



## From Old Economy to New Localism

By Doug Loescher | From Main Street News | September 26, 2011 |

In September, I was invited to talk about cutting-edge community and economic development at the annual Michigan Main Street Conference. From my perspective, there are few better places to have this conversation. Michigan has been at the forefront of economic change—and innovative responses to those challenges—longer than any other state.

Barrels Community Market in Waterville, Maine, is a community-run food co-op that relies on volunteers who "work local" as well as "buy local."

*Credit: Barrels Community Market*

I am constantly reminded that the power of Main Street is that our downtowns fulfill both an economic as well as a social purpose. I see that our best local programs succeed in tapping the interests, funding, and passion of people from every corner of their community, not just the business community. In fact, it would be fair to say that the "social goals," such as quality of life, access to amenities and services, sense of identity and belonging, and sheer love of old buildings, are sometimes more powerful drivers for some people than the economic goals of job growth and reinvestment.

Is that to say that the social good of Main Street now trumps the economic ROI we deliver? Absolutely not. In fact, recent trends are proving that these dual drivers of Main Street initiatives are morphing into something we've never seen before, which could be a more powerful form of local commerce and may be one of the pathways leading us out of the old economy, which is crumbling around us as we speak. For now, I'm calling this phenomenon, "New Localism."

### Community-owned Commerce

The New Localism is more than just mom & pops, farmers markets, and "buy local" campaigns. The New Localism, which has been quietly gaining steam in cities and Main Streets over the past few years, has flown under the radar of our perception. Without us even knowing it, a radically different model of commerce is starting to take shape. If you consider the traditional players in each link of the chain of local commerce—consumers, retailers, producers, and investors—we are beginning to see a merging of these once-distinct roles in the form of community-owned enterprises.

One of the most prevalent trends among those who we used to know simply as "the shoppers" is a much deeper engagement in the retail process. Apparently, consumers are no longer content to stay on one side of the store counter. In the New Localism, they are also likely to be found on the *other* side, helping to shape the type of store and its merchandising—or even *running* the shop themselves.

### Buy Local Becomes Work Local

At Barrels Community Market, a staff of 25 volunteers supports 3 paid employees.

*Credit: Barrels Community Market*

As an example, take a look at the amazing venture launched by the local Main Street program in Waterville, Maine—Barrels Community Market. Waterville, Maine, identified a need for a downtown grocery store, and idea of a co-op resonated with the community. With more than 25 small area producers, many of whom needed an additional outlet for their goods, this local program stepped in to fill the gap. It opened its own enterprise, relying on residents with a desire to "buy local" to also "work local." At Barrels, a staff of 25 volunteers supports three paid employees—and you can be that those volunteer workers, as well as their friends, families, and neighbors—are very loyal customers!

Now let's consider how the New Localism changes what it means to be a small, independent business on Main Street. Again we are seeing more cases where the roles of consumer, retailer, and investor are seamlessly merging in the form of community-owned stores. The Mercantile in Powell, Wyoming, is a great example. After lamenting the loss of their local department store—an issue faced by almost every downtown in the last 20 years—and failing to attract another one, the community found a different solution. Local residents bought the vacant 7,000-square-foot store, sold 800 \$500 shares to 429 "citizen investors, and re-opened the store with the same selection of merchandise. The Mercantile has been so profitable that it annexed the basement to expand its sales floor.

Powell became the poster child for this type of success story when it caught the attention of CBS News and NPR. Dozens of towns have since replicated Powell's formula, which has a board of directors and shareholder meetings like other corporations, proving that an enterprise with a community mission can serve both our social and economic goals.

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## *From Old Economy to New Localism continued*

### **The Comeback of Local Producers**

More than 2,000 members of the community invested in Company Shops Market, an upscale food co-op in Burlington, North Carolina.

