



*“Local First brings together many organizations to further the economic well-being and development of the tri-county area.”*

# Outline

- Local First founders
- Purpose
- Local Preference Policies
  - What is it?
  - Why is it important? What's the impact?
- Local adopters
- Next steps – adoption and implementation

# 9 Founding Members of Local First

1. Salinas Valley Chamber of Commerce
2. Monterey Peninsula Chamber of Commerce
3. American Institute of Architects – Monterey Bay
4. Central Coast Builders Association
5. Monterey County Farm Bureau
6. Salinas Planning & Research Corporation
7. Monterey County Business Council
8. Salinas City Center Improvement Association
9. Communities Organized for Relational Power in Action (COPA)

# Purpose of Local First

- *“Further the economic well-being and development of the tri-county area”*
- Initially, by promoting the adoption and implementation of Local Preference Policies

# What is a Local Preference Policy?

- Written policy that assists locally-owned companies to win business contracts

# Why is it important?

- Many benefits to keeping dollars locally. Local companies are more likely to:
  - Hire local workers
  - Purchase supplies from other local firms
  - Support local charitable endeavors

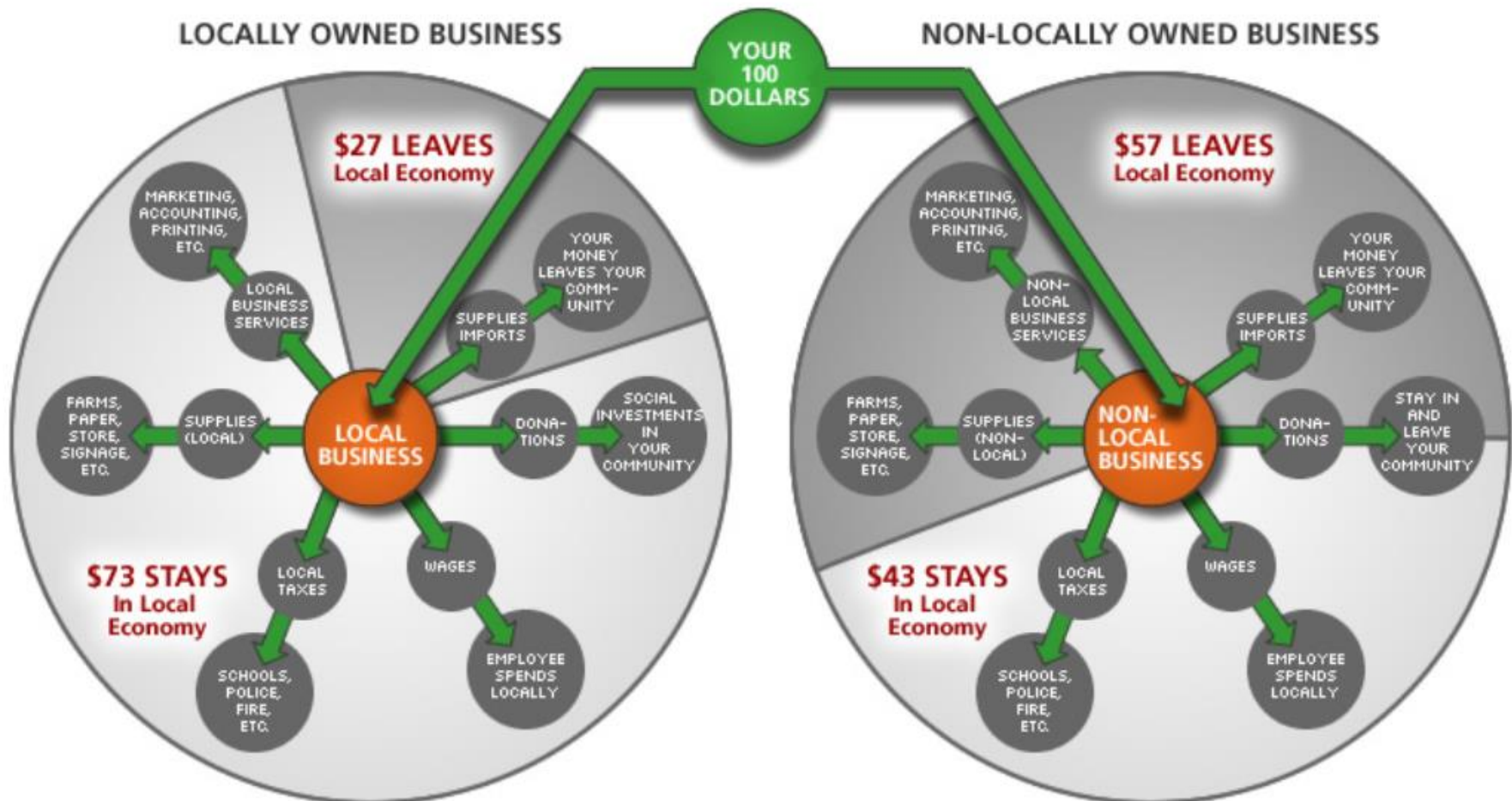
Also:

- Increasing local purchases contributes to higher tax receipts for local government
- The multiplier effect strengthens the impact of local spending

# Impact of Local Preference Policies

- Los Angeles study found:
  - Local Preference of 8% appeared to increase local employment at no net cost to City of LA
- LA Study was peer reviewed locally in Monterey County by EPS
  - EPS concluded similar results could be expected

# Dollars that stay: Locally-owned vs Non-locally owned



For every \$100 spent at a locally owned business, \$73 remains in the local economy, and \$27 leaves.

For every \$100 spent at a non-locally owned business, \$43 remains in the local economy, and \$57 leaves.



# Potential Impacts on Jobs – Monterey County Study

Contracts awarded from July to Feb, 2010*	= \$ 312 M
Contracts staying in Monterey County: 35.2%	= \$ 110 M
Increase Mo. Co contracts by 10% to 45.2%	= <u>+ 31 M</u>
Potential total	= \$ 141 M
Annualized increase:	= <b>\$ 50 M/year</b>

How many jobs could that create?

EPS: 2009 IMPLAN study estimated 20 jobs/ \$1 M in City of LA

Too much? Say 5 jobs/ \$1 M in Mo. Co:  $\$50 \text{ M} \times 5 = \mathbf{250 \text{ jobs/year}}$

(\*Based on Mary Claypool research on Monterey County contracts from 2010)

# Enacted Local Preference Policies

## COUNTIES:

**Monterey**

**San Benito**

**Santa Cruz**

**Santa Clara**

**San Luis Obispo**

**Fresno**

## CITIES:

**Salinas**

**Santa Cruz**

**Hollister**

**San Jose**

**Oakland**

**San Francisco**

**Los Angeles**

**Fresno**

# Where from here?

- Local First is educating and enlisting others to increase influence and impact
  - Work with key stakeholders to implement
  - Work proactively and positively
  - Don't be afraid to “daylight” failures

# What can you do, personally?

- We're starting with government because they spend more and have more accountability
  - What if EVERY local private employer also implemented Local Preferences and increased their local purchasing by 10%
  - We are working to get a study done, but you can imagine the impact would be tremendous