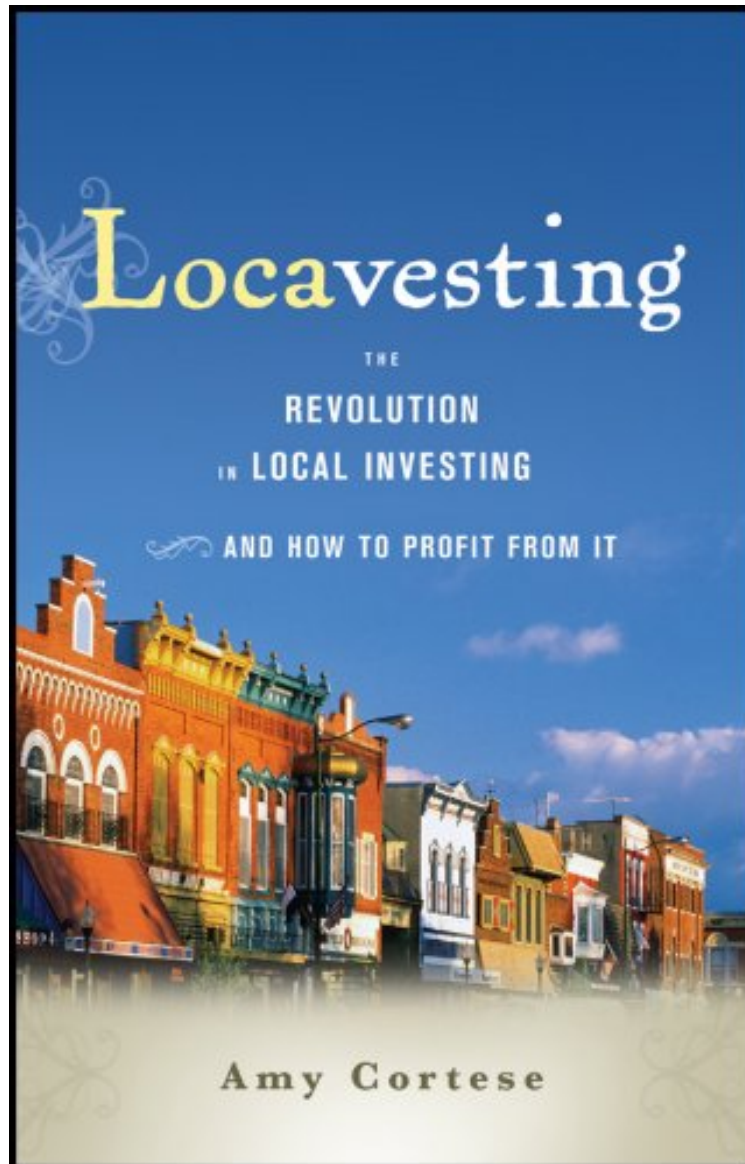


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Locavesting: The Revolution in Local Investing and How to Profit From It

Amy Cortese

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Amy Cortese : Locavesting: The Revolution in Local Investing and How to Profit From It before purchasing it in order to gage whether or not it would be worth my time, and all praised Locavesting: The Revolution in Local Investing and How to Profit From It:

0 of 0 people found the following review helpful. Keep your investment dollars on Main Street, not Wall Street. By Andy Wallace As a retired financial advisor, people used to ask me how they could invest in local businesses. Until

reading this book, I was stumped. Securities laws were written over 80 years ago, as the US was coming out of the Great Depression. These laws make it very difficult to invest in local businesses. Registrations costs for the businesses seeking investors are very high and the requirements are quite restrictive. In fact, it is easier to invest in a company located in Hong Kong than it is to invest in the company in our own community. The author does a good job explaining why we should invest locally and why it is difficult to do so. She then does a great job telling us how many people have been able to invest locally and outlines ways that businesses have been able to bypass Wall Street and allow local resident. This book inspired my wife and I to spend as much of our money with local businesses as we can without going broke trying to do so. As a result, we enjoy fresher food and are able find unique locally produced gifts. It opened our eyes to several ways that we can invest in the community and make an attractive return while keeping our money local and benefiting our neighbors. As the author herself says in her book, imaging the impact that can be made by investing just a small percentage of investment dollars locally. If something like this appeals to you, read this book. I'm glad I did.

