

How to Reboot Your Community Economy After COVID

Local Investment 101

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TO: Potential Partners

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RE: Organizing a Workshop for Your Community

Over the past year the world has been in the throes of the worst pandemic in a century, and many of our essential local businesses are crashing. With several promising vaccines on the horizon, we finally can begin planning for revival—of our businesses, our economies, and community life. One critically important solution lies in our own hands. Or more accurately, in our life savings. Americans now have \$56 trillion in stocks, bonds, mutual funds, pension funds, and insurances funds—nearly all of it invested in global corporations. If you and your neighbors could shift even a small amount of that capital from Wall Street to Main Street, your local economy could flourish. This workshop is designed to help you personally and your community develop practical local investment strategies.

Local Investment 101 is a workshop designed to help grassroots investors eager to invest locally, businesses looking for local capital, and policymakers committed to facilitating local investment. Specifically, the course offers 15 videos (each 20-40 minutes) built around the following questions:

For anyone interested in local investment:

- Why are local businesses so important for community development?
- What are the returns and risks of local investments?
- What are the most promising kinds of local investments?

For local investors:

- How can I find local investments?
- How should I evaluate local investments?
- How can I use tax-deferred pension savings for local investments?
- What are the rules governing self-directed IRAs and solo 401ks?
- Why are local banks and credit unions important for local investors?

For local businesses looking for local investment:

- What local investment opportunities do cooperatives offer?

- What are the basics of securities law?
- What tools and resources are available to help me prepare my business for financing?
- How can my business raise funds from accredited investors?
- How can my business raise funds from grassroots investors?

For policymakers:

- What kinds of community investment funds might facilitate local investment?
- What kinds of state and local policies can facilitate local investment?

The material in the workshop incorporates and updates key points from Michael’s last three books: *Put Your Money Where Your Life Is* (Berrett-Koehler, June 2020); *The Local Economy Solution* (Chelsea Green, 2015); and *Local Dollars, Local Sense* (Chelsea Green, 2012).

What follows are details about the objectives of this workshop, the target audience, the content, fees, and partnership details.

Objectives

This workshop aims to help participants answer three essential questions:

- How can I rebuild my community and its economy after the ravages of COVID-19?
- How can I make my community more resilient to prepare for future global crises that will come from new pandemics, climate disruption, and economic collapse?
- How can I move my money into the businesses, projects, and people I love—and out of the dangerous Wall Street casino?

With respect to the last question, a further question arises: What’s the alternative? Not much, insist our financial advisors. Even now, we robotically continue to invest our money in the stocks and bonds of the world’s biggest companies we barely understand. Our mutual fund managers, pension fund representatives, and investment advisors still insist these investments are the best bets for growing our wealth. Really?

Superficially, we are given many choices: Value or growth companies. Big cap or small cap. Stocks or bonds. US-based or foreign businesses. Socially responsible or not. But in the end, all these investment choices are more limited than we think.

There *are* real alternatives, but few know about or consider them. In fact, you can invest in everything else that matters to you. You can put your money into that neighborhood grocery store you love, your little sister’s first house, or your nephew who needs to pay

off high-interest student loans. If you're smart about local investing, you can do this in a way that provides substantial, stable financial returns and lowers the risk of Wall Street investments. Plus, these commonsense local investments wind up strengthening your community, your local resilience, and your tax base.

Audience

Who might find this workshop useful? The target audience is anyone in your community interested in moving some of his or her money into local businesses, projects, or people. But many others might benefit from this workshop as well, including:

- Local businesspeople looking for new sources of capital (who might be able to convince more investors to invest in their businesses using DIY tools).
- Economic developers and consultants with an interest in local business, economic gardening, “Think Local First,” or entrepreneurship (who might want to tap the power of grassroots capital).
- Local bankers, credit union managers, investment advisors, brokers, pension fund managers (who might be interested in providing new products and services to their clients).
- Local politicians and civil servants (who might be looking for new ways to solve local economic problems and strengthen local resiliency).
- Local philanthropists and community foundation leaders (who wish might to supplement their philanthropy with local investment initiatives).
- Professors and students involved in relevant fields in business, investment, economic development, planning, and local governance.

Virtual Workshop Content

Until America reaches herd immunity from COVID-19—presumably by late 2021—we will only offer the workshop virtually over Zoom. Below is the starting assumption about what the typical workshop schedule looks like. Mindful that none of us can stay focused in a Zoom session for more than 90 minutes, it is built around four 90-minute sessions:

- *Session 1*
 - Introduction of the class objectives, materials, and assignments.
 - Introductions of classmates to one another.
 - Introduction to the first eight videos.
- *Session 2*
 - Review of the first eight videos.