#### *Credit: Company Shops Market*

Consumers and retailers are about as far as we usually go when thinking about downtown commerce. But there's a less visible side of the commerce loop that is again driving some powerful changes in how we do business. Local producers—once thought to be a dying breed thanks to national farming and global manufacturing—are making a comeback, blurring the boundaries of traditional commerce. No longer satisfied to rely on the "big business" distribution channels that have virtually shut out suppliers in recent years, local producers are increasingly selling directly to the consumer—and that means far more than just farmers markets. My favorite example is Company Shops Market in Burlington, North Carolina. Its campaign attracted 2,150 local investors in a town of 9,000. They included local farmers, residents, and businesses. This past May, the group opened a full-service, up-scale food co-op and cafe in a renovated A&P grocery store downtown, creating a powerful new anchor for their main street. In Company Shops, community members not only gained a market but also a gathering spot for live music, food and beverage tasting and more.

### **Invest Local**

Finally, nowhere is the conventional model for commerce more in turmoil than in the area of finance for producers *and* retailers. Investment, especially in the form of bank lending, continues to be hard to come by for most of our mom & pop shops. Last year, in fact, one of the largest banks in the U.S. revealed that 95 percent of its small business customers had *only* one source of financing available to them: high-interest credit cards! With the prospect that conventional financing may never return as before, a new model for community-led investment is starting to pop up. One of the most intriguing examples comes from Port Townsend, Washington—a past GAMSAs winner and defiantly "all local" downtown. Just a few years ago, residents decided they needed to do more than just "buy local" to have a thriving local economy. Why not "invest local" as well? Their solution, called LION (Local Investment Opportunity Network) has been persuading citizens to put their money where their passion lies. In just a few short years, they have successfully matched small local investors with local entrepreneurs, financing everything from the renovation of the local theater to the downtown bike shop. They think their model can be replicated anywhere and have even developed an online toolkit other communities can use. (For now, traditional commerce still dominates our downtowns and local economies, but to grow in a meaningful way—that meets both our economic and social goals for Main Street—the New Localism offers the promise of both, and our Main Street districts and organizations can be great places to start.



The picture to the left was a post card from the early 1920's. At the top of the postcard it says looking east from Fourth Street.

Today 323 Tattoo and Cinderella's Closet would be the first two buildings.

Looking at Reed Street you see that downtown Moberly has always been a beautiful part of the City and a great place to own a business.

Community Calendar

- **October 1, 2011** Community Kitchen located at 107 N Fifth St, Moberly will be open every Wednesday and Saturday of the month from 10:00 a.m. to 2:00p.m serving free meals to those in need.
- **October 4, 2011** Moberly Women's Connection  
Ladies, Need to make new friends? Need encouragement? Moberly Women’s Connection has just the ticket . Invite your friend to attend with you a luncheon and “couponing 101” by Gwen Staples, a money saving mom who will show us how to save 50% or more on your grocery bill. Event will be at the Heartland Banquet Center. Serving begins at 11:45 a.m. Cost is \$8, complimentary preschool. For reservations call 660.651.9106.
- **October 8, 2011** MU Jazz Combo will be performing at the Moberly Area Community College Auditorium at 7:00 p.m. Adults \$5, Students \$3. For more information or to purchase tickets call 660.263.4100 x 11262.
- **October 15, 2011** Giant Garage Sale from 7:00 a.m. to 12 noon in the activity center at Moberly Area Community College.
- **October 19, 2011** Flu Clinic will be at MACC Health Fair from 10:00 a.m. to 3:00 p.m. \$20, will accept Medicaid, Medicare, United and Health link.
- **October 20, 2011** Flu Clinic will be at Westran Elementary from 3:00 p.m. to 7:00 p.m. \$20, will accept Medicare, Medicaid, United and Healthlink.
- **October 21, 2011** Stubbins rummage sale from 4:00 p.m. to 7:00 p.m. and on Saturday the 22nd from 8:00 a.m. to 12 noon at the Coates Street Presbyterian Church.
- **October 27, 2011** Flu Clinic will be at Moberly Middle and High School from 3:00 p.m. to 7:00 p.m. \$20, will accept Medicare, Medicaid, United and Healthlink.
- **October 29, 2011** Downtown Haunted Tour—A bit of history and mystery  
Main Street Moberly will be having a Haunted Tour in the Historic Downtown district. Come and walk through the area and hear about documented stories and sightings of Ghosts and Spirits along with historical information . Tours will start at 6:00 p.m. \$15 per person ADULTS ONLY. For more information call the Main Street office 660.263.5251.

