

# Hometown Money:

*How to Enrich  
Your Community with  
**Local Currency***



**by Paul Glover**  
*founder of Ithaca HOURS*

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[paulglover.org/hourarchives](http://paulglover.org/hourarchives)

## KEEP IN TOUCH

[paulglover.org](http://paulglover.org)

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## INTRODUCTION

Regardless whether national and global economies boom or bust, we're rich when we know local people with whom we can trade, to meet our needs.

Ultimately, wealth is not dollars but human networks. Whenever we have networks we can get what we need without depending entirely on dollars.

And every community has several networks-- business, neighborhood, professional, municipal, civic, religious, hobby, athletic, social, artistic, political, academic, financial, and family.

Such groups can combine to provide the trust that backs money. Local credit systems put networks to work, and to play.

This book is therefore a guide to community wealth, leading you through the process of designing, issuing and circulating local currency so that it becomes a significant part of your local economy.

The *What*, *Why* and *How-to* for local cash are presented, based on my experience developing and managing the Ithaca HOUR system from 1991-1999, while consulting with cities and towns seeking to do likewise.

There are local currencies that boost neighborhoods. There are currencies that strengthen sectors (health, transit, farms, arts, etc.). There are currencies that link entire cities or regions.

Such currencies can specialize to link businesses or individuals, or nonprofits or government. There are currencies, like Ithaca Hours, that link all the above.

There are local currencies that are paper and local currencies that are metal and local currencies that are electronic.

Some are denominated in dollars or euros or pesos, some in Hours, some in kilowatts, some in commodities.

Your community might combine several types of local cash. To decide which type of money best suits your community, first consider your local capabilities and needs.

This book features Hour-denominated paper currency. But its suggestions apply to any money system.

Since 1991 the need for and exploration of community currencies has grown. Ithaca's example has spread worldwide. Such money is proving that labor is the new gold standard.

# ***We're making a community while making a living!***

Since 1991, local currencies have added millions of dollars worth of spending power to local economies, stimulating millions of dollars of extra trading among local people.

**Many communities have done this by issuing local paper money called HOURS, valued at least \$10.00 per HOUR.**

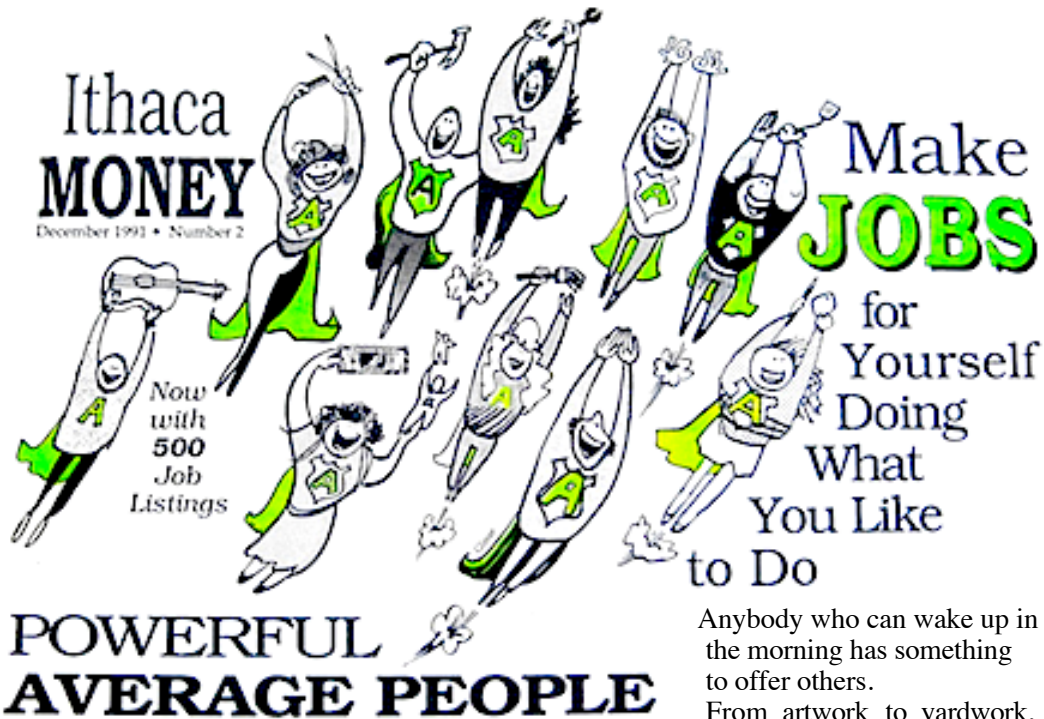
**HOURS** can become a mainstay of local commerce; keeping wealth in the community; promoting local production, local ownership and ecological responsibility; encouraging local pride; raising the minimum wage; and helping people get paid for doing what they like to do.

**Dozens of cities and towns have started local currency based on this book**



## ***You can too!***





We and our children have good food, secure housing, proper medical care, education and clothing when we have enough money. Sometimes, despite hard work, we don't have a fair chance to earn the dollars we need. This happens when the people who control money move factories away, or refuse loans for house repairs and new businesses, or pay low wages, or raise taxes and prices too fast. When these things happen, average people can lose jobs, health, homes and hope.

In many American communities, however, average people are taking action to make sure they get creative jobs, healthy environments and enough money. They do this by starting local industries, through community development corporations, to make jobs and necessary products. They do this by spending their money with smaller locally-owned businesses, by keeping wealth local to enrich themselves, and by avoiding environmentally bad products. They do this by banking their money in democratically-owned credit unions. They do this by reducing waste of fuel. And they do this by joining a barter list, and using local money.

Anybody who can wake up in the morning has something to offer others.

From artwork to yardwork, the growing list inside shows that if you have a little time you can earn spending power. You could start a business on needs like those displayed inside. This Barter List introduces local people willing to swap for goods and services. They offer and request work that could become regular income for themselves or for you.

When the number of swappers reaches its first 1,000 we will be a notable part of the local economy. We'll have the capacity to combine talents, to start larger export enterprises. That's what this paper is about: promoting a grassroots locally-controlled economy-- one that produces goods here, exports more and imports less.

Nobody who lives in the Ithaca area needs to wait for a better job, or wait for any job. Rather than hope that new factories open, rather than study the help-wanted ads, rather than expect that interest rates stay down, Ithacans can hire each other.

The special feature of our barter network is that we use Ithaca HOURS. When you sign up to offer your goods or services in part or full payment with HOURS, you get paid four HOURS for doing so. Look at the list to see how you can spend them.

# Introduction

## Creating Wealth with Local Currency

Here in Ithaca, New York, we began to gain control of the social and environmental effects of commerce by issuing over \$110,000 of our own local paper money, to thousands of residents, since 1991. Tens of thousands of purchases and many new friendships have been made with this cash, and millions of dollars value of local trading has been added to the Grassroots National Product.

We printed our own money because we watched Federal dollars come to town, shake a few hands, then leave to buy rainforest lumber and fight wars. Ithaca's HOURS, by contrast, stay in our region to help us hire each other. While dollars make us increasingly dependent on transnational corporations and bankers, HOURS reinforce community trading and expand commerce which is more accountable to our concerns for ecology and social justice.

Here's how it works: the Ithaca HOUR is Ithaca's \$10.00 bill, because ten dollars per hour is the average of wages/salaries in Tompkins County. These HOUR notes, in five denominations, buy plumbing, carpentry, electrical work, roofing, nursing, chiropractic, child care, car and bike repair, food, eyeglasses, firewood, gifts, and thousands of other goods and services. Our credit union accepts them for mortgage and loan fees. People pay rent with HOURS. The best restaurants in town take them, as do movie theaters, bowling alleys, two large locally-owned grocery stores, our local hospital, many garage sales, 55 farmer's market vendors, the Chamber of Commerce, and 300 other businesses. Hundreds more have earned and spent HOURS who are not in the *HOUR Town* directory.

Ithaca's new HOURLy minimum wage lifts the lowest paid up without knocking down higher wages. For example, several of Ithaca's organic farmers are paying the highest common farm labor wages in the world: \$10.00 of spending power per HOUR. These farmers benefit by the HOUR's loyalty to local agriculture. On the other hand, dentists, massage therapists and lawyers charging more than the \$10.00 average per hour are permitted to collect several HOURS hourly. But we heard increasingly of professional services provided for our equitable wage.

Everyone who agrees to accept HOURS is paid two HOURS (\$20.00) for being listed in the HOUR Town directory. Every year they may apply to be paid two additional HOURS, as reward for continuing participation. This is how we gradually and carefully increase the per capita supply of our money. Once issued, anyone may earn and spend HOURS, whether signed up

or not, and hundreds have done so.

HOUR Town's thousand listings are a portrait of our community's capability, bringing into the marketplace time and skills not employed by the conventional market. Residents are proud of income gained by doing work they enjoy. We encounter each other as fellow Ithacans, rather than as winners and losers scrambling for dollars.

The Success Stories of 300 participants published in *HOUR Town* testify to the acts of generosity and community that our system prompts. We're making a community while making a living. As we do so, we relieve the social desperation which has led to compulsive shopping and wasted resources.

At the same time Ithaca's locally-owned stores, which keep more wealth local, make sales and get spending power they otherwise would not have. As well, over \$20,000 of local currency has been donated to over 100 community organizations so far, by the elected HOUR board of directors.

Our fundamental monetary revolution is to make HOUR loans interest-free. The largest so far is \$30,000.

As we discover new ways to provide for each other, we replace dependence on imports. Yet our greater self-reliance, rather than isolating Ithaca, gives us more potential to reach outward with ecological export industry. We can capitalize new businesses with loans of our own cash. HOUR loans are made without interest charges.

We regard Ithaca's HOURS as real money, backed by real people, real time, real skills and tools. Dollars, by contrast, are funny money, backed no longer by gold or silver but by less than nothing- \$8.4 trillion of national debt.

Ithaca's money honors local features we respect, like native flowers, powerful waterfalls, crafts, farms and our children. Our commemorative HOUR is the first paper money in the U.S. to honor an African-American. Multi-colored HOURS, some printed on locally-made watermarked cattail (marsh reed) paper, or handmade hemp paper, some with non-xeroxable thermal ink, all with serial numbers, are harder to counterfeit than dollars.

