcom County's sixth annual Independents Week is June 28 to July 4, and we really are thinking local and independent!

We have a culture of buying local here in Whatcom County; and the new federal agricultural census numbers make that apparent. From 2002 to 2007, the number of farmers marketing directly to consumers in Whatcom County increased 44 percent (compared to the state average of 20 percent) and direct sales to those consumers increased 125 percent (compared to the state average of 25 percent).

This past winter, when the economy was especially rough, the Commerce Department reported that national retail sales were down 9.8 percent with chain store sales down anywhere from 6.5 to 24.2 percent. A survey conducted by The Institute for Local Self-Reliance, including participants from Whatcom County, found locally owned retailers in communities with Buy Local campaigns to have only a 3.2 percent drop in sales. Local retailers in communities without Buy Local campaigns experienced a 5.6 percent drop.

Not only do local results show what can be accomplished by supporting local producers and retailers, research has been done around the country that shows that buying local really does make a difference for the local economy. There are only so many dollars spent within Whatcom County and when those dollars are spent at local businesses more of that money stays right here in our community recirculating to keep the local economy strong.

Local business owners spend a great amount of their revenue on payroll for local people, bank with local financial institutions, hire local accountants and professional services, and use local printers and service providers resulting in a greater return to our local economy. Not only do they spend their money locally, in Whatcom County 71 percent of jobs are created by local businesses as well with this percentage being significantly higher than the rest of our state and national figures.

When we choose to spend our money at a non-local national chain store with a distant corporate headquarters, we have a draw on our own community's economic resources with too little return.

A study conducted by Andersonville Development Corporation in Chicago shows that for every \$100 spent at a national chain only \$43 stays in the community. If that same \$100 is spent at locally owned independent stores \$68 stays in the community. Similar studies in Austin, Texas, and San Francisco have found similar results with a greater percentage of money staying local when spent at locally owned businesses.

A June 11 article titled “Buying Local: How it Boosts the Economy” in Timemagazine explained it this way: “A number of researchers and organizations are taking a closer look at how money flows, and what they’re finding shows the profound economic impact of keeping money in town — and how the fate of many communities around the nation and the world increasingly depend on it. At the most basic level, when you buy local, more money stays in the community.”

In the article, David Boyle, researcher at the New Economics Foundation said, “Many local economies are languishing not because too little cash comes in, but as a result of what happens to that money. Money is like blood. It needs to keep moving around to keep the economy going. When money is spent elsewhere — at big supermarkets, non-locally owned utilities and other services such as online retailers— it flows out, like a wound. By shopping at the corner store instead of the big box, consumers keep their communities from becoming what the NEF call “ghost towns” (areas devoid of neighborhood shops and services) or “clone towns,” where Main Street now looks like every other Main Street with the same fast-food and retail chains.”

Given that supporting local, independently owned businesses keeps more of our dollars local, which in turn supports most of our jobs, we need to ask if the current consideration of lifting the size cap on big-box stores in Bellingham is the right move.

Tax revenue is critical for local government services, which we all enjoy. If we redirected the money we spend at national chain stores, then not only would we retain tax revenue, we’d also keep a higher percentage of our dollars local. Why allot more retail square footage, in a country that currently has 20 square feet of retail space per person, (and thousands of empty big box store shells), to those corporations that send our money out of our community?

And so in honor of Independents Week, I’ll close with this familiar (and modified) verbiage.

When in the course of human events it becomes appropriate for communities to assert their independence, to denounce uniformity and celebrate their uniqueness. To ensure that crucial decisions are not made by some distant board of directors but by people who live in the community and who feel the impacts of their decisions. A desire for economic freedom, human creativity, (and the oddities that make this home) requires local businesses and people to **THINK LOCAL FIRST!**

Vote with your dollars by continuing to support our local, independently owned businesses, become educated about our local economy and issues, and voice your opinion.