

BE A LOCAL HERO.
BUY LOCAL



In the fall of 2008, facing the disbelief of the DHL pullout from the Wilmington Air Park- Energize Clinton County and the Clinton County Regional Planning Commission brainstormed on planning tools to help strengthen and enhance local businesses. We know that local businesses have a greater multiplier in our economy and a critical component to rebuilding our economy after suffering one of the most significant economic disasters in the country. From this realization, came the Clinton County Buy Local First effort.

The JP Morgan Chase and ECC Partnership

Over the past months ECC has been working collaboratively with JP Morgan Chase on a seminal study of spending patterns across our region. As part of their Technology for Social Good initiative, JP Morgan Chase's Customer and Data Analytics division has applied its incredible expertise and data resources to working with Energize Clinton County on developing a model for mapping the dynamics of local spending and identifying opportunities for supporting entrepreneurs and expanding local businesses in Clinton County. Chase completed its first analysis of Clinton County in spring of 2012, producing one of the most extensive studies of local spending patterns ever completed.

Looking at the entire region with USDA

In 2011, ECC was the recipient of a \$47,500 Rural Business Opportunity Grant from the U.S. Department of Agriculture. The grant, matched by the Clinton County Regional Planning Commission, allowed Energize Clinton County to expand the Buy Local First campaign model-- recognized as one of the most successful buy local initiatives in rural America--to six counties in southern Ohio. These counties--Highland County, Fayette County, Adams County, Brown County, Pike County, and Scioto County--were all severely impacted by the loss of DHL in 2008 and shared in Clinton County's need to revitalize our regional economy by supporting the growth of home grown businesses.

To support Energize Clinton County's efforts to promote local business development throughout the region, JP Morgan Chase scaled its model to encompass the seven county region. This analysis helps to demonstrate the interconnected economies of this area, and highlight clear opportunities for keeping more dollars in the regional economy. JP Morgan Chase is one of the nation's largest banks, and has a significant share in of households in the region, utilizing more than 8 million transactions in their analysis. Using its incredible wealth of data and its proprietary

models for estimating consumer spending habits (including cash spending), JP Morgan Chase has created a detailed picture of spending trends within the region.

The Insights

- The analysis found that if each consumer within the region shifted just 10% of his or her out of region spending back into the region, the area would retain an additional **\$196 million dollars annually, \$299 million when considering the multiplier impact of the shift.**
- Retail food (groceries) and retail dining (restaurants) present a huge opportunity for retaining more dollars in the region. Between 2009 and 2011, the region has lost **-5.3%** and **-3.4%** respectively of these markets to other areas. Just shifting this spending back to 2009 levels would bring **\$24.8 million back to the region.**
- The analysis defines local spending trends among varying demographic profiles. **Those who spend more locally are likely to be middle income shoppers 50 years and older.** Higher income consumers tend to spend more money at local independents than middle income consumers.

The Impact

- The Buy Local First campaign in Clinton County shows tangible impacts in the data with **businesses participating in the campaign having a higher sales lift than those that don't participate in the same sector over the same periods in 2009, 2010 and 2011.**
- The study shows that as a region, we only retain 25% of total spending by consumers. We believe that this is a number that we can improve upon, and the analysis provides tangible data with which to clarify our goals. **Unlike conventional economic development strategies that focus on poaching businesses from neighbors, this analysis shows that we all have great opportunities to work collaboratively as a region to strengthen our communities and economies through home grown economic development.**
- The study has demonstrated in concrete terms what is at stake if our region does not take an aggressive approach to expanding existing local businesses and cultivating a new generation entrepreneurs that keep more dollars in our region. **A mere 10% shift of spending back into the region would be equivalent to \$299 million of investment in the area.**
- The analysis of where we are losing ground provides insights into the areas where we should prioritize our efforts. **Food related sectors provide a clear example of where our region can work to expand and promote new businesses.** This sector has the added benefit of building off the rich local agricultural resources of our region.
- The analysis provides a picture of the diversity of consumers and spending habits and shows that a "one-size-fits-all" marketing approach isn't enough. **By understanding different consumers types, we can be more effective in targeting our marketing efforts to encourage shoppers to spend more money within their local economies.**