



OLR RESEARCH REPORT

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LOCAL FIRST CAMPAIGNS

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You asked (1) what Local First Campaigns are; (2) whether any exist in Connecticut; (3) whether government programs sponsor these campaigns; and, (4) if not, how government or nonprofit programs could support goals similar to those of Local First Campaigns.

SUMMARY

Local First Campaigns are grass roots initiatives to convince individuals, groups, and organizations to at least consider buying goods and services from independently owned businesses in their communities. The campaigns are planned and implemented by networks of community groups and businesses formed to educate the rest of the community about how it benefits when local businesses prosper and thrive.

Local First was coined by the Business Alliance for Local Living Economies ([BALLE](#)), a national organization that helps local groups organize themselves for community development. Local First is part of BALLE's broader strategy to help communities exercise more control over their economies by developing and using local resources to solve problems and satisfy needs.

We found many examples of communities conducting Local First Campaigns, but none in Connecticut. Nor did we find any examples of government programs that sponsor these campaigns or help community groups plan and implement them. But many existing community

development programs in Connecticut address similar goals. For example, Connecticut's Neighborhood Revitalization Zone (NRZ) program helps neighborhood residents and businesses develop and implement plans to revitalize economically- and socially-distressed neighborhoods. NRZ plans could include starting and supporting neighborhood-based businesses.

In addition, we found a report by the Institute for Local Self Reliance (ILSR) that shows how public policies can strengthen local communities. The [2003 report](#) lists many ways state and local governments can further this goal. It groups strategies in three policy categories: planning for a home grown economy, fostering revitalization, and uniting independent businesses. The strategies include targeting tax incentives to local businesses, locating public buildings in downtown areas, and forming business networks to solve common problems.

LOCAL FIRST STRATEGY

Local First refers to marketing campaigns that encourage people, businesses, institutions, government agencies, and other entities to buy goods and services from local, independently owned businesses. The campaigns are usually planned and implemented by grass roots networks of consumers and local business owners. Their message is that the entire community benefits when it supports diners, laundromats, hardware stores, repair shops, accounting firms, local newspapers, and other locally owned businesses mostly serving local customers, sometimes in competition with large nationally owned chains.

According to BALLE, Local First is part of a broader strategy to create a "local living economy" where individuals, groups, and organizations use their buying power to strengthen and sustain the community's economy. The strategy's other components include:

1. creating jobs that pay wages people can live on;
2. giving individuals the chance to own and operate businesses;
3. fostering fair trade;
4. making investments that generate returns to the community;
5. connecting producers with consumers, investors with entrepreneurs, and lenders with borrowers;

6. conducting business and other activities in a way that sustains the environment;
7. diversifying the community, economy, and environment; and
8. measuring and assessing the community's quality of life.

BENEFITS

Economic

Local First rests on a theory about the extent to which the money people, groups, and organizations spend in a community circulates there. According to BALLE, local independently owned businesses are more likely than national chains to use their income to buy goods and services from other local businesses, thus keeping the wealth in the community and strengthening its economy.

Businesses headquartered outside the community send more of their income to their parent organizations, and consequently spend a smaller share of their income in the community. And, because these businesses have the means to relocate their facilities, they are more likely to do so when they can operate at a lower cost in other locations.

Social

Local, independently owned businesses benefit the community in other ways. According to BALLE, they not only purchase goods and services from other such businesses, but also “make indispensable contributions” to a community's charities. The contributions often include money and in-kind services. Conversely, large, national businesses mainly contribute to organizations in the community where they are headquartered.

Local businesses also provide more stable employment. As noted above, large nationally based businesses are more likely to close facilities, lay off workers, and transfer jobs than smaller, locally based ones.

Environmental

Local, independently owned businesses further environmental quality goals. Because many operate in historic town centers, they do not require the land, roads, sewers, parking spaces, and other infrastructure national businesses need for their facilities, which they often build and

operate outside of a town's existing infrastructure. The need to build new infrastructure to accommodate national chains can also require more police, fire, and other municipal services. And, by occupying older, historically significant buildings in historic downtowns, local businesses help preserve a community's history and character.

MARKETING AND PROMOTING LOCAL FIRST

Local First is grass roots marketing strategy. BALLE markets the strategy to consumers, businesses, institutions, government agencies, and other entities interested in supporting local businesses. Groups wishing to adopt a Local First Campaign may do so by joining BALLE and accessing its resources and technical assistance. (The annual membership fee is \$500.)

BALLE's website provides information on the factors groups should consider when forming a network to plan and implement a Local First Campaign. These include information on how to find a core group of businesses ready to champion Local First principles, establish a steering committee, recruit members, and secure funds. BALLE's products include information on how to:

1. educate the community about how it benefits from local, independently owned businesses;
2. form nonprofit organizations; and
3. prepare grant proposals and applications.

BALLE also conducts orientations, conferences, and training programs and publishes guides on establishing and maintaining networks. It provides an online peer consulting network and a database of economic development tools, including "leakage calculators" for measuring the extent to which dollars leak or flow outside of a community.

COMPATIBLE CONNECTICUT PROGRAMS

Several Connecticut community development programs further or could further Local First goals. The state's [NRZ program](#) provides a legal framework through which neighborhood residents, business owners, and government officials can develop and implement neighborhood revitalization plans. [The Office of Policy and Management's guidelines](#) outline the steps for establishing a NRZ. [OLR Report 2003-R-0824](#) describes the NRZ programs in several Connecticut towns.

The nonprofit [Connecticut Main Street Center](#) helps residents and merchants devise strategies for preserving historic downtowns and village centers. Like BALLE, it helps groups organize themselves for

collaborative action, which includes joint marketing campaigns promoting a town center's stores and shops, restoring historic structures, and obtaining business loans.

The state-supported [Community Economic Development Fund](#) provides relatively small, low-interest loans to small businesses in economically distressed areas. Its clients include independently owned businesses that primarily serve local customers.

Municipal special services districts can also further Local First goals by improving downtowns and other commercial centers. They often do so by funding extra public services and infrastructure improvements in these areas. They also help district businesses promote the area by staging special events or joint marketing campaigns. [Cornell University's Restructuring Local Government](#) describes special services districts' (called business improvement districts in other states) benefits and costs.

HYPERLINKS

10 Reasons Why Vermont's Homegrown Economy Matters and 50 Proven Ways to Revive It, <http://www.newrules.org/retail/publications/10-reasons-why-vermonts-homegrown-economy-matters-and-50-proven-ways-revive-it>

BALLE, <http://www.livingeconomies.org/netview/the-need-for-local-first-campaigns>

NRZ Program,
<http://www.ct.gov/opm/cwp/view.asp?a=2985&q=383120>.

Office of Policy and Management Guidelines for Establishing NRZs,
<http://www.ct.gov/opm/cwp/view.asp?a=2985&q=383120>

OLR Report, Neighborhood Revitalization Zones,
<http://cgalites/olr/sitesearch.asp>

Connecticut Main Street Center, <http://ctmainstreet.org/>

Connecticut Community Economic Development Fund,
<http://www.cedf.com/>

Cornell University Restructuring Local Government,
<http://government.cce.cornell.edu/doc/reports/econdev/bids.asp>

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