Local currency is a lot of fun, and it's legal. HOURS are taxable income when traded for professional goods or services.

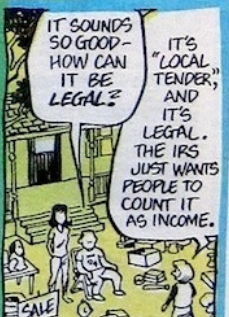
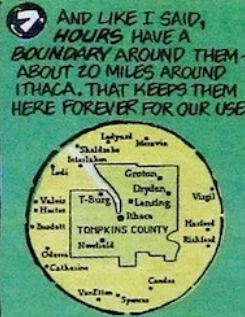
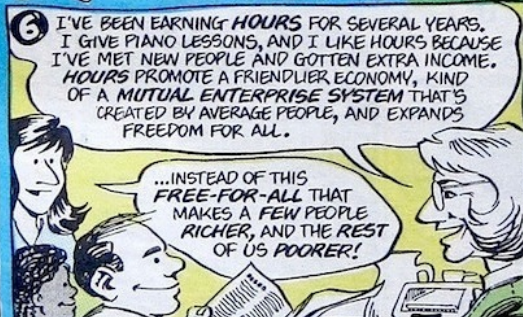
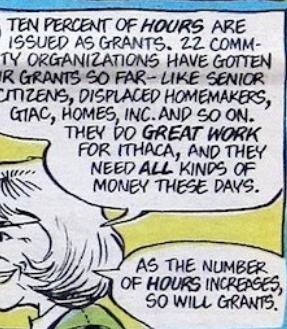
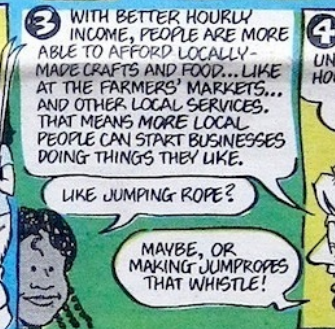
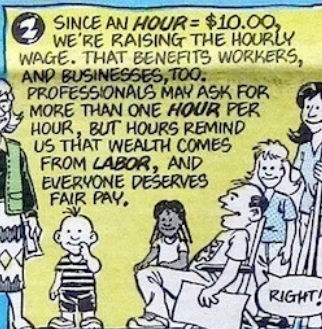
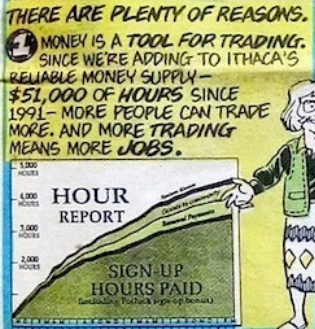
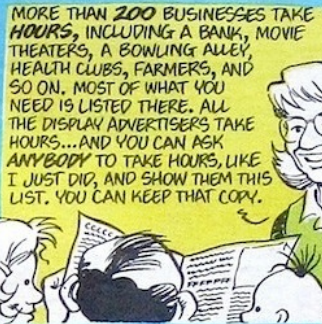
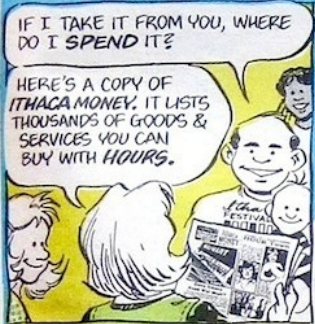
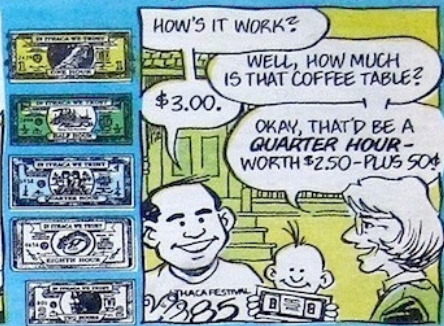
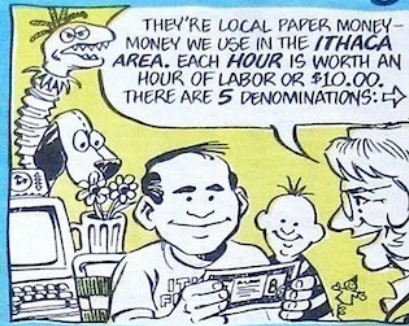
Local currency is also lots of work and responsibility. To give other communities a boost, the book *Hometown Money* explains step-by-step start-up and maintenance of an HOURS system, and includes forms, laws, articles, procedures, insights.

**This book is dedicated to the Ithacans  
whose trust in each other  
created this money, and to the other  
communities which are following  
their example.**



# Just Ask Anyone!

by Glover/Houghton





# Who Benefits from HOURS?

Everyone who needs more spending power and has extra time, including:

- full-time employees who want a second job on their own schedule
- part-time employees
- underemployed and unemployed workers
- the housebound
- seniors and kids ages 12 and up
- everyone who wants to develop a part- or full-time business doing what they enjoy
- business people who want more customers
- those who need to pay debts faster
- all who want to save up dollars for traveling

## **How many HOURS have been issued and how are they circulating?**

By 2012, 11,000 HOURS (\$110,000) have been issued. Thousands of trades have been made, and millions of dollars value has been added to grassroots economic activity. Many of the most popular stores and services (movies, restaurants, plumbers, food stores, gift shops, massage therapists, etc) have earned over 100 HOURS each. Therefore, circulation surges when they spend again. The largest single HOUR purchase we know of so far has been a 150-HOUR (\$1,500) carpentry job. Otherwise HOURS are being used as part of smaller trades and sales.

## **What gives the HOUR its value?**

The HOUR is backed by real people, real skills, real tools, time and goods. It is a steady base for barter negotiation. Its value increases as the list of traders willing to accept it grows, and as their variety of goods and services grows. Every note represents a promise to accept HOURS, or represents goods and services traded.

## **How do I get HOURS?**

You receive your first HOURS as payment for signing up to accept HOURS for your goods and/or labor. Everyone starts with the same number of HOURS.

Mail the coupon on the back cover of our newspaper, or sign up at one of the Barter Potlucks. Those who sign up or renew at a potluck are paid one HOUR bonus, because it strengthens the list when people meet. You can earn more HOURS by:

- Calling someone on the list who may need help
- Agreeing to a request for your labor or goods
- Providing goods or services to organizations that have received HOUR grants
- Asking for HOURS as change at stores
- Accepting HOURS for loan repayment from friends, or at garage sales
- Buying them into circulation from the HOUR Bank (Autumn Leaves).

## **Where can I spend HOURS?**

The list of most businesses and individuals who accept HOURS is printed in *HOUR Town*. All display advertisers accept HOURS.

## **Can I spend HOURS with someone who is not signed up to barter?**

Sure, hundreds of people have accepted HOURS who aren't yet on the list. They would benefit by signing up to accept HOURS, and receive 2 HOURS payment for having their goods and labor listed, but some people may prefer not to be listed.

## **What happens if my time or product are so popular that I get more HOURS than I can use?**

Spend them as you get them, so they don't pile up. Please keep them moving; let other use them.

You might begin by accepting HOURS as a maximum per purchase, or as a percentage of your price.

We'll also provide you with a personal HOUR shopping list.

## **How many dollars is an HOUR worth?**

The average hourly wage and salary in Tompkins County is about \$10.00 [1991]. Therefore, the HOUR is Ithaca's \$10.00 bill. The Half HOUR is our \$5.00 bill. The Quarter HOUR is our \$2.50 note, and Two HOURS our \$20.00 bill.

## **Can we use dollars and HOURS together?**

Yes. For example, for a clock selling at \$15.00 one might offer ONE HOUR plus \$5.00. For an hour of rare labor one might offer ONE AND A HALF HOURS plus \$2.50. And so on.

## **What prevents inflation of the HOUR?**

There are far more trading opportunities than HOURS issued. The Barter Potluck will watch demand grow and distribute HOURS gradually.

As well, we could declare the HOURS a 1991 \$10.00 bill, making it inflation proof.

## **How many HOURS were printed?**

3,400 ONE HOUR notes and 3,073 HALF HOUR notes have been printed [August 1995]. 10,300 QUARTER HOUR, 3,000 EIGHTH HOURS, for a total face value of \$81,865. They are distributed systematically. Each note has a serial number.

## **Who prints and issues HOURS?**

Decisions to print and issue HOURS are made by those who attend Barter Potlucks. Anyone who advertises their willingness to accept HOURS in HOUR Town may vote. They decide which denominations will be printed. They decide how many HOURS will be paid for new sign-ups, and for bonus payments, grants and loans. They decide how many HOURS will be sold at \$10.00 each to obtain dollars for printing HOURS.

They were conceived and designed by Paul Glover, an Ithaca resident since 1953. The notes are signed by Patrice Jennings, Victoria Romanoff, Marcia Fort, Dan Hoffman, William Gottschalk-Fielding, Karen Blas, Carol Chernikoff, Steve Burke and Andre Goncarovs.

## **What prevents counterfeiting?**

The Two HOUR notes have been made of local cattails, with watermark and matching serial number front and back. The latest Half HOUR is made of handmade hemp paper. The latest Quarter HOUR has thermal ink on the reverse, which can't be photocopied. Red serial numbers are stamped deep and can be felt.

## **Why not just use dollars?**

Conventional employment doesn't provide us with enough dollars to do all the trading we need. HOURS represent the productive potential of grassroots enterprise.

As well, HOURS stay among us, promoting local control of environmental and social effects of commerce.

## **Since the HOUR is \$10.00, won't it sink with the dollar?**

We are gradually developing a catalog of HOUR prices which will let the HOUR serve independently of dollar values.

## **Is barter income taxable?**

Exchanges of non-professional goods and services aren't taxable. Exchanges of business goods and services are taxable. The "fair market value" of goods and services received is calculated by the barterers. *HOUR Town* does not record transactions, so barter value is reported by barterers.

## **Are HOURS legal?**

They are a form of scrip often issued during money shortages. They are not illegal: media have contacted the IRS, FBI, Secret Service, Treasury Department and Federal Reserve. The government's concern is taxation.