# October 2011

SUN	MON	TUE	WED	THU	FRI	SAT
						1
2	3	4	5	6 Promotions 7:00p	7	8
9	10	11 Design 8:00 a	12	13 Economic rest 8:00 am	14	15
16	17	18	19	20 Board Meeting 8:00 a m	21	22
23	24	25	26	27	28	29 Haunted Tour 6pm
30	31					



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**DOWNTOWN HAUNTED  
WALKING TOUR  
SATURDAY OCTOBER 29TH  
TOURS START AT 6P.M  
(RAIN DATE Sunday the 30th)**

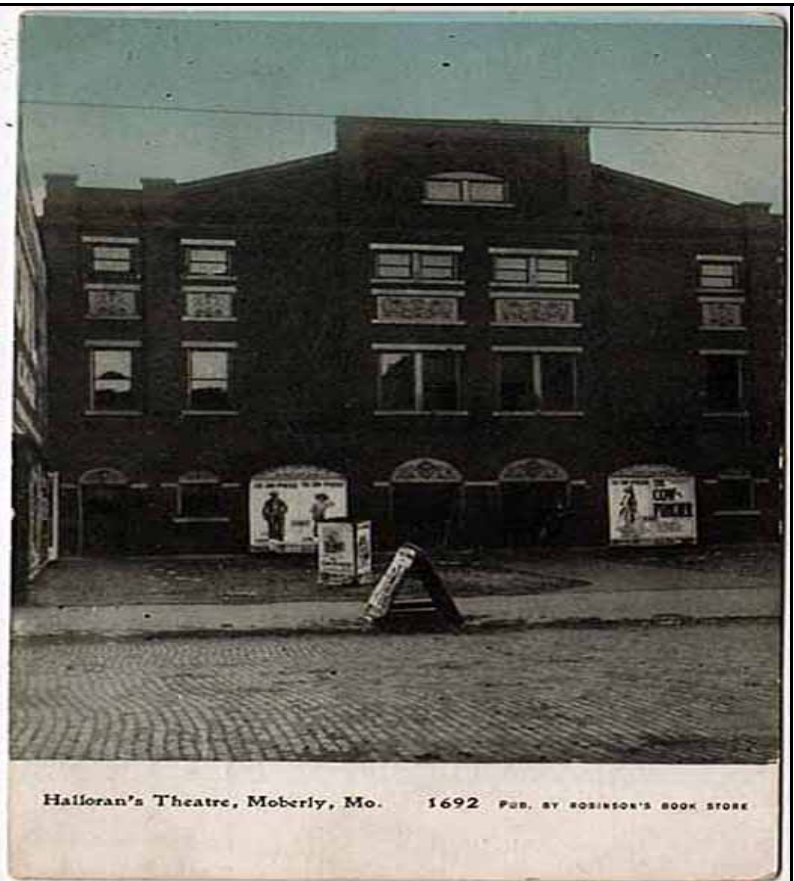
A FASCINATING WALKING TOUR WITH GHOSTLY STORIES  
OF MOBERLY'S PAST AND PRESENT.

A MIX OF HISTORY AND MYSTERY

**Tickets \$15.00**

Tickets Available at Coach Light, Nola Leach and Main  
Street Moberly

For more information contact the Main Street office at  
263-5251



Halloran's Theatre, Moberly, Mo. 1692 PUB. BY ROBINSON'S BOOK STORE