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TIMEBANKING PLUS

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Big question

How can TimeBanking fit with other economic tools to create healthier community economies?

Introduction

The idea behind TimeBanking involves looking at how to use alternative means of exchange to strengthen communities and give people an option outside of the mainstream dominant currency. The TimeBanking concept focuses on providing another option to people when purchasing goods or receiving services. TimeBanking units are not always called “currency;” instead they are considered “exchange” methods. The fundamentals of the TimeBanking plan involve using units to measure time spent providing a service that can then be used in exchange for other services and goods. The time accumulated is based on a stored standard value. For example one hour can equate to one unit. These units are then banked and can be used at a later date.

Key Terms

Some of the key terms that were discussed during the session included the following:

- **Mutual Credit:** system of exchange where the network agrees to extend credit. This is an alternative to the dominant currency. The community balance will always equal 0.
- **LETS:** price based on mutual credit system of Time Banking inclusive and equal
- **Complimentary currency:** means of exchange other than the dominant currency
- **Fiat:** issued centrally by authority or agency (dollar or euro)
- **\$/, €-backed currency:** exchanges into circulation, alternative type of currency backed by money. Can be exchanged back, usually with a penalty. The B-note, Baltimore’s local currency, introduced by Jeff Dicken, is an example of a \$-backed currency.

B-notes

Three presentations were given during the session. The first, led by Jeff Dicken, focused on a successful local grassroots initiative in Baltimore that introduced an alternative currency, called the B-note, into the market. The goal of the organization, the Baltimore Green Currency Association, was to create a new currency to support the local economy and independent businesses. Within just about 1 year since the

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group's inception, new notes have been created and circulated, and over 100 businesses accept the B-note. About 12,000 units of B-note currency are currently in circulation. In order to prevent abuse of the system, the rate of exchange is 10 dollars for 11 B-notes, although B-notes exchange at the same prices as regular dollars. This encourages businesses to use their B-notes as currency rather than to exchange them back into dollars. Of course printing this alternative currency is not cheap and the funding for the notes comes partly from grants and partly from fundraising (which raised about \$7400 through Kickstarter.com).

Talents

The next presentation, led by Leander Bindewald, looked at local currencies from a global perspective. For example, one state in Austria started issuing a local currency, called a "Talent." In order to prevent hoarding of the notes, which would in turn prevent circulation, they charged a fee if a user saved the currency for a certain period of time. The money circulates about 4 times per year, far more than regular money. This currency operates concurrently with programs comparable to TimeBanks, which encourage saving.

TimeBanking and Beyond

The final presentation, led by Stephanie Rearick, looked at the TimeBank and surrounding network (including the "Madison Hour" in Dane County, Wisconsin. Originally the location was simple an old apartment building, but it has since moved to another location. The hope in Dane County is that by introducing the TimeBanks thought process into this community, citizens will be empowered by learning and capitalizing on the talents and services they can provide. There was also realization that some people do need to charge more units based on their level of expertise and prior training, which means operating outside the TimeBanking system. As with any alternative currency development, costs involved with establishing a network have to be considered. This includes printing and equipment fees and goods purchased and donated. A goal for future expansion involves collaboration with other groups throughout the county to take best practices and make each location and group as efficient and organized as possible. A collaborative garden was also discussed. The garden would be open to people who know about gardening. Credits could be earned for teaching gardening to others. What needs to be avoided is the exchanging hours for money because of tax implications. The other idea discussed was having a garden swap where people can bring extra items to a predetermined spot and exchange those items for others. In aligning with the TimeBanks theme, assets can be amassed in one place in the most efficient way.