2 of 2 people found the following review helpful. A transformative book about investing

By Darrell Delamaide

Amy Cortese's fabulous tale of a new investing trend is one of those transformative books that changes the way you look at things, and gives you reason to hope amid gridlock in Washington and a sluggish economic recovery. Just as "locavores" promote locally grown food, locavestors put their money to work in their communities. It is a phenomenon Cortese has covered as a journalist for the past several years. She coined the term "locavesting" to describe it in a 2008 piece she wrote for the New York Times Magazine. What she has latched on to is a subterranean movement that has yet to break through into the national consciousness. But it is no less real for that. Cortese describes the creative ways that people around the country are finding to invest in local businesses, from mom-and-pop shops on Main Street to sprawling cooperatives like Organic Valley, a major dairy producer. She chronicles all of this in a lean, journalistic prose that lets the story speak for itself. She has obviously gone to these places, talked to these people and seen locavesting in action. Her book is alive with real people doing sensible, hopeful things - such a contrast to the cant and posturing that fills so much of the mainstream media reporting about the economy. Her book is a breath of fresh air and a promise of hope for a resilient economy. Locavesting is in part a reaction to the outrage over the practices of Wall Street and the big banks that brought on the financial crisis. At the same time, communities have been devastated by the recession and foreclosure crisis and people don't want to stand by helplessly. So they began looking for alternatives, especially for ways to keep their money in the community and put it to work there. Cortese tells the story of a bakery in Clare, Mich., that was going to close. Members of the local police force - alarmed at the loss of their doughnuts - bought the bakery and have turned it around to the point that what is now called Cops Doughnuts has expanded and employs more people than the police department. The author recounts how an investment "club" in Port Townsend, Wash. began a series of investments to rejuvenate the local economy with a success that has made them a model for other communities. In addition to the new term she coined for locavesting, Cortese employs a number of neologisms that have gained currency, from "crowdfunding" - using the Internet to collect small sums of money from a large number of people - to "foodshed" - the food equivalent of the local watershed. One of the key terms in describing locavesting is "social return" - the recognition that an investment may have some intangible returns along with financial gain. People are looking for profit, but another part of the motivation is the wider social benefit that it brings. Some local investments, however, can also yield significant financial rewards. Just ask the customers of a small ice cream maker in Vermont who bought cheap shares to help the company expand and cashed in when Ben Jerry's became a household name. Investors in the virtually risk-free nonvoting preferred shares of the agricultural cooperative CHS Inc. earn an 8 percent annual dividend - practically unheard of in this low-interest environment. Locavestors face numerous obstacles from securities regulations accumulated over decades to protect investors from fraud, stock market collapse and trading abuses. While all these regulations were well-intentioned when they were adopted, they often leave small and medium-sized companies with limited access to financing after consolidation has decimated the number of local banks. Locavestors make use of existing exemptions like investment clubs or cooperatives that enable them to pool money without expensive and burdensome securities registration. Some companies have revived the practice of direct public offerings - selling their shares directly to customers or suppliers rather than paying a Wall Street firm a big percentage to make an initial public offering. And there's even a movement to get back to local stock exchanges to support trading in the shares of local companies.

0 of 0 people found the following review helpful. If you want to know why the Walmart model is bad for all of us, and help support a viable alternative, read this!

By Busy Shopper

As a trained financial professional with 20 successful years on Wall Street, and now a small business owner in Brooklyn, I was relieved to read a book about an alternative to winner-take-all capitalism that is thoughtfully written by someone who understands economics and finance. I have been disappointed in the past by well-intentioned writers who understand intuitively the dangers of unbridled corporatism but don't have the grounding in business economics to make a sensible case for alternatives. This is definitely not the case with Cortese's book. She makes her case with well-researched facts and demonstrates how we can and should look for ways to create healthy jobs that will help revitalize our communities, generate growth, stimulate creativity and, implicitly, take back political power from the military-industrial complex that has bought and paid for the suicidal economic policies that are destroying the food chain, poisoning the environment and have put the planet on a collision course

with nature. I do intend to give copies of this book to my friends on Wall Street and others with the resources to become 'angel investors' at the local level. I am already one and have earned hedge-fund-magnitude rates of return so I know that "locavesting" not only makes sense but can be highly profitable.

How individuals and communities can profit from local investing In the wake of the financial crisis, investors are faced with a stark choice: entrust their hard-earned dollars to the Wall Street casino, or settle for anemic interest rates on savings, bonds, and CDs. Meanwhile, small businesses are being starved for the credit and capital they need to grow. There's got to be a better way. In *Locavesting: The Revolution in Local Investing and How to Profit from It*, Amy Cortese takes us inside the local investing movement, where solutions to some of the nation's most pressing problems are taking shape. The idea is that, by investing in local businesses, rather than faceless conglomerates, investors can earn profits while building healthy, self-reliant communities. Introduces you to the ideas and pioneers behind the local investing movement Profiles the people and communities who are putting their money to work in their own backyards and taking control of their destinies Explores innovative investment strategies, from community capital and crowdfunding to local stock exchanges With confidence in Wall Street and the government badly shaken, Americans are looking for alternatives. Local investing offers a way to rebuild our nest eggs, communities, and, just perhaps, our country.

