

Local Wealth Circulation

Easy Economics Everyone Experiences

"Local Economics" is rather simple.

This essay explains the key relationships of jobs, taxes, and how private energies fuel public funds.

Some regions and localities dry-up & die, as others offer energy & opportunity.

Learn why.

Water, energy, waste disposal, parks, transport, health care, education, protection & defense -- each is an important local service. It's not possible to always supply my own every need when needed. Essential services can be created by family & friends, or by government, or the private sector.

To supply key services we need markets, wealth & funding. Without jobs & employment, work & wealth, key services cannot be obtained. This is strong impetus for migration: when hometown living becomes difficult or impossible.



Benefits to growth

Workers benefit from growth. Business demand (in production or sales) requires workers. People unemployed often find work in times of growth, while existing employees can upgrade their jobs - often finding better work at better pay.

Public services benefit from growth. As more people are employed and spend more money, tax revenues rise. In a typical tax system, (some formats vary), rising property values further increases the local tax base. This growing local tax money is spent on public services - employing people locally and making the local area more attractive.

Homeowners benefit from growth. As people have more money, demand for good housing grows. Building new housing creates jobs. Adding local jobs fuels the whole local system, making the local region a more prosperous destination.

Incoming migrants fuel growth. Prosperous locations offer opportunities, which attracts outsiders. Inward migrants need services, goods and housing, and such demand increases housing values. To bring money from elsewhere and to spend it locally fuels the local economy and helps to create jobs.

Buying locally-made products supports local growth. Money that is spent locally, or is deposited in local banks, circulates again and again through the local economy, supporting and creating local jobs and public services. Local wealth circulation benefits the entire community.

Growth leads to more choice. More money in the local economy leads to more opportunities for spending. When people are able to buy more than simply essential items, new or existing businesses begin to

provide more luxurious items. Buy, wear, display or consume locally-made luxury items with special pride - this supports local jobs and local services.

Growth is seldom continuous. Cyclical upswings and downturns that happen elsewhere can impact the local economy, and will affect some businesses differently than others. Some businesses are counter-cyclical, while others combine different components and spread risk and reward by diversifying to different markets. An example is Hawaiian tourism - actively marketed in North America and Japan as their weather turns cold & dark, and a half year later to Australians & New Zealanders as their different wintertime begins.

Understanding basic economic mechanics helps people navigate better through life. Regions with many such people come to be better-off. This training and "internal marketing" are vital for building strong & vital communities. Thanks for reading this far! We hope you'll soon participate profitably & enjoyably in a Localversity course near you.

-- Bruce Henry Lambert, Localversity