

1. Money enters the town

A few main doors:

- Wages (local employers, farms, factories, school district, hospital)
- Government transfers (Social Security, benefits, grants)
- Outside spending (tourists, visitors, online sales shipped out)
- Investment or remittances from people who live there but earn elsewhere

This is the **inflow**.

2. Money circulates locally (the good part)

Someone gets paid → they:

- Buy groceries
- Pay rent
- Eat at a local café
- Hire a local mechanic

Those businesses then:

- Pay employees
- Pay local suppliers
- Sponsor the school fundraiser

This is the **multiplier effect**.

Every time a dollar changes hands *inside* the town, it creates more value without needing new money.

3. Money leaks out (the bad part)

Leaks happen when people spend on:

- Big-box chains headquartered elsewhere
- Online retailers
- Utilities, insurance, banks, or debt held outside the town

Once that dollar leaves, it's **gone**. No second or third turn.

4. Power centers control flow

In small towns, a few nodes matter a lot:

- The biggest employer
- The bank
- The grocery store
- The landlord(s)

Whoever controls these controls:

- Credit
- Pricing
- Wages
- Survival during hard times

This is why ownership matters more than activity.

5. Resilience = how long money stays local

A resilient town:

- Produces essentials locally (food, services, energy)
- Has local ownership
- Has low dependency on external debt

A fragile town:

- Earns locally but spends externally
- Depends on one employer
- Has no local credit system

6. The key insight

A town doesn't need *more* money first.
It needs money to **stay longer**.

That's why:

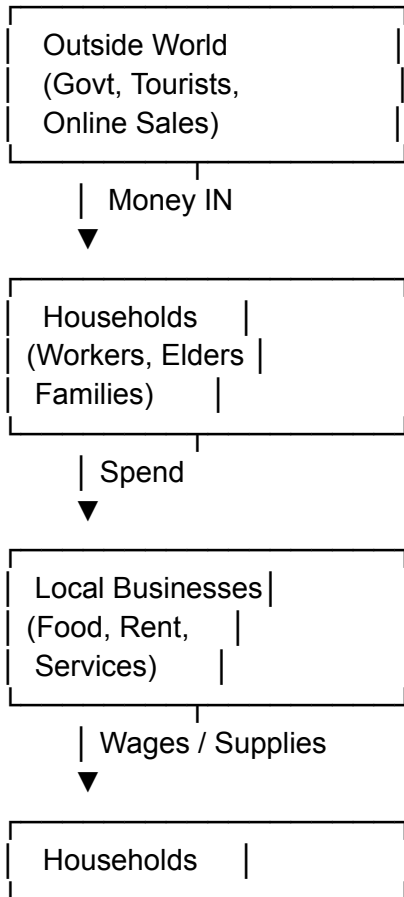
- Local currencies
- Mutual credit
- Co-ops
- Lightning / community rails

...are powerful. They **shorten the distance between earning and spending**.

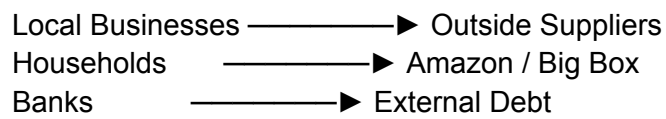
One-sentence takeaway

The goal isn't more inflow — it's fewer leaks and faster local loops.

flow diagram



Leaks



Strengthen Loop

