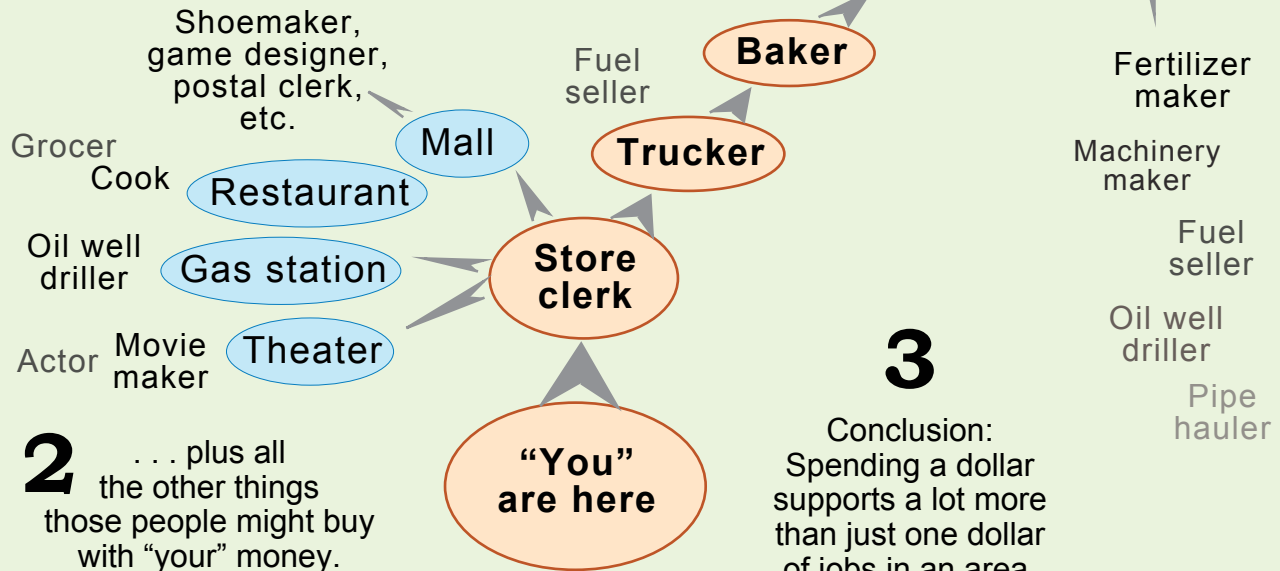


The Multiplier Effect

When you buy a pumpkin pie, your money goes to more than just the store clerk.



To understand how a local economy works, you should look at two things:

- **BIGJobs** (Basic Income Generating Jobs) that bring money into the community, and
- the **multiplier**, a measure of other jobs that are supported by the money that comes in when people buy the product of a BIGJob.

Today, let's look at the multiplier.

1. Choose a purchase to investigate - a candy bar? a pair of shoes? gas for a car? a haircut? a drink from a machine? a video game? something else?
2. Think about the **supply path**. Where does the item come from? Who grows or makes it? Who brings it to your community?
3. Then think about the **supplier(s)** to the supplier. What does the producer buy in order to produce the product you bought? Where does that come from?
4. Trace the **supply path as far as you can**. It may end in a farm, a forest, a mine in the ground, or the ocean. But wait! The people who grew, cut down, or dug up the beginnings of your product also need tools and supplies. Think about what some of those things are and where they came from.
5. Now think about the **clerks** who sell the product and the people who brought it to the store. What might they do with some of the money they were paid? Trace some of those things back a few steps to see where they came from.
6. Write all of the steps on cards and arrange them on your desk (or the floor) until the "flow" seems clear. Then put your arrangement into a report that has a title something like "The economic impact of buying a haircut in Mytown."