

# From crisis to prosperity: Part 3

by **Travis Crouch**

Member of the Gilmer Chamber of Commerce Board of Directors

In the past two issues of the *Times-Courier*, I have written about the incredible potential of the Gilmer County area and the efforts of the local Chamber of Commerce to capitalize on that potential in such a way that ensures prosperity while preserving the natural charm and beauty of our area. These articles have hopefully served to remind us all that we have a lot going for us here in our beautiful community. They were a call to avoid focusing on whatever problems we might be facing and get on with our move toward prosperity for the area.

This week, I want to highlight the importance of shopping locally as a key component of returning our area to a sustainable level of prosperity.

At some point, most of us have heard about the importance of supporting local businesses and would agree with this idea in principle. I wonder, however, how many of us have really appreciated the importance of this single element toward promoting a healthy local economy?

The first and most obvious benefit to the community when we all shop local is that dollars remain in the community. Spending locally begins a cycle of economic growth known as the “Local Multiplier Effect.” Famed economist John Maynard Keynes first coined this phrase back in 1936 to describe the tremendous economic benefit to be had by keeping dollars in circulation within a local economy as long as possible before they are finally spent on goods and services from outside the community.

To illustrate the Local Multiplier Effect, suppose \$1 million came into the local community. If those who were the original recipients of the revenue shopped entirely locally, the original one million in revenue would then be two million. This cycle continues until the revenue is eventually dispersed to other regions. As recently as 100 years ago, the number of times revenue was “recycled” in a healthy local economy was in the high twenties or low thirties. Under these conditions, \$1 million of new revenue coming into a community could have the economic impact of \$25 to 30 million dollars before being dispersed to other areas.

Unfortunately, this sweet scenario no longer exists for most local economies. The popularity of online shopping means that hard-fought revenue never circulates at all in the local economy but exits as quickly as it arrives. Another factor that has minimized the multiplier effect is the emergence of centralized corporations with branches in many local communities. These “Big Box” stores and chain businesses do not return



Travis Crouch

nearly as much revenue into the local economy as locally owned and operated businesses.

The net effect of these trends is that instead of revenue circulating 25 to 30 times in the local community as a century ago, the recycle rate is more like six to eight times. This disturbing trend has had the net effect of robbing local economies of the beneficial and invigorating effects of recycled income. While no “shop local” campaign will return us to the situation of a century ago, an intentional effort to support locally owned and operated businesses can have a profoundly positive effect on local economies.

Another often overlooked benefit of shopping locally has to do with sales tax revenue that is returned to the community. The sales tax rate in Gilmer County is currently 7 percent.

Generally speaking, this tax revenue is distributed as follows: 4 percent goes to the state of Georgia; 1 percent returns to Gilmer County as general revenue to be used for regular operating expenses; 1 percent returns to Gilmer County as SPLOST funding for specific projects that have been previously approved; and 1 percent returns to the county as E-SPLOST funding for designated education-related projects. In the current year’s budget, the expected revenue from the 1 percent general sales tax is \$2.69 million or 16.9 percent of the annual operating budget for the county. This figure is down from \$3.69 million just five years ago in 2006. This loss of \$1 million in general revenue is a huge factor, especially since the entire budget for the county is only \$15.8 million this year.

While no one enjoys paying sales tax, it is important to remember that much of the sales tax ultimately received by Gilmer County comes from visitors to the area. It is the one type of tax that places less of a burden on local residents than property tax, which is shouldered entirely by property owners in Gilmer. In an area with a health local retail environment, more of the revenue for operating the county can come from visitors to the area instead of local property owners. When sales tax revenue falls as it has locally over the past several years, however, there will be upward pressure on other revenue

sources such as property tax.

I can say from personal experience that local businesses need locals and visitors alike as customers to survive in these challenging times. By supporting local businesses, you can help keep them operating. The more healthy retail establishments we have locally, the more sales tax revenue will be collected, particularly from visitors to our area. This situation, coupled with local fiscal responsibility, will lessen the need to raise

our property taxes in the future.

