

Local shopping

Author shares theories on why buying local is better for a community

By Wade Petrich
Editor

Michael Shuman told the story of how he went to a discount retailer to buy a \$15 pair of tennis shoes and ended up spending a lot more. From the gas and travel to all the extra items he bought, his pocketbook was \$275 lighter, and much of the extra stuff he purchased was of little use to his family.

Shuman spoke with members of the media and NRRI staff members in Hermantown March 2 to talk about his latest book, *The Small-Mart Revolution*, and to promote the idea that buying locally is a good idea in these economic times.

Shuman is the vice-president for enterprise development at the Training & Development Corporation. He is the author of seven books and holds a law degree from

Stanford University.

"In these tough economic times people are concerned about spending their money," Shuman said. "The solution — local businesses. They are critical."

It seemed like good timing for Shuman to be speaking in Hermantown last week (he

also spoke at the University of Minnesota-Duluth campus on March 3), as the Wal-Mart expansion project moves ahead and the Menards' remodeling project is completed. Hermantown has had a strong mix of large and small businesses in the community and feelings on both sides are mixed. Opposition to Wal-Mart's recent plans in Hermantown has been silent as the poor economy makes it harder for anyone to be against development.

The saying coined by environmentalists about thinking globally and acting locally has its place in consumer purchasing as well. Shuman said that while we heard about global financial problems with banks, our local financial institutions are doing well and not asking to be bailed out by the government.

"The greatest stimulus is to support local business," Shuman said. "Spending money at local businesses that spend their money locally is key."

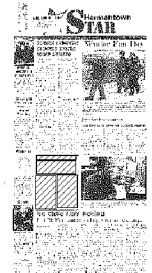
It is believed that the local business owner has a hard time competing with the larger corporations on prices, but Shuman said that is not entirely true. Oftentimes costs are lower for those businesses with local suppliers who do not have to transport goods as far. This was seen when the price of a gallon of gas hit \$4 last summer.

Shuman said small, local businesses do not move around and their small stores have character that consumers enjoy. All of us have stories of going to the local hardware store and the owner spending time to make sure you leave with the right part and the knowledge to use it.

Locally owned businesses are more common than one might think. Shuman said they

make up around 59 percent of our economy and that number is much higher in rural communities.

Local Exchange Trading Systems (LETS) are one way communities around the world are trying to encourage people to support local businesses. This local exchange currency encourages people to enter in agreements with one another



and use it to buy goods and services. It keeps the money local and supports those who do the same.

Small businesses that work together can be extremely beneficial to a local economy, generating millions in revenue and employing hundreds of people in a variety of professions. Shuman used the example of Cirrus Design being a local company that helps support other businesses as well. Many new businesses came into the Duluth area to help provide support for the airplane manufacturer.

Shuman also dispelled the myth that small businesses pay their employees less. Many larger companies with greater benefit packages have moved jobs overseas, and many small businesses are able to offer a stable, work environment that pays off in the long run.

Those interested in getting people to shop locally should start buy-local campaigns and develop a homegrown directory of local businesses to support. Shuman recommended. In his book he lists 30 ways for policymakers to focus in on local business for the betterment of the community.

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