From the Inside Flap Small businesses are the backbone of the American economy, generating eighty percent of jobs and half of GDP. They also create the foundation for healthy, diverse neighborhoods and strong local economies. So why are we starving these vital enterprises? The truth is, our financial and political system is stacked against small business. The stock market has become a vast, electronic casino that has abandoned any pretense of allocating capital to productive use. And community banks—a mainstay of small business funding—are an endangered species in a Too Big to Fail world. Don't look to the government for help, though: politicians at the federal, state, and local levels are often under the sway of deep-pocketed corporations. Meanwhile, Main Streets and downtowns everywhere are slowly dying. But don't write them off just yet. In dozens of towns and cities across the country, an extraordinary experiment in citizen finance is underway. From Brooklyn, New York to Vernon County, Wisconsin to Port Townsend, Washington, residents are banding together to save their small businesses and Main Streets from extinction. And they are reaping rich rewards in the process. These citizens are at the vanguard of a grassroots revolution that journalist Amy Cortese calls "locavesting." In *Locavesting*, you'll meet these pioneers and explore the often ingenious ways—some new, some as old as capitalism itself—they've come up with to take back their financial destinies from Wall Street and the corporate fat cats while revitalizing the communities they call home. Among other examples, you'll learn how: Nine cops in Clare, Michigan saved a 111-year-old bakery and helped revive their downtown As union protests engulfed the state capital, a new breed of cooperatives in rural Wisconsin pointed the way toward a more harmonious and prosperous way of doing business "Crowdfunding" startups such as ProFounder, Funding Circle, and Grow VC are harnessing the Internet and social media to connect entrepreneurs with hundreds of small investors A grassroots organization called Slow Money is mobilizing thousands of citizens to create new funding models for financing local food and agriculture Companies from Ben Jerry's to Annie's Homegrown have sold shares directly to loyal customers, bypassing Wall Street middlemen And how communities as varied as Lancaster, Pennsylvania and the Hawaiian islands are working to bring back local stock exchanges Forget credit default swaps and derivatives. This is the kind of financial innovation we desperately need. A source of inspiration and ideas with practical how-to advice, *Locavesting* is must-reading for small business owners, entrepreneurs, and investors looking for solid, socially productive alternatives to the Wall Street casino—and anyone who cares about the future of democracy in America. From the Back Cover Praise for *Locavesting* "Investing locally makes sense as long as you do it with your eyes wide open. And this book is a realistic up-to-the-minute exploration of the field. After all, it was the local community that invested in Ben Jerry's—and it worked out pretty well for them." —BEN COHEN, cofounder of Ben Jerry's "An inspiring look at what local businesses can achieve." —JOSEPH E. STIGLITZ, 2001 Nobel Laureate "Buy this book before the Securities and Exchange Commission (SEC) bans it! *Locavesting* demolishes the myth that the best investment options lie in the financial-doomsday machine we call Wall Street. Fasten your belt for a mind-blowing journey where you will learn about dozens of highly profitable community investment opportunities. Amy Cortese takes you on a breathtaking ride." —MICHAEL SHUMAN, author of *The Small-Mart Revolution* and *Going Local* We have witnessed the failings of an unfettered free market system, tallied in lost jobs, stagnant wages, rising inequality, and languishing Main Streets. Isn't it time for a backup plan? *Locavesting* is a call to rethink the way we invest, so that we support the small businesses that create jobs and healthy, resilient communities. Just as "Buy Local" campaigns have found that a small shift in purchasing to locally-owned enterprises can reap outsized benefits for a local economy, so, too, can a small shift in our investment dollars. Amy Cortese explores the revolution in citizen finance taking root across the country, and shows how local investing can help rebuild our nest eggs, our communities and—just perhaps—the country. About the Author CAROLINE SHAFFER, a San Francisco native, studied theatre at the Weber Douglas Academy in London and

holds an M.F.A. from the American Conservatory Theatre. She has worked in theatres across the country, and has spent the past 12 seasons with the Oregon Shakespeare Festival in Ashland, Oregon, where she now lives with her husband and 4 children. In addition to theatre, Caroline has worked in the TV, film and commercial markets, doing radio and TV voiceovers, radio ads, and cartoon voices.