- Preparation for assignment #1 (a personal investment strategy).
 - Introduction to the final seven videos.
- *Session 3*
- Presentation and discussion of assignments.
 - Review of seven videos.
 - Preparation for assignment #2 (a community strategy).
- *Session 4*
- Presentation and discussion of assignments.
 - Next steps.

Ideally, these sessions would be spread over at least four weeks, so that participants have enough time to watch the videos and complete the assignments.

We welcome suggestions for modifying this agenda. You might decide to skip certain videos, modify the assignments, or focus the class time on unique challenges and opportunities in your community. *The goal, of course, is to maximize the usefulness of this material for your community's needs and for stimulating follow-up action.*

Additionally, every participant will receive workbook for the workshop and an opportunity to receive a signed copy of *Put Your Money Where Your Life Is*. The workbook, which participants will download, will contain copies of the slides and additional reference information.

A note for Canadians and others abroad: The specifics of the U.S. securities laws will not be useful to you, but most of the videos will be relevant to any audience. If you want to proceed with a workshop, we will prepare (with your help) 1-2 modules specific for your country's investment laws.

Fees

We are prepared to proceed with two different kinds of fee arrangements. Option A is for those who feel more comfortable fundraising and taking charge of the workshop. In which case, you keep the fees. Option B is for those who prefer us doing most of the fundraising. In which case, we keep the fees.

Option A – You Run the Show

If you want to run the show, the baseline cost is \$5,000. Between 2012 and 2019, Michael held more than two dozen workshops across North America, and most partners preferred this option. Underwriters of those workshops included local banks and credit unions, local business networks, foundations, brokerages, businesses, and philanthropists.

If you go this route, we will provide you with a basic proposal (similar to this document) that you can modify and submit to target underwriters.

You also may decide that you want to charge participants a fee, in which case you will be in charge of selling tickets. The amount you charge is totally up to you, and you get to keep all the proceeds. *In principle, this means you could actually make several thousand dollars.*

Under this option, we will commit to dates when you are able to send us \$5,000, which will cover our expenses helping you and teaching the course.

The bottom line on this option is that you do the marketing, and we show up and run the workshops.

Option B – We Take Charge

The second option envisions our leading the effort (though we will still ask some things from you). With your guidance, we will try to raise funds, and we will take charge of selling tickets. The typical fee we will charge for each participant in the workshop is \$149 (\$99 for those on limited incomes like students). We will provide a link where people can sign up, and we will handle ticket sales.

Under this option, your responsibilities as partner would be following:

- *Co-Sponsors:* You agree to recruit at least five co-sponsors, *each* of which will e-mail at least 2,500 people in the region to advertise the event. This is a critical way to spread word. Anything you and the co-sponsors do beyond this—through social media, for example—will be greatly appreciated and will increase the chances of a successful workshop.
- *Book Distribution:* We will send you a box of signed books, and it will be up to you to get them into the hands of workshop participants who wish to buy them. The easiest way, of course, will be for participants to pick up their copies from your home or office.

For our part, we will provide you with:

- *Free Tickets for You:* You will receive four complimentary tickets to the event—one for yourself and three for anyone else in your community.
- *Free Tickets for Co-Sponsors:* As an incentive for recruiting co-sponsors, we will give each recruit (that is, each group that agrees to send at least 2,500 e-mails) two complimentary tickets.
- *Marketing Materials:* We also will provide you with simple marketing materials (e-mails, brochures, flyers, posters, etc.).

Under this option, we will commit to dates when we have raised \$4,000 in seed funds.

Fine Print Stuff

Some important understandings:

- *2+ Months Planning:* Let's give ourselves at least 60 days between agreeing to proceed and holding the event.
- *Cancellation:* Before we commit to dates, either of us can cancel for any reason. Once the seed funds are raised, we agree to proceed at some point. If one set of dates doesn't work out, we agree to find other dates.
- *Pre-Event Communication:* Michael is happy to have one in-depth telephone conversation for planning, up to one hour, with you and your colleagues about the content, title, format, etc.
- *Our Preparation:* Please send Michael articles, reports, studies—whatever provides me with background on your community. Best to email this (shuman@jgc.org) or mail to 2700 Hardy Ave., Silver Spring, MD 20902.
- *Op-Eds:* Many groups want me to write an op-ed for the local paper before the event, and this almost always pays off in attendance. We can prepare an op-ed tailored to your community for \$200.
- *Recording:* Recording of the group sessions is permitted. Recording and reproduction of the modules is prohibited.
- *Contract:* If we agree to proceed as partners, we will sign an agreement that formalizes the main points of this memo.

Next Steps

We are of course happy to answer any questions you have about this document via e-mail or phone. Michael's contact information is shuman@jgc.org and 202-669-1220. Jen's is jen@thelocalcrowd.com and 603-283-5401

Finally...A word of thanks and appreciation for considering this partnership.