*illustration by Bill Davis*



## **Is everyone's HOUR of work worth the same?**

We have been taught to think that teachers should be paid less than bankers, that psychiatrists should be paid more than shoestore clerks, that muscle work is valued less than mental work, that male work is valued more than female work, that black labor is valued less than white labor, that office labor is valued more than home labor. But we all need each other to make our community function. Everyone's honest hour of labor has the same dignity.

Most hours of labor use worth ONE HOUR. but some people have rare skills and might want 1/5, 2, 3, 4, or 5 HOURS for their hour of work. Eventually the Ithaca HOUR list could bring so many skills into the local market that rare skills become less rare, and more affordable,

The Ithaca HOUR is raising the minimum wage in the Ithaca Time Zone, without knocking down higher pay. Many local professionals already know that gross differences in hourly pay are socially unhealthy.

So they charge on a sliding scale, and barter.

Even so, a dentist must collect several HOURS each work hour because the dentist and receptionist and assistant are working together, using equipment and materials which they must pay for with dollars. And someone might want more than an HOUR for one hour of tough ditch-digging. Baby sitters getting \$6.50 per hour would do better to accept 3/4 HOUR (\$7.50), though tending children is a big responsibility worth perhaps more. So ask for what you think you deserve and need, then give good service.

America is discovering that poor people don't fall through the cracks and disappear. They come back with guns. The nation cannot buy enough police and prisons to control the frustration of people who are unable honorably to feed their families. The HOUR is fair pay that repairs society.

## What are HOURS?

HOURS are local paper money, traded within the Ithaca Time Zone (about 20-mile radius around Ithaca, New York).

## What are they worth?

Each HOUR is worth one hour of basic labor or \$10.00. Half HOUR is worth half hour basic labor or \$5.00; Quarter HOUR = \$2.50; Eighth HOUR = \$1.25; Two HOUR = \$20.00.

## How do I spend HOURS?

Everyone listed in HOUR Town has agreed to accept Ithaca HOURS. More than 2,000 people have used HOURS, including 500 local businesses (including a bank, movie theaters, grocery stores, plumbers, carpenters, electricians, day care centers, health clubs, restaurants, the hospital, and so on). FOOD IS THE LARGEST CATEGORY ON THE LIST. A website of participating businesses is found from our home page.

Hundreds more people have accepted HOURS without being listed here. Spread 'em around! The more hands they touch, the stronger they become.

## How do I earn HOURS?

1. Send the coupon from the back page agreeing to accept HOURS and describe work you'll do for HOURS. The system pay you for being listed, because you make HOURS stronger by agreeing to accept them. Payments are made on a per-person basis, regardless of how many listings are offered. We ask that you expect reasonably to live here for at least one year before claiming your HOUR payments, but you can be listed anyway.
2. Send in the coupon again every year to receive your bonus payment as reward for continuing your listings and for keeping your phone number up to date.
3. Call people listed here and offer to swap skills with them, and offer to accept HOURS.
4. When you apply for employment with an HOUR business, mention that you'd accept HOURS for some part of your pay. That gives you an edge.
5. Accept HOURS at your garage sale (signs available at GreenStar).
6. Accept HOURS as loan repayments from friends and family.
7. Accept HOURS as rent from tenants.
8. Accept HOURS at your business.
9. Apply for an HOUR grant for your nonprofit organization. Send us a letter giving examples of how the group would spend HOURS.
10. Work for an organization which has received an HOUR grant.
11. Apply for an HOUR loan (zero percent interest).

## Is special accounting of HOURS required?

No, just count them as though they were dollars.

## What if I need to bank them?

Open an HOUR Safekeeping Account at Alternatives Federal Credit Union. Or buy HOURS from your cash drawer with dollars, deposit the dollars, and spend the HOURS yourself for business or home.

## What if my HOURS get torn up?

Bring the pieces to the HOUR Bank, Autumn Leaves Used Books, 115 The Commons, and swap them for fresh HOURS. Need serial numbers.

Are HOURS legal?

the IRS, Federal Reserve, Treasury Department, Secret Service and FBI have repeatedly told the media that there is no law against HOURS, as long as HOURS have a dollar equivalent (for calculating taxes), as long as they do not look like Federal Reserve Notes, as long as each note has at least \$1.00 value. Each participant must report taxable HOUR income, at \$10/ HOUR.

## Why not just trade dollars?

1. Money is a tool for trading, so we're adding to the local supply of money. HOURS are money with a boundary around it, so they stay here forever.
2. Since an HOUR = \$10.00, we're raising the hourly wage. That benefits workers, and businesses too. HOURS remind us that wealth comes from labor, and that everyone deserves fair pay.
3. With better hourly income, people are better able to afford locally-made crafts and food--like at the Farmers' Markets and other local services. That means more local people can start businesses doing things they like.
4. We make grants of HOURS to community organizations.
5. We make HOUR loans without charging interest.
6. We meet new people while trading locally, and expand a friendlier economy, a MUTUAL ENTERPRISE SYSTEM.
7. The U.S. dollar is backed no longer by gold or silver but by trillions of dollars of national debt. The dollar binds us to a banking/stock system which could damage our community when it collapses, destroying jobs and savings. The dollar is constantly depreciating in value, while an HOUR, always 60 minutes, is separable from dollars.
8. They're fun!

How do I help the HOUR system if I'm already too busy to be listed?

You can buy HOURS with dollars, from participating businesses, and help spread them around. This is a very important contribution! Donations of HOURS and dollars are also welcome.



# Five Months in the Life of an HOUR

an actual Ithaca HOUR trading path

by Houghton/Glover





The following flyer was included with HOURS mailed to new enrollees.

# Finding HOUR Work

**1. List your goods and services in *HOUR Town*.** If you offer something posted to the right of the arrow on the back page, then you'll be paid two HOURS by mail. We ask that you expect to live in Ithaca for at least another year.

*HOUR Town* is found at GreenStar Co-op, DeWitt Mall, Alternatives Library (Annabel Taylor Hall), Alternatives Federal Credit Union, Autumn Leaves Used Books, State Theatre, both P&C's, CTB Appetizers, and at 50 other locations in Ithaca.

**2. Introduce yourself to merchants who accept HOURS.** Most have a regular supply of HOURS and often need odd jobs done. Others who are likeliest to have HOURS are professionals like acupuncturists, chiropractors, electricians, massage therapists, etc.

Presently, merchants with reliable HOUR supplies include Turback's Restaurant, GreenStar Co-op, Alternatives Federal Credit Union, 3-D Light Gift Shop, Video Ithaca, Autumn Leaves Books, Sciencenter

**3. Visit the Employment & Trading Center,** our computer bulletin board, at GreenStar Co-op. Just like using the library's database, you can offer and request goods and services. The regular bulletin board is there too, so you can also post a paper notice of your willingness to work for HOURS.

**4. Sell used books to Autumn Leaves Used Books (Commons).** They buy a wide variety, except romance and sci-fi.

**5. Host an Ithaca HOURS Garage Sale** by posting an "HOURS Accepted" sign. We provide signs free.

**6. Recruit a storefront business to the HOUR system.** If you convince a storefront business to accept HOURS, we'll pay you two HOURS. Mail us the coupon with your name as finder. If the business actually begins to accept HOURS, you get the fee. They get paid

two HOURS also. You can take copies of our business info about HOURS, available in the middle shelf of the Employment & Trading Center at GreenStar, or as pdf on the website.

**7. Put an Ithaca HOURS bumper sticker** on your vehicle, or at work or home.

**8. Post the "Ithaca HOURS Accepted" sign at home or work.** Tell people you accept HOURS, When you do, it tells them that you support social justice, local control of our economy, and environmental protection.

**9. Sell ads for *HOUR Town*.** Full page ads cost 40 HOURS or \$400, Half page 20 HOURS or \$200, Quarter page 10 HOURS or \$100, Eighth page 5 HOURS or \$50, Sixteenth page 3 HOURS or \$30, business card 2 HOURS or \$20. Your commission would be 25%.

## Here's How HOURS Work:

HOURS are local paper money, backed by local people and our time, goods and skills. Just look at the list inside!

Each HOUR equals one hour of labor or \$10.00. People who are paid more than \$10.00 per hour can ask for more than one HOUR per hour, but One HOUR is our average wage.

HOURS are used primarily within a 20-mile radius of Ithaca, Time Zone. During the past 20 years we have issued 1,000 HOURS (\$110,000). Thousands of trades worth millions of dollars have been stimulated by HOURS.

You get started by accepting and spending HOURS that people offer you. Get what you need by offering any combination of Ithaca direct barter. Retailers usually accept HOURS as part price.

You can get an advance payment of 2 HOURS for being listed in *HOUR Town*, if you offer something that you see on the listed on the back page, by the arrow. To do this, send the coupon on the back page.

HOURS are legal. They're taxable income when accepted for professional services. They're easy to account, too. If you have questions about accounting, or anything else, just call us.



# Localizing

## Centralized Economies

Are controlled by an elite, regulated by a body (such as GATT or WTO) which has the authority to overrule all national trade regulations pertaining to environmental, health or labor standards. Control of land, fuel, minerals, money and housing moves to fewer and fewer corporations.

Politicians are accountable to financiers more than to citizens:

GLOBAL MARKET  
CONTINENTAL MKTS  
NATIONAL MARKETS  
STATE MARKETS  
Local Markets

## Decentralized Economies

Encourage average people to take authority to create jobs they enjoy, to control regional resources, to create the money they need to hire each other, and to export between regions. They link communities from positions of strength. Elected officers are more directly accountable to fewer corporations.

Politicians are accountable to the economic power of people:

LOCAL MARKETS  
REGIONAL MARKETS  
INTERREGIONAL MARKETS  
CONTINENTAL MARKETS  
Global Market

**This money is dedicated to promoting a full-employment regional economy, advancing ecology and social justice.**

*Here are some of the ways this is done:*

**By supporting locally-owned small businesses**, which spend more profits locally, and opposing expansion here of large retail corporations.

**By expanding local low-interest and interest-free credit** to small businesses, family farms and community organizations, as with local currency and specialized credit union funds.

**By establishing low-rent retail incubators** for locally-made products.

**By superinsulating commercial and residential buildings** to decrease local dependence on utilities and imported fuels. This retains millions of dollars, for local job creation.

**By exposing racism** in employment and redlining by banks.

**By funding a systematic program** of import replacement.

**By building rail and bicycle networks**, to decrease dependence on dependence on automobiles, keep money local, restrain suburbanization, and revitalize downtown.

