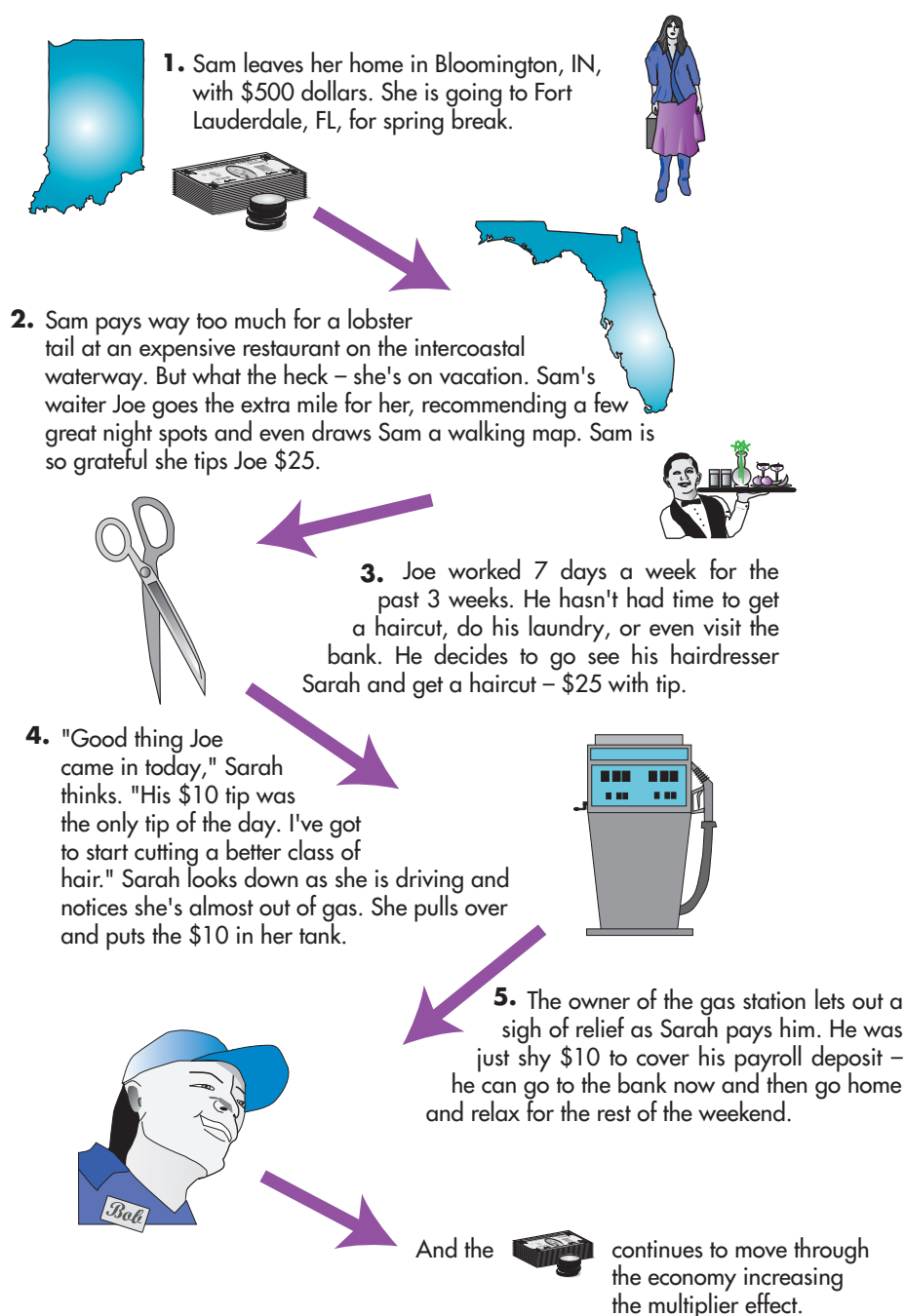


FIGURE 11.1

Multiplier concept.



"Sam's share" of his paycheck on a haircut, Sam's purchasing power multiplies again and now becomes purchasing power to be used by the hairdresser, and so on.

However, all of that new purchasing power that has been added to the Fort Lauderdale economy does not stay in the local economy forever because of **leakage**. Just as Sam took some of her purchasing power from Bloomington to Fort Lauderdale, that purchasing power will eventually leak out of the Fort Lauderdale area. For example, Joe's hairdresser could purchase gasoline for her car. Relatively little of the money she pays for gasoline gets to stay in the local economy, because the gas station owner needs to purchase gasoline produced at a refinery in another state from oil from