The multiplier effect of shopping local

Beth Marcus
Cape Cod Beer

"When you buy from a small business you're not helping a CEO buy a third holiday home. You're helping a little girl get dance lessons, a little boy's team jersey, and Moms & Dads put food on the table. Shop Local." 

These words from a viral photo put into feeling the crux of local economics. Spending your money in your local community means your hard-earned dollars have a real impact on real people.

Shop Local isn't just about local stores and makers vying for your business. It's just the beginning. Real magic happens after you Shop Local. Most of us don't think about what happens to our money once it leaves our wallet.

Companies you patronize can amplify the impact of your dollars.

Let's talk about the $100 that left your wallet at a restaurant last night. If you chose an independently owned local restaurant that is focused on buying locally, then your impact is maximized. For every $100 you spend at a local business, $57 stays in the community. Your money goes to fellow Cape Codders in the form of wages (servers, cooks, management), raw material costs (food and alcohol), and overhead (insurance, banking, marketing).

If that restaurant, in turn, buys food from local sources, serves local beer, wine, and spirits, sources supplies from local vendors, uses local services like banks, accountants, and designers, the effect is exponential. Each local business they do business with keeps more of that money in our community. Conversely, once that money leaves Cape Cod, it's gone. Spend that same $100 at a national chain and only $25 of it stays local. Buy online and that number is $0. Where you spend your money matters!

Businesses are huge consumers of stuff: supplies, raw materials, professional services. More than 60 percent of Cape Cod's economy is driven by small businesses. At means there are a lot of us - in the form of small business owners and small business employees. It also means that even small changes to day-to-day business buying decisions have a significant impact.

The most common pushbacks to the economics of shopping local are price and convenience. But sometimes price and convenience aren't the only relevant data points. On average, small businesses donate 250 percent more than larger businesses to nonprofits and community causes. Who funds the local programs that support the youth, elderly, and needy in our community? Who supports your child's soccer team? Booster club? Ask a Cape Cod small business owner and they will tell you - they do!

If every consumer on Cape Cod spent an additional $50 at a locally owned business, it would generate $4 million in new revenue for our local economy. If every business on Cape Cod did the same, that number would skyrocket! I challenge you, as a consumer and as an employee of a company, to consider your purchasing habits and where you buy from.

If you own local, buy local. And then inspire others to think local for purchasing decisions. Together, the small changes we make have a BIG impact.