**By supporting regional and urban organic agriculture** to decrease dependence on contaminated food.



## Self-Reliant Economy

- Food (local organic production and marketing)
- Fuel (insulation, machine efficiency, solarization)
- Housing (removal from speculative market as with Community land trusts)
- Transport (decentralization of services and jobs; limit auto access to promote transit, bikes)
- Capital (reliance on locally generated money and skills; imagination; shopping locally)
- Industry (bootstrap with incubators, flexible manufacturing networks)
- Commerce (import replacement program)

## Regional Products Can Outcompete Global Products

- fuel efficient, less transport
- unique products, local invention
- promotes social trust & cohesion
- promotes apprenticeship
- employs more by keeping money local

## Recession-Proof Industries

People will spend their few dollars on what they need most. And they won't throw away old stuff.

- repair and remodeling homes, kitchens, cars, appliances, watches, shoes, clothes, furniture)
- local food and herbs: Farmers' Market
- second-hand: clothes, books, records, dishes, appliances, cans, furniture
- transit: jitney, taxi, vanpool, bicycle
- non-disposables
- wholesale direct sale/ warehouses, dollar
- garage sales and swap meets

## Vulnerable Industries

- luxury cars
- higher-market homes
- new anything, especially non-essentials
- disposables
- garbage hauling
- trucking
- metals
- government-subsidized services

# *A Healthy Economy Provides*

**1) Abundant healthy food** of better taste and variety. Stimulates the production of fresh, clean food by facilitating regional production and sale by regional small organic farmers. Produces jobs in local agriculture by keeping money in the region rather than losing it to distant agribusiness and retail profits. Ends subsidies to factory farms.

**2) Pleasant, secure, low-cost energy-efficient housing**, which protects from cold and heat, UV rays and bugs and burglars and rain. Requires maximal energy efficient and solar construction, emphasizing limited-equity co-op housing with strong sound proofing. Discourages worst speculators, to level land values and make housing less costly, Forms community development corporations.

**3) Comfortable, sturdy, low-cost and stylish clothing**. Stimulates market for clothing made of cotton, wool, live-combed fur, linen, kapok and milkweed floss, which have proven comfortable, cool and warm enough, without using petroleum or slaughter.

**4) Durable energy-efficient household goods** creatively crafted. Encourages locally-controlled businesses which make useful labor-saving goods, especially of local materials. Does so with incubator space and municipal purchase.

**5) Easy access** to work, friends, family and recreation. Dedicates several streets to biking and walking. Landscapes them (with benches and parks) to increase the pleasure of slower motion. Encourages private investment in local trolley systems and grants rights-of-way. Installs speed bumps, increases auto fees, adds local gas tax. Coordinates and increases major employer participation in park & ride shuttles. Provides shorter bus headways as car disincentives increase.

**6) Clean and healthy water and air**. Tracks industrial and agricultural polluters then enacts/enforces laws on strict timetable, requiring changes in procedures.

**7) Improved public health**, including reduced cancer rate. Cleans up water and air, as above, and solicits and funds neighborhood preventive clinics which educate and treat problems before they inflame. Relies on paraprofessionals for most attention.

**8) Education which inspires** natural love of learning, and prepares all ages for active local citizenship. Demands more local control of enterprise, earth restoration and conflict resolution. Promotes work/study apprenticeships and otherwise develops student confidence that they can control and improve society by working together. Encourages students to help each other learn. Decreases school tax by expanding parent participation in school day.

**9) Socially-beneficial work** for all who want it, and sufficient wages to pay for the above needs. job safety and control of working conditions. Promotes low-overhead business incubators which free enterprise for enjoyment by majority of public. Replaces imports by local production of food and fuel. Creates construction jobs to insulate, retrofit and solarize cooperative housing, funded by utilities' avoided costs. Raises capital from local corporations, foundations, churches, pension funds, insurance companies, venture funds, bank donations and tax diversions.

**10) Effective defense** from foreign invasion and national contamination. Defends America from invasion by its own military-industrial complex and uses most of budget instead to create jobs in housing, transit, alternate fuels and environmental clean-up. Develops civilian-based defense strategies. Protects rather than wastes strategic metals and fuels. Comprehends and shows respect for cultures with whom we might conflict. Raises an army of citizen diplomats.

**11) Reliable energy supplies** for the above. Insulates present and future housing to maximum possible. Decentralizes clean industry. Houses people within walk/bike distance of work. Solarizes, and develops solar hydrogen fuel.

# Labor is the New Gold Standard

Twenty years ago I started printing money. Soon after, residents of Ithaca, New York, began exchanging colorful cash featuring children, waterfalls, trollies and bugs. Since then, millions of dollars worth of Ithaca HOURS have been traded by thousands of individuals and over 500 businesses.

HOURS have proven a flexible unit of exchange, strengthening local businesses, creating jobs, and enlarging sales tax revenue. Each HOUR is valued at \$10/hour, or one hour of basic labor. Professionals may request multiple HOURS per hour of work, or trade them equitably. HOURS weren't intended to replace dollars, but to replace lack of dollars.



Today, however, while much of America tilts beyond chronic recession into early depression, it is time to begin an orderly national transition from dollars to HOURS. This profound heresy becomes perhaps inevitable, since dollars have become tokens of unrepayable debt. And, bluntly, they're a tool with which speculators gamble our jobs and homes.

By contrast, HOURS are as steady as the clock, because minutes neither expand nor contract. HOURS when properly issued represent basic labor that produces real goods and services. As Adam Smith said, "Labor was the first price, the original purchase-money that was paid for all things."

Federal Reserve Notes are shrinking as well because, like all national currencies, dollars are in debt to nature. Feeding our treasure-to-trash economy, they spur degradation of the essential resources upon which commerce depends.



HOURS would be issued primarily through the proposed Green Labor Administration (GLAD), a non-governmental WPA. They'd stimulate the less instantly profitable green markets that big investors have too long avoided: energy-efficiency and retrofit, solar and wind, urban agriculture, co-op health care, and transit. Just like national currencies, HOUR commerce requires constant networking, with sharp calibration of issuance, to balance circulation.

Gold itself, still the most admired store of value, is not capable of transacting the needs of seven billion humans. Total world supply is a sixty-foot cube. Sooner or later, as soaring populations compete for declining farmland, gold would become worthless because it is not food.

Meanwhile, supplemental HOUR cash honors skills neglected by the formal economy, stimulating new enterprise and creating new jobs. HOURS revive deflated sectors when issued through regional credit systems, community banks, and credit unions, community-based stock exchanges and family farms; and lent interest-free to small businesses. They thereby strengthen the dollar. Just as healthy lungs depend on millions of healthy air sacs, macroeconomies depend ultimately upon the vigor of village and neighborhood economies.

Our Chinese creditors would approve America's transition to HOURS. Their People's Bank sent representatives to Ithaca who soon received approval from then-Premier Zhu Rongji to start HOUR systems. Time Banking also has its foot in this door, worldwide.

HOURS ease America's path toward sensible renewal. Putting HOURS to work, and ourselves as well, invites us to repair civilization. Times change, money changes. Thinking outside the box will become common, as the box dissolves.

November 2011





## Real Money

HOUR money is cash created locally by everyone who advertises their willingness to accept it. HOURS stay within your region. HOURS are real money because they're backed by the real skills and time of local people, and represent our real productive capacity. Our votes at public meetings ensure that HOURS are issued in a fair and careful manner.

Each time they're spent they weave a self-help network that creates employment here and forms export industries. HOURS help us replace unnecessary imports with local food, fuel, clothing, tools, services and culture.

Eventually HOURS can be used independent of dollar amounts, protecting us from inflation.



## Funny Money

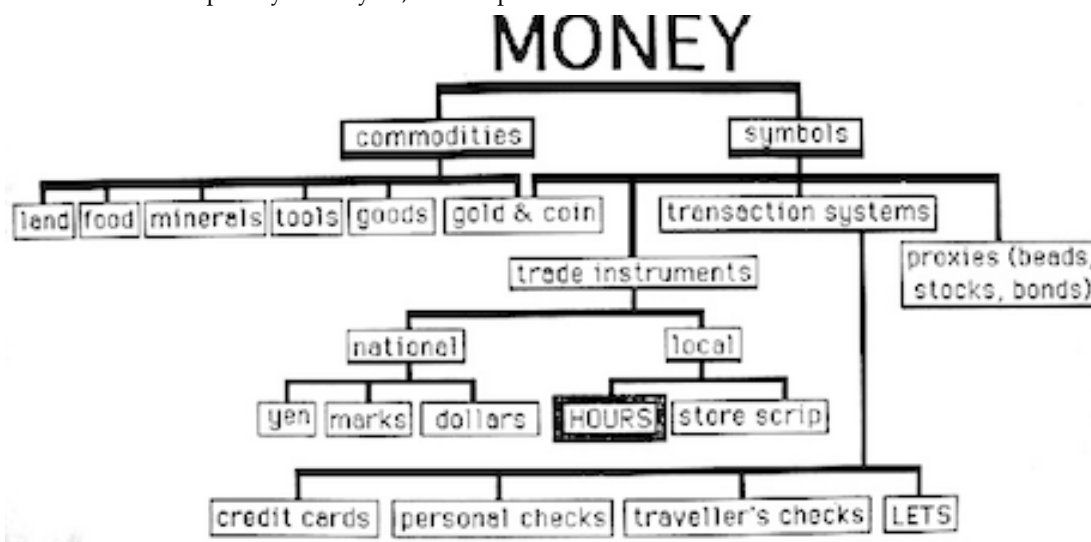
Dollars enter circulation through forces beyond our control, such as multinational corporations, foreign investors and large banks. Dollars visit a while and then leave town, primarily for food, fuel and car costs. Lately more dollars are leaving than usual. HOURS can gradually plug this leak.

The dollar's value has fallen because it is backed by nothing but federal debt (\$14 million million) that can never be repaid. Washington prints \$900,000 of debt every minute just to buy what it can't afford. That's funny money. When Uncle Sam can no longer collect enough even to repay debt interest to foreign investors they may cease buying dollars. Then dollars will become useless.

## The Money Family Tree

Money is anything you trade to get something else. There are many kinds of money.