While not every good or service you may want or need is available locally, there is a great benefit to the community if we all get in the habit of shopping locally first. So let me encourage you all to visit that local establishment and give them a word of encouragement. Tell them you appreciate them and what they contribute to the community. And while you are there, give them your business if you can. I suspect you will find there are many other benefits from shopping locally than the

few I have outlined in this article.

We live in a beautiful area with a great climate and wonderful people. Our area has virtually unlimited potential for sustainable prosperity that complements the natural setting. There are several groups and individuals who are hard at work to market this

area to tourists and corporations as well. There are efforts to increase the appeal of the area with new trails and other amenities. If we all pull together, support one another and get involved where and when we can, we can all enjoy a prosperous future together in this little slice of heaven called Gilmer County.



706-692-2849

706-692-2849

25 WANTED

to try the latest in Digital Hearing Technology

Belton Hearing Aid Center is looking for 25 people who are interested in better hearing. If you or someone you love has difficulty hearing, call today. Don't pit it off any longer!

**Michelle & Scott Landreau, H.I.S**  
Please call today for an appointment and let Scott or Michelle, hearing instrument specialists, help you improve your hearing.

2 DAYS ONLY

All Beltone Digital Hearing

Aids will include:

FREE Lifetime Adjustments and Service

Ask About 12 Months Same As Cash

\$1000

Get \$1000 off any Beltone Advanced Digital Hearing System.

ASK ABOUT OUR 30 DAY TRIAL PERIOD

0% Interest for 12 months with Beltone Credit Card. Subject to credit approval. No interest for 365 days. See store for details. Offer expires 7/29/11. Not good with any other offer.

Financing available. Ask about or payment plan. Hearing aids as low as \$37 per month, subject to approval, 12 months same as cash with approved credit. See store for details.

Save on "A" Series Digital Custom Fully Digital Hearing Aid

\$1,495.00

Full Shell Only • One Low Price

Not applicable to orders dated prior to or after sale dates

Offer good thru 7/29/11

Hands Free Operation

There is no volume control adjustment for easy handling

BELTONE HEARING AID CENTER

706-692-2849

115 North Main Street, Suite 4, Jasper, GA

WED., JULY 27<sup>TH</sup> and FRI, JULY 29<sup>TH</sup>

866-505-0428 • www.beltonehome.com

706-692-2849

706-692-2849

Video Ear Inspection Performed by Factory Technicians at Beltone Hearing Aid Center

WHERE: 115 North Main Street Suite 4, Jasper, GA

WED., JULY 27<sup>TH</sup> and FRI, JULY 29<sup>TH</sup>

Call for an appointment 706-692-2849

Hurry, call now to schedule your appointment

THIS EVENT WILL BE HELD FOR TWO DAYS ONLY!

FREE

AUDIOMETRIC TESTING\*

Find out what you're hearing and what you're not. To ensure reliable testing results, we use a sound tested audiometric test enclosure.

Expires 7/29/11

FREE

VIDEO EAR INSPECTION

Your otoscope exam may reveal such problems as Excessive wax buildup, Eardrum Damage, or Fluid accumulation in the middle ear.

Expires 7/29/11

CUSTOM FULL SHELL

35 db Hearing Loss

\$695.00

Retail price at \$1,390

Class A

Good thru 7/29/11

SAVE 50% OFF

CUSTOM CANAL

35 db Hearing Loss

\$895.00

Retail price at \$1,790

Class A

Good thru 7/29/11

SAVE 50% OFF

SEE THE DIFFERENCE INVISA MAKES

INVISIA

TRADITIONAL

SATISFACTION GUARANTEED

Ask ABOUT our 30 day TRIAL Period Financing Available

0% INTEREST for 12 MONTHS

0% Interest for 12 Months with Beltone Credit Card. Subject to credit approval. No interest for 365 days. See store for details.

Bank-Owned properties in the beautiful North Georgia Mountains!

To view more properties visit: [www.ucbi.com/property](http://www.ucbi.com/property)

Contact: Adam Born, 706-400-9971 or Cindy Clemmons, 706-400-9973

United Community Bank

The Bank That SERVICE Built.

Equal Housing Lender

Member FDIC | [ucbi.com](http://ucbi.com)