



Just 1% of the money flying around the stock market goes to funding businesses through public stock offerings; the rest is trading and speculation. When you invest locally you provide capital to real businesses, resulting in the creation of jobs and the production of actual goods and services.

Community Capital

Invest in your community

Local Investing is an alternative model of savings and investing that keeps dollars circulating in the local economy and helps small businesses prosper by providing them with additional sources of financing. By investing locally you invest more purposefully, in businesses that provide a return on your money but also improve the quality of life in your community.

The concept of Community Capital includes a number of new and evolving models. There are numerous projects that groups are piloting across the country including Investment Networks and Clubs, Slow Money initiatives, Crowdfunding, and Preypay Programs.

There are also existing, mature avenues to invest locally. These include Community Development Financial Institutions (CDFIs) and a very old-fashioned, simple yet powerful method - banking locally: when you deposit money or buy a CD at a Community Bank or Credit Union typically a much larger percent of your dollars is reinvested back into the local economy.

The Jobs Act & the Securities and Exchange Commission (SEC)

Currently, there are a tangle of federal regulations that place restrictions on local investing. Investing in private, local businesses has mainly been limited to “accredited” investors (defined by the SEC as an individual with income over \$200K/year, a couple with joint income greater than \$300K/year, or those with net assets greater than \$1 million, not including the their primary residence). The JOBS Act, legislation signed in 2012, loosens restrictions on local investing and crowdfunding; however, the SEC has been very slow to release Rules on how the legislation is to be implemented. A great way to keep abreast of these developments is to visit the blog [Locavesting](#) by Amy Cortese, author of the very informative *Locavesting: the Revolution in Local Investing and How to Profit From It*.

In the meantime, there are still ways to get informed, involved and put your investment dollars to work locally. See the Chart of Local Investing models below. Seacoast Local currently has two Community Capital initiatives, and a third in the works. Our Entrepreneur Showcase provides a forum for local entrepreneurs to discuss their business ideas. Our Shift Your Banking Campaign provides metrics on which area banks contribute most to the Seacoast community.



Local Investing Models

Model	Description	Examples
Entrepreneur Showcases	Public events at which entrepreneurs give succinct presentations about their business idea/venture	Slow Money Events
		Seacoast Entrepreneur Showcase
Investment Networks	Member-only networks that facilitate communication between entrepreneurs and potential investors	Local Investment Opportunities Network (LION)
Investment Clubs	A pooled, loan fund, very similar to a stock investment clubs, except instead of investing in publicly traded companies, the club members collectively loan to a portfolio of local businesses. Require members to actively engage in the investment process	No Small Potatoes Investment Club
		Sprout Lenders
Prepay Programs	Prepayment of good/services at discount. Funds used to help start/expand business	Credibles
Special CD Programs	Partnerships with Banks in which participants pledge CDs as collateral for bank loans to businesses with a social or environmental impact	SHARE Microcredit Program
		Eastern Bank - Equal Exchange CDs
CDFI Loan Funds	Double or triple bottom-line loan funds certified by the U.S. Treasury with a focus on a particular state/region. Investors purchase notes from loan fund, the fund uses capital from notes, donations and other sources to make loans to area businesses	NH Community Loan Fund
		Coastal Entreprises Inc.
CDFI Venture Funds	Double or triple bottom-line venture funds that focus on a particular state/region, the venture "arm" of CDFI loan funds. Open to accredited investors only.	Vested For Growth
		CEI Ventures, Inc.
Equity Crowdfunding Portals	Crowdfunding intermediaries as defined by the JOBS Act, for the most part still in the making pending further SEC rulings and clarifications	WeFunder
Bank Local Campaigns	Campaigns to get people to move their money from large, Wall Street banks, to smaller, community-based banks and credit unions that support the Main St. economy.	Bank Local
		Move Your Money
		Bank Transfer Day