The most basic are edible or wearable, or otherwise directly useful, like tools. The rest are symbolic, having the power to obtain useful things. The following diagram is based on examples by Bill Myers, former president of Alternatives Federal Credit Union.



# A World of Difference Between HOURS and Dollars



**Dollars are issued** when major corporations and banks buy U.S. Treasury Bonds from the Federal Reserve. Taxpayers are required to repay these bonds with interest.

**Dollars are issued** in inflationary quantity to repay interest to the investors above. As a result, the U.S. national debt increases by \$2,500,000 every minute. Social programs are cut to balance the budget.

**Dollars facilitate loss of wealth** from Ithaca. Dollars leave town through chain stores, to be controlled by fewer and fewer distant corporations, which then gain more control of our food, fuel, housing and transport.

**Dollars exploit labor** by paying the least that the market will allow.

**Dollar dependence** makes us compete for scarce dollars.

**Dollar success is measured** as volume traded and accumulated (GDP), regardless of effects on environment or society.

**Dollars feed an economy that thrives on war**, and the destruction of communities and nature.

**Dollar designs feature presidents** and monuments of corporate government.

**Depending on dollars** to meet our needs becomes riskier as state and federal policies (made by lobbyists) shift to reward the wealthy (with special tax breaks, contracts, anti-union legislation, global market deregulation) and to punish the poor (with low minimum wage, competition for low wages, tax hikes, Reducing or cutting off aid to children).

**Both Republicans and Democrats**, to different degrees, have made the middle class and poor fight each other for small pieces of the federal pie. Most federal money trickles up rather than down, as interest payments, as bailouts to failed banks, as contracts for weapons nobody needs, for excess highway and prison construction, and so on.

**While the dollar system is organized** to maximize profits (top 1% own 40% of U.S. wealth), the HOUR system provides money that respects everyone's talents and needs.

**Here are more differences:**



**HOURS are issued** by citizens directly, as promises to accept them, and are loaned without interest charges.

**HOURS are issued** gradually and carefully, as the community learns to use them. Since 1991, 11,000 HOURS (\$110,000) have been issued. Social programs receive HOUR grants.

**HOURS increase local wealth** based on local talent, and increase economic stability in this region. They recycle endlessly within the community, expanding our capacity to trade with each other and to develop local supplies of food, fuel, housing and transport.

**HOURS honor labor** by promoting equitable hourly pay.

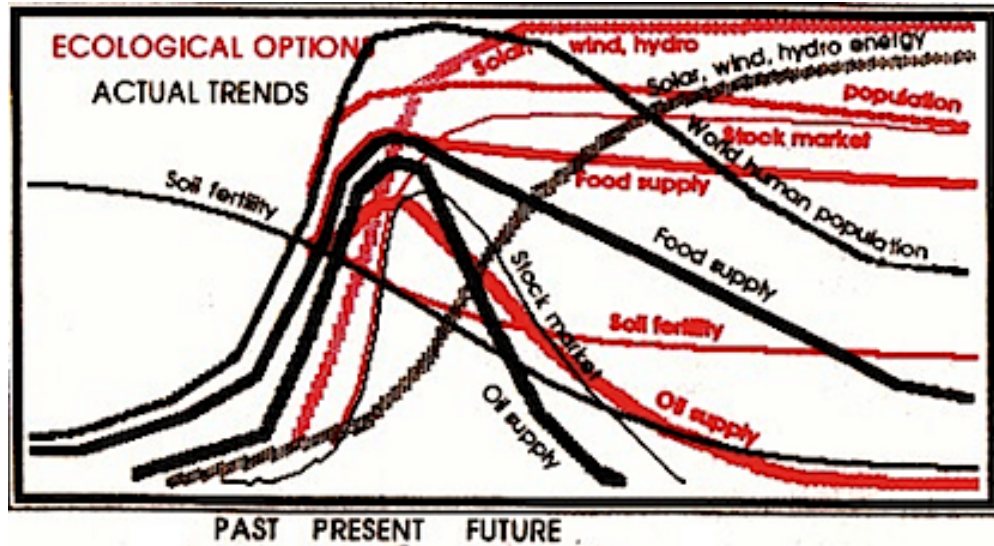
**HOUR power allows us** to cooperate to meet our needs.

**HOUR success is measured** by human connection and environmental improvement (Grassroots Local Product).

**HOURS feed an economy that thrives on peace**, and on the repair of communities and nature.

**HOUR designs are colorful**, featuring local children, natural beauty, plants and animals.

# Stock Market Long Range Forecast



Since 1994, when NAFTA was signed and the U.S. stock market reached 3800, this writer has predicted that the stock market would pass 10,000 and keep right on going, for at least five years beyond. This is because NAFTA (promoting North American goods transfer) and GATT (for global goods transfer) and MAI (for global investment) are dissolving barriers to the movement of money and goods. National laws prohibiting exploitation of labor (especially children), restricting corporate pollution of nature, protecting endangered animals, or restraining monopoly control, are being overruled by new global agencies (like the World Trade Organization). Thus, precious forests, animals, rivers, fertile soil, fuels, and human lives are now dirt cheap.

Therefore, stock market downturns of 5% or 10%, or even 20%, merely reveal major investors burping before the next meal. Their feast can expand until earth's natural resources—the foundation of business—are so severely consumed that production begins to shrink. Within 20 years, global oil reserves will fall short of even modest economic expansion, despite new exploration and drilling technology. Even before then, wherever population growth collides with limited resources (especially food), there will be widespread nonviolent revolutions (like HOURS) and violent revolutions (like riots). Control of legislatures, armies and media makes transnational corporations resilient enough (in the short run) to profit from catastrophes, like global warming, and to transfer weapons and money to confront rebellions, thus to extend their tenure.

This editor predicted (February 1992) that the United States would gradually become a Third World nation. Since then, shredding of the social safety net and the decline of the Middle Class have moved the U.S. toward the bottom rank among industrial nations for health security, for fair wealth distribution, for domestic supply of natural resources, and other indicators of a stable economy.

At that time we also predicted that, since "Russia

has fabulous mineral wealth, forests, oil and natural gas" it "might become one of the world's great entrepreneurial powers.

And we may see Japan's sun set, when aggressive nations change the rules of commerce, seizing Japan's assets." Russia is still reorganizing itself for coherent market extraction. But the recent threatened closure of U.S. ports to Japanese shipping reminds us that stock assets are just paper, while military power trumps law.

Eventually though, without the expansion of a Mutual Enterprise economy responsible to communities and nature (like HOURS), this present boom will bust, creating a Greater Depression than that of the 1930's. Sixty years ago nearly half the U.S. population lived on farms, so could grow their own food. Now 80% are urban, with little access to land or tools. Back then, most people lived in stable neighborhoods, so the poor could rely on one another for child care, for second-hand clothes, for barter, or for help when sick. Now, fewer neighbors know or care about one another.

Like we said in 1992, "None of the above are good changes. To avoid cycles of gluttony, war and collapse, all nations could develop environmentally efficient locally-controlled economies." As this writer stated in *The Economist* (8/2/97): "HOURS are cash that's created by working people rather than capital markets. HOURS are real money, based on the community labor standard. Local credits might revive the national funny money that is so mired in the debt standard. And HOURS could even benefit macroeconomies, the stability of whose money depends ultimately upon the stability and vigor of village economies."

To insulate ourselves from global boom and bust, we can INVEST IN COMMUNITY MARKETS for ourselves and our kids, by shopping with local craftspeople, businesses and farmers, by recycling, bicycling, and by supporting labor unions, trading local currency, having one or fewer children.

The longrange economic forecast depends on us.

**HOURL Town, December 1997**

# The Destiny of Dollars

After having been the world champion of money for sixty years, the U.S. dollar is staggering.

Since 1933 our money has not been backed by gold, nor by silver since 1969. American manufacture was the spine of dollar power until those jobs fled overseas. Domestic natural resources have been used up-- we've devoured 80% of America's original oil, most natural gas and richest topsoil. Effective military control of cheap foreign oil and labor is ending despite massive weapons spending. Federal Reserve Notes today merely represent \$9 trillion of national debt.

All national currencies are deep in debt-- indebted to nature-- because human economies extract from nature faster than we replenish. This debt accumulates as more human beings than ever consume earth's fuels, metals, soils and water. Eventually, were the planet used up, money would buy nothing.

Today, though, some national currencies still buy more than others, because those nations control more of these dwindling resources. Russia's economy, crippled when the USSR ended, rebounds because it controls one quarter of earth's natural gas, and pipes it to Europe.

So, to predict the destiny of empires and economies, and of your money, watch the flow of resources. China, currently the world's manufacturing powerhouse and owner of more U.S. dollars than any nation, depends itself on oil imported from the Middle East, South America and Africa-- just as we do. Burdened with one fifth of the world's population and fading soils, China will decline. Japan, a trading nation once so powerful that they owned America's biggest skyscrapers, has few domestic resources. Venezuela, by contrast, with far more oil than it needs, pulls Latin America from Washington's grasp. The Canadians are selling us natural gas, so their money gets new respect.

Rather than depending on massive extractive corporations, and our giant landfill economy, America's economic health relies on millions of tiny local economies, just as healthy lungs rely on millions of tiny air sacks. Reviving human economies means reviving local economies, ecologically.

These essential regional changes have begun, led by millions of American businesses and nonprofit organizations, and recent college grads.

Among the many tools for rebuilding economies is local currency. Ithaca has pioneered this process with Ithaca HOURS (one HOUR = \$10.00). Millions of dollars' worth have been traded since 1991. Connecting people rather than controlling them, community cash releases the creativity of area residents to trade more ecologically. Grants are made to community organizations. Loans are made, interest-free. Local government itself could be funded increasingly by local money. With extra money committed to regional development, we're more able to purchase local organic food, solar power, local crafts, energy efficiencies, and holistic health care.

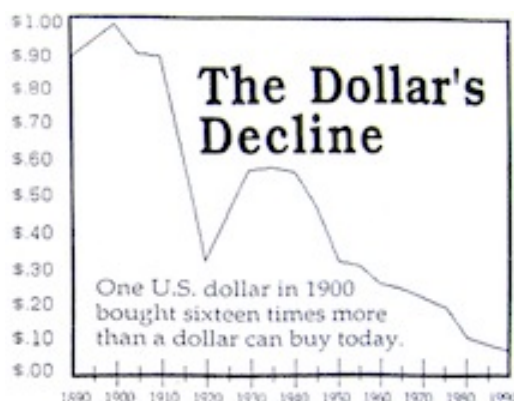
Americans are now forced to build a far better world because the alternative is a far worse world. Preparing our nation to thrive with one-tenth the oil and natural gas and coal begins at home. Looking far enough ahead, towards the adulthood of your children, there will be little oil but we will be warm. There will be few cars but we will go faster to places more beautiful. In dry regions there will be no flush toilets but bathrooms will be more sanitary. The most secure housing will be built substantially underground. Cities will grow much of their own food.

Time binds us to great change. And in communities trading HOUR money, that Time is Money.

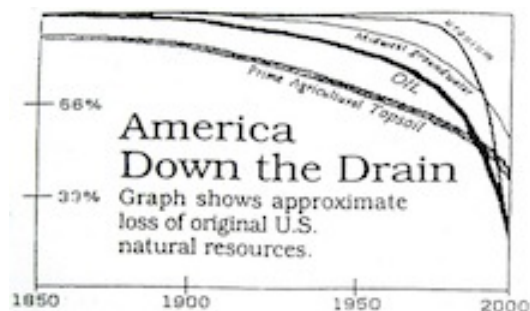




# Local Currency Strengthens National Currency



Rather than competing with debased national money, local money is needed to make national money stronger. That's because the vitality of tiny local economies, maximized by local currency, is becoming essential to national job creation. Consider the large lobes of the lungs. Without millions of microscopic air sacs moving oxygen to the blood, the lung's lobes become desperate wheezing bagpipes. Healthy organs depend on the efficiency of their smallest parts.



All national currencies are in debt to nature, because national economies have depleted the natural resources upon which all business depends. It is therefore the special responsibility of local currencies to do what national currencies, controlled by corporations driven by narrow ideas of profit, do not: stimulate local trade and job creation which consider their effects on Nature, and which replenish it.

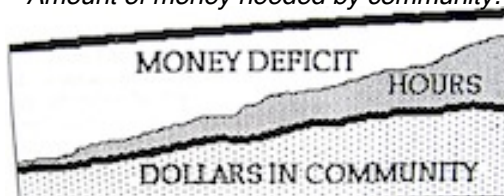
## Local Money Confronts Inflation

Local currency, gradually issued, does not cause inflation in local economies, because there is always unmet need in any locality, just as there has been unemployment. Local money allows needs to be met that were not met, since people were depending on scarce dollars. It re-inflates deflated economies. The following diagram shows local currency gradually closing the gap between the amount of money needed in a community and the money actually available. Were local currency to surpass the amount needed locally, the supply would need to be reduced. This can be done by establishing a buy-back dollar fund.

We'd sooner anticipate hyperinflation of dollars, though, as U.S. investment and jobs are shifted overseas, as interest payments on the U.S. federal debt overwhelm federal income, and as global currency markets reflect preferences for other currencies.

Were this to happen, HOURS could respond in three ways. **ONE:** We could raise the dollar value of the HOUR, and chase the dollar as it shrinks in value.

*Amount of money needed by community:*



**TWO:** We could declare the HOUR a 1992 \$10 bill. This means that the HOUR would buy local labor and goods at 1992 prices forever. Restaurants, theaters, food vendors, carpenters, tutors, artists, massage therapists and the rest of us would discount all prices by the total inflation since 1992, when paid with HOURS. This percentage would be published in the barter directory.

**THREE:** All prices could be recalculated in HOUR amounts, as agreed by negotiations between all sectors of the local economy. This bolder approach, making the HOUR solid money, independent of dollars (except for tax-paying) could succeed to the extent a community replaces imports of food, fuel, metals, clothes and building materials with local/regional production and recycling.

# HOUR Future

Local currencies begin as small systems, then develop patiently to become a major part of local commerce. Here are some descriptions of what can happen when a local currency system takes root in your town.

## When Everyone Accepts HOURS

We'll be able to use many more of them, to finance things that today are hard to afford. Here are examples of these benefits:

- **Major funding for community organizations.** Many local groups doing great work for Ithaca (for women, youth, seniors, etc.) hardly have any money.
- **Job creation center.** An incubator for grassroots enterprises, for job training and apprenticeships.
- **Large interest-free loans** for ecological businesses, like community cannery, solar hot water, experimental housing, green housing, organic farms. People with new ideas often have a tough time getting loans from conventional banks.
- **Superinsulation** of housing, to reduce dependence on utilities and to reduce coal-burning and nuclear pollution. Technically, Americans could be warmed with little fuel cost, were such programs funded.
- **Community-sponsored low-cost housing**, built without depending on government grants or bureaucracy.
- **Repair and recycling warehouse.** Lots of our "garbage" is perfectly useable, and even the broken goods have component parts that should be separated and put back to work, rather than dumped.
- **Trolley system.** Dependence on cars is our greatest waste of wealth (for car payments, insurance, gasoline, roadwork and Oil Wars) and contaminates our soil, water and air. Trolleys and bikes can gradually make travel easier, cheaper, and more fun.
- **Land purchases for land trusts**, to preserve local forests and farms. Speculators convert the beauty and fertility of our land into suburbs. Land Trusts buy land and protect it from abuse, for the benefit of future generations.

## HOUR Progress

During the first months of HOUR use we rely mainly on barter, mixing swaps with HOURS and dollars. As the number of HOURS circulating increases, everyone is likelier to earn more. Each of us started with just 4 HOURS. Soon there are were 4.6 HOURS circulating per person, because of grants to community organizations, and payments for renewal. Continued careful increase in the number of HOURS available.

**Phase TWO--** With enough HOURS to allow larger purchase, HOURS could become a larger part of our income. We can then foresee the following: Stores could reduce their dollar overhead by using local services and selling more locally-made goods. More employees might accept HOURS. Regular barter partners would decrease our dependence on dollars. An Ecological Loan Fund (ELF) could help start environmental businesses, and support local organic farms. Larger grants of HOURS could be made to community groups. Local currencies might begin in many cities.

**Phase THREE--** After several years most locally-owned stores would accept HOURS. Ten percent of cash sales might use HOURS. Many prices would be listed in HOUR amounts. HOUR bank accounts would be available, and some local taxes might be paid with HOURS. Many community organizations would be reliably funded with HOURS. Exports of environmental goods Made in Ithaca (such as cargo bicycles, insulation, farm tools, organic food, solar equipment, natural fiber clothing, rail accessories) could be capitalized with HOURS.

**Phase FOUR--** Many years later, the Finger Lakes bioregional economy would be far less dependent on distant corporations' resources. The USA would become a nation of strong localities, linked by rapid rail. Bioregions would produce most of their own necessities ecologically, and trade emergency supplies. 75% of cash sales would use HOURS.

**Phase FIVE--** Finally, the global economy thinks locally. Economies would be controlled at the grassroots level, proudly exporting cultural goods such as handcrafts, music, arts, dance and theatre. Truly independent nations would have no need to fight for food, fuel or metal. Wealth would be shifted from warfare to earthcare.

## HOUR World

HOURS have begun to create a world of stable communities whose citizens issue money that's backed by their labor and tools, and lent without interest charges, in order to: start independent businesses that respect ecology and social justice, to expand friendly trading, to establish an equitable and livable wage, to provide low-cost health care, to build energy-efficient housing, to buy land for preserving wildlife and farms, and to purchase whatever else we need for the well-being of our children.

In HOUR world thousands of cities, towns and neighborhoods would each have their own money, issued within easy walking, bicycling and transit distances. The volume of creativity and enthusiasm brought into the marketplace by local currency will be new standards of economic success. Local money would be issued gradually and carefully, at the rate each community learns to use it. Larger regions might then create joint currencies, or agree to accept one another's.

# Success Stories

These are an important part of promoting HOUR use. They are the voices of participants describing how they earn and spend HOURS, and what HOURS mean:

## Hi! Finance

Here are some of the big shots of the Ithaca Time Zone, the people whose time and talents start new businesses, who do the basic work to maintain children, community or homes.

We spotlight the HOUR traders who don't yet have retail outlets, and invite people to shop with them until the do.



**Terri Ricklefs** (with Sara) makes beautiful handpainted shirts, sweats, and personalized outfits. "HOURS area good for new businesses like mine. They encourage people who can't afford luxury items to patronize businesses that wouldn't get customers."

**Andy Ruina** (holding Annemieke) accepts donations of HOURS for used bikes at Recycles Ithaca's Bicycles. The group has used HOURS for food for workers, bike parts and lumber. "HOURS are fun!"



**Isabel** does hypno-therapy, and offers bed & breakfast, videotaping and word processing. Her HOURS go mainly for food and entertainment. "HOURS are a wonderful alternative o the present

money system, which allow a few people to hoard lots of money, while most people struggle."

- to their personal income
- to pride in work
- to meeting people
- to sense of community
- for local control of economy
- for the environment
- for fair pay & social justice

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**Neil** and **Sarah** raise organic strawberries and vegetables. "We collect quite a few HOURS at the Farmer's Market and then spend them all for spring planting. Thanks to HOURS and hard-working folks, we put in 20,000 strawberry plants, by horse and hand."



**Jade's** father earns HOURS which have saved the life of their pet rabbit, Riley. "The rabbit was slowly fading, and death was a possibility," says Jade's mother **Kelli**. "Not being able to afford to pay dollars, we turned to the *HOUR Town* list, whose veterinarian helped us to help our rabbit get back to the crazy energetic animal she is. Ithaca money is great."



# Success Stories

## Personal Income

Charlie makes drums. "HOURS are going great for me. They've opened up a lot of things I wouldn't have been able to afford. They let my wife and I eat out more often, which is good for us as parents-- we get more time together and don't have to deal with cooking. And we were able to afford a potted Christmas tree rather than a cut one, which is better for the environment."

As well, HOURS saved the life of their pet rabbit, Riley. "The rabbit was slowly fading, and death was a possibility," says Jade's mother Kelli. "Not being able to afford to pay dollars, we turned to the HOUR Town list, whose veterinarian helped us to help our rabbit get back to the crazy energetic animal she is. Ithaca money is great."

**Nancy** offers child care and GreenStar working member credit. She has bought books, an astrology reading, and "HOURS fed my family last summer. For a while we had no other cash."

**Bill and Cris**, who sell vegetables and handmade baskets at the Farmer's Market, feel that HOURS serve "to complete a big circle in our community, and have increased our sales. We've also gotten landscaping jobs we otherwise wouldn't have seen." They've purchased "luxury items we couldn't have bought before" and basic services like auto repair, "just by showing them the barter newsletter." Their landlady takes part of rent in HOURS.

**Bill's** an architect who says, "HOURS changed my life. Last winter I had no jobs, was out of money and was scared. Then I got two jobs through HOUR Town which kept food on the table and turned out to be steady work. One of these people has become a good friend. Now I've got a third major HOUR job, very creative and exciting." He adds that "there's less stress associated with HOURS, they're fun to spend."

**Mary** provides child care and has bought bread, produce, a cotton bra and legal services. "It's going great. Barter money has allowed me to get goods and services otherwise beyond my means. HOURS make barter easier, and I'm more aware of money staying in the community. I pull out my HOURS to show friends from elsewhere."

**Jon and Mary** have sold potted plants at the Farmer's Market. They've spent HOURS for pottery, a belt, a cutting board, restaurant meals, bread, wedding presents, and intend to hire people to build their greenhouse. Their plant sales increased: "We can buy things that we normally wouldn't be able to afford." They think barter money improves barter: "The HOUR currency is a better receipt for labor to be done than a verbal agreement."

**Debbie** sells used books and has spent HOURS for a watch, massage and computer time. "HOUR Town has opened up a lot of avenues and been a real guide for me. I've talked with others who've said they've bought things they needed and wanted that they couldn't have

spent dollars to get. The HOUR's potential is unlimited. The national economy is not going to get better soon."

**Rick** has gotten several painting jobs from the list. His HOURS have bought car repair and piano lessons. His partner Lynn says, "It's helped us a lot. We got things we couldn't afford otherwise."

**Mary** earns HOURS by landscaping and plant sales. "We buy things we wouldn't ordinarily pay dollars for. When my son got straight A's we went to a fancy restaurant for dinner. I look forward to when we can pay our utility bills with HOURS." She adds, "I've had people call to order flowers for next summer. I'm delighted."

**Susie** sells seitan for HOURS and has bought massage, bookkeeping, sales help, advertisements, gifts and more. "Lots of people who were not able to buy things before are more able now, and they can tap into their abilities. That's my favorite part: that as people start talking about what to offer, they remember talents and gifts that they have."

Susan is now fully employed with three regular child care jobs gotten through HOUR Town. The HOURS earned as part pay buy food and other goods. She swaps for chiropractic care. "I trust a person more who has Ithaca HOURS in their wallet. It means they're invested in Ithaca, that they're willing to be openminded about the value of labor."

**Valorie** has gotten HOURS by doing fiber dyeing (natural and nontoxic), and by selling an answering machine. She's purchased electrical work and "a beautiful necklace. People remark on it all the time, I tell them I bought it for HOURS."

As a coordinator of Literacy Volunteers of Tompkins County, she's used an HOUR grant for rubber stamps, grantwriting assistance and newsletter design. "HOURS helped us to get things we couldn't otherwise afford, because of major cutbacks in funding this year. This is a critical time for Literacy Volunteers, and we sure would welcome more Ithaca HOURS."

**Neva** just finished "a lucrative house portrait, and I expect I'll be kept busy by this person." She does pen & ink illustration, and says, "this is a fantastic system for those of us with little spending power. I've been grateful to be able to find services otherwise difficult to get."

**Bill** spends HOURS earned landscaping for banking, food and entertainment. "I like the idea that pretty much we're all fairly equal. Everybody has something to offer and their time should be valued. When pay becomes too unequal it creates a lot of poverty, which creates anger and resentment, which creates riots. Things seem to be picking up; more and more people are accepting the system."

Josh hired a computer consultant to make labels for his new tincture business. "If it hadn't been for the barter list I wouldn't have been able to find somebody to tutor me on the computer. I never learned a program so quickly in my life." The tutor now accepts tinctures as trade for more of her help.

**Toni** provides health club memberships. **She has bought gifts, food, movies and fertilizer, has given bonuses to employees, and intends to hire painting, carpentry and electrical work.** "I've enjoyed HOURS; it's a great system. There are a lot of people who could not join a health club without the HOURS they're earning. They're very grateful for the opportunity, and it's opened up a whole new market for me."

# Success Stories

## Enriching the Community

Although we're told that only experts can understand economics, we find that the average person has a good sense of the subject, especially on the local level. Policy regarding our local currency is made by Barter Potluck participants, like these folks, and as their stories show, there's a lot of common sense leading us.

**William** earns HOURS by restaurant work. "Local currency is a fantastic idea. The more we use HOURS the easier it gets. I like supporting local farmers and workers. We've created a national identity, and in the future it will be just as important to create local identities. It's economically and socially beneficial."

**Amy** sells food for HOURS and has paid a roofer and a computer programmer. "The skills listings help us support local people. I tend to rely on a friends network rather than a money system. I'd like us to develop a system of abundance, sharing and cooperation like that in the books ~ "Dreaming the Dark" and "Spiral Dance" by Starfire.

**Mary** earned about 35 HOURS selling organic produce at the Farmer's Market. She bought roofing and computer programming. She'd like us to develop toward a non-monetary society like that described in Sonia Johnson's book ~ "Wildfire. "Money is a tool of patriarchy that dissociates us from one another and so contributes to the spiritual void." She says HOURS are "a starting point. They are better than federal currency by being local, and therefore seem safe."

**Lisa** offers Russian lessons and has swapped child care for clothing repair. "The barter list displays so much local talent-- all these people who've come out of the woodwork. Local currency makes people more aware of local business, and fosters it."

**Neal** sells organic food at the Farmer's Market and has spent HOURS for movies, bread, his son's play group, a calendar, and his house's food fund. "I'm really excited about HOURS and feel good about taking them. I always carry some in my pocket." He says he intends to hire farm help with HOURS this spring. As a farmer, he believes HOURS help support local agriculture. "Every community needs to grow as much local food as possible. It's absurd when more calories are used to transport food than the food contains." He adds, "I visit friends elsewhere and show them Ithaca's barter newspaper. I show them our money that says 'In Ithaca We Trust.' That's the bottom line, right?"

**Margaret** has received HOURS as rent payment, for flea

control and for phone calling. Her long list of purchases includes food, movies, engineering consulting, books and gifts. "I'd have to earn them four times faster to get all the things I'd like to."

She notes, "Because HOURS can be used both for goods and services which are not always part of the formal economy and for retail and professional transactions, the local economy gets a boost every time HOURS are earned. That's what any money is all about-- facilitating exchanges among people."

**Dave** has provided sailing lessons. "Bartering and HOURS have several roles: bringing cottage industries to the marketplace that are outside the dollar market, and breaking free of total dependence on the dollar."

He explains that "on the one hand trade with other areas allows us to get what we can't produce here, but on the other hand total unfettered trade leads to job loss when factories close down."

"I like the idea of balance: buying local increases jobs and earning capacity here, some of which can be used to import and export. And if we reduce our dependence on export industries from 75% to 40%, then we increase the core of employment which provides for local needs. That's more stable and more resilient than depending so heavily on Cornell."

**Beth and Richard** sell goat cheese, and have bought vegetables and baked goods. "I enjoy barter," says Richard. "HOURS cause people to consider whether they could get something locally, and we need as much action as we can get locally, to produce jobs and economic vitality."

**Jim** says that "During times of economic disparity, when big business gets big tax breaks and 'adventure' capitalists take money abroad, it's good to keep as much money in our community as we can. Local currency forces us to face the issue: why don't we have more local financing for local mortgages, and how much money does Cornell spend outside of Ithaca that they could spend here for food and other needs."

**Jennifer** accepted HOURS for repayment of a loan, though she's not on the list. "It's a good idea to keep money local rather than spending it elsewhere. I can imagine getting to the time when we wouldn't have to ask people if they took HOURS-- we'd have an understanding that HOURS were a common part of life in Ithaca."

**Ramsey** has sold bagels for HOURS at Ithaca Bakery and bought landscaping, meals, printing, air conditioning consulting, eco-goods, eyeglasses, insulating window shades and groceries. "Right now I've spent all my HOURS. To get them faster, I've decided to accept a Quarter HOUR on weekdays for anything, as part purchase of \$10 or more. And we'll take them at CTB Appetizers, too." HOURS are a regular part of his business income: "We count HOURS like taxable cash income and expense. There's a separate HOUR account in the computer. HOURS we spend personally we buy with dollars."

He adds, "HOURS keep people in our community employed better than dollars that leave the community. Dollars that go to large corporations do not really trickle back down, they concentrate capital, making the rich richer and the poor poorer. We see America's inner cities becoming Third World countries as a result. What's better about HOURS is that since you can't bank them, you have to spend them to benefit, so you don't get that concentration of capital."

**Laura's** pottery has earned HOURS that have bought food, and gardening consultation. "I like not having to be tied to the larger monetary system, that's owned by multinational corporations, which serves rich people rather than normal people. HOURS strengthen awareness of our community's skills and give us more control of the economy."

Jim says that "During times of economic disparity, when big business gets big tax breaks and 'adventure' capitalists take money abroad, it's good to keep as much money in our community as we can. Local currency forces us to face the issue: why don't we have more local financing for local mortgages, and how much money does Cornell spend outside of Ithaca that they could spend here for food and other needs."

**Richie** has earned and spent many Days of HOURS received from video rentals. They've gone to shoe repair, books, housesitting, lawn mowing, hauling and other goods and services. "HOURS have become the driving force behind who I patronize at the Farmer's Market: I look for the tell-tale yellow sign that says 'We Accept Ithaca HOURS.'" A co-founder of the Ithaca Community Self-Reliance Center (1977-1988), Richie has long promoted shopping at locally-owned stores. "This keeps money in the community and that means economic prosperity. Why shop at Wegmans, which takes most profits out of town, when you can buy from so many locally-owned stores?" And, of course, "Why rent videos at Wegmans when you can rent from Video Ithaca and Collegetown Videos?"

**Daniel** is director of CUSLAR (Cornell U.S.- Latin American Relations) which accepts HOURS for concerts, advertising in the CUSLAR Newsletter, at their Ithaca Festival pizza booth, and at rummage sales. They spend them for musicians to perform at their concerts, and for office purposes. "HOUR money has happily exceeded all my expectations. It's bound to grow-- it's an idea whose time has come. Regular money is dehumanizing and anti-community, sending wealth to big banks. With HOURS, we're bound together, showing how unique our town is and supporting each other. The wealth of the community stays here, more wealth is controlled locally, and that gives more democratic control over local issues. This concept could be very valuable in a place like Cuba. Without barter, Cuba wouldn't exist today. Their central government is now willing to try anything. They're not so sure they have the answers, and are letting people analyze

**Annabel** offers knitting lessons, mens' yogi underwear, and reflexology. She has bought food, plumbing and "little luxuries." She took a Hometown Money Starter Kit to Khabarovsk in Russia, near China. "I explained HOURS to villagers. They were passing around the HOURS and looking at the listings and nodding as my words were translated. They already do quite a bit of barter, and need to provide for each other the services the government used to, so they were interested. And they're looking at local cooperatives as an alternative to both socialism and capitalism.

"HOURS are especially great with services, which are inherently local, and they stimulate local production of goods. Ithaca's an ideal place for local currency, being a small, well-knit community whose members have a little bit of education about the country's economy. We can't trust the dollar, now that it's so dependent on what happens in the sinking world economy."

**Barbara** sells and repairs shoes. She's spent HOURS for gifts and advertisements. "This is really starting to

take off. I wouldn't have bought gifts where I did, except that I had HOURS. This money makes everybody more aware of what's available in the community. So it helps community development by keeping money local."

**Dan** sells deli goods and his HOURS have bought baby supplies, Christmas presents, vegetables, chiropractic care, and more. He and his wife gave HOURS as a wedding present. "This is a good idea. All small businesses, especially grocers, see big businesses take their customers away by specialty marketing. HOURS are another way to remind shoppers to shop with local businesses, where they get more personal service and attention to detail.

"With this system, money doesn't head north, south, east or west. It creates our own mini-economy."

**Rabbi Eli** offers Hebrew lessons and Bar/Bat Mitzvah lessons. "The barter list has been very useful. Recently I traded lessons for violin repair." He says that "HOURS are a very creative social support network, a good model for preserving kindness and compassion in the economy. They avoid the mass business focus and remind us that we're serving other human beings."

**Elizabeth** accepted 50 HOURS (\$500) as part repayment of a loan she had made to GreenStar. "I've used HOURS for groceries, gifts, video rentals, movies, meals, books, pottery, chiropractic care, shoe repair, xerox copies, computer printer ribbons, a wrist rest, faxes, haircuts, pizza, theatre tickets, dance lessons and yoga lessons. I repaid a loan I owed with HOURS, too.

"HOURS are running along just fine," she says. "We have a growing Ithaca HOUR community. We can see and feel that we're part of doing this. I don't feel that way about the national economy, which is so dependent on centralized, impersonal government and business that we've become alienated. HOURS show us that we don't need somebody far away to allow us to do things; we have the power here."

**Heather** from Boston says, "This local currency seems to work well where people sense the need to be neighbors. I want to move to Ithaca!"

**David** offers piano lessons for HOURS, especially improvisation, and distributes the Alternatives Federal Credit Union newsletter on his bicycle. He's bought massage and food. "Our economy is a runaway greed cyclone. Everybody is out to get as much as they can for doing as little as possible, instead of doing as much as we can and know we'll be rewarded for it." He rides his bicycle because "cars are one of the main ways that capital leaves our community, for car parts and fuel, but the pollution stays here. We should gradually improve public transit and bikeways." He adds, "HOURS stay in the community, producing a net gain."

**Ray** is an Ithaca College professor concerned about the U.S. money supply. He expects to use HOURS if he's laid off. "Our destiny is in the hands of those shadowy forces that no one understands."



# RETAIL SUCCESS

Melissa promotes her massage service through the HOUR pages. "HOUR Town has made a big difference in my life because my best regular client, who pays dollars, came through the paper. The HOURS I've earned have gone to books, jewelry, cider and veggies." She says, "It gets many people to advertise things they would not normally think of doing."

David prints Ithaca HOURS at Fine Line Printing and accepts part payment for printing them with the HOURS he himself prints. He's spent HOURS for advertising, bread, massage, and swapped printing for fiddle lessons. "I like printing HOURS because they're a pretty and respected art piece, durable rather than disposable. And it feels great to print money."

Dennis sells cider and apples at Littletree Orchards and has used HOURS for roofing, labor, food and piano lessons. "Two hundred years ago there wasn't much money, so barter was common. Since then, barter became the exception, but now during this depression it's common again. Even when the economy is back on its feet, Ithaca's barter money will be a good way to make trades."

Ramsey has sold bagels for HOURS at Ithaca Bakery and bought landscaping, meals, printing, air conditioning consulting, eco-goods, eyeglasses, insulating window shades and groceries. "Right now I've spent all my HOURS. To get them faster, I've decided to accept a Quarter HOUR on weekdays for anything, as part purchase of \$10 or more. And we'll take them at CTB Appetizers, too." HOURS are a regular part of his business income: "We count HOURS like taxable cash income and expense. There's a separate HOUR account in the computer. HOURS we spend personally we buy with dollars."

Allen sells lumber and brings his portable lumbermill to local woodlots. He supplied lumber to Recycle Ithaca's Bicycles for a wheel rack. "Ithaca Money is a real good idea. It once got me a big job-- several weeks of milling wood."

Dan provides computer sales, consulting and repair, at Cayuga Computer. He recently put three IBMs in his store window, priced at 50 HOURS, 68 HOURS and 90 HOURS. "First to sell was the 90-HOUR, to a couple who saw the HOURS price tag, then used the 2.75 HOURS they had as part payment. They said they had been looking for an IBM, and bought it from me because they noticed the HOURS sign."

He has used HOURS "for meals care, vegetables, and an ad in the AFCU Business Yellow Pages. It's been going well, and the system has potential for shaping a significant percentage of the local economy."

Barbara sells and repairs shoes at Walter Dyer Is Leather. She's spent HOURS for gifts and advertisements. "This is really starting to take off. I wouldn't have bought gifts where I did, except that I had HOURS. This money makes everybody more aware of what's available in the community. So it helps community development by keeping money local."

Bill says "Alternatives Federal Credit Union has decided to hold as much as 500 HOURS (\$5,000) at any one time, as payment for mortgage and loan fees. And our check bounce fee (1.5 HOURS) has been a popular service. So far we've been spending HOURS as fast as we get them. A lot of our vendors accept HOURS, which have also been a popular bonus for our staff. They prefer HOURS to a gift coupon because they can spend

them so many places.

"Because Ithaca HOURS can be part of the purchase of a house, they can help people buy a home who do not have enough dollars."

Craig and Stephanie sell ecological goods, like waterfilters, biodegradable soaps, and unbleached cotton clothing, at Pranafit. Their HOURS have gone to restaurant meals, advertising, and construction of display racks. Craig says, "When we have a community which is cash poor, like Ithaca, barter allows people to spend money and live a better quality of life."

James has earned hundreds of HOURS selling apples, cider and vegetables at Littletree Orchards. He applies them to business needs, professional services, and personal incidentals. "I'm comfortable holding a lot of HOURS. I find it easy to spend large amounts. People I talk with are understanding the system better and are willing to hold more." He notes that all money is based on trust and says, "You have to decide which bank to have faith in. HOURS are more stable, and it's growing."

Bill's an architect who says, "HOURS changed my life. Last winter I had no jobs, was out of money and was scared. Then I got two jobs through Ithaca Money which kept food on the table and turned out to be steady work. One of these people has become a good friend. Now I've got a third major HOUR job, very creative and exciting." He adds that "there's less stress associated with HOURS, they're fun to spend."

Tom sells gifts for HOURS at Toko Imports. "Last year I put out a table of goods for HOUR sales and it really helped move them." He hired a carpenter to make store shelves, bought cider, professional advertising illustration, and paid his employees.

Bob has earned many HOURS as an accountant. He found new HOUR customers by mailing a promotional letter to Ithaca Money business advertisers. His HOURS have gone for bread, beans, hummus, vegetables and advertising. "HOURS are a magnificent thing that will inevitably grow and grow. They stabilize the livelihood of small-scale freelance cottage industries. That's important because so many people in Tompkins County are not nine-to-fivers."

"Barter encourages us to cultivate skills that weren't rewarded by the conventional economy. These are jobs that are more fun, that we control, and that promote personal one-to-one connections. This is better than raw economics."

Bill sells IBM-compatible computers and computer accessories for HOURS, through Tenet Educational. "Where else but Ithaca can you swap chopping wood for computers?" He likes local trading because it strengthens the community: "Everybody here has a lot of capabilities and the barter list is a good way to wake up to it. Why should we depend on outside sources for things we could do for each other? As Benjamin Franklin said, 'We must all hang together, or most assuredly we shall all hang separately.'"

Kathleen sells groceries from one of Ithaca's rare neighborhood grocery stores, Gus' Italian Grocery. She's bought food, gifts, toys, meals and a resumé with HOURS. "We've been spending HOURS more and more. When we need services we'll look on the HOURS list first." HOURS have brought us new faces, and they're regulars now. We're getting a strong mix of HOURS people-- the professionals as well as those who depend on them. They love it, they're so pleased we participate. HOURS are working very well."

## The Need for Local Currencies

by Robert Swann, E.F. Schumacher Society  
*Excerpted from Putting Power in Its Place, (New Society Publishers, 1992). by permission.*

The opportunity now exists to develop a better money system than the one we use at present. We need A system which will, by its nature, promote and enhance small scale institutions, including small businesses, cooperatives, small communities and local towns. We need a system that will support and encourage the local supply of local business, and that will allow farmers to make a living producing food for local consumption. In short, a regionally-issued currency is essential to creating a diversified, stable, regional economy made up of many interrelating small businesses.

Every region has its own distinct character that makes it different in very critical ways from other bioregions. It has its own resources, both natural and human, particular to the kind of land there and the people who live on it. Therefore each bioregion has its own unique productive capacity. Since the creation of money, in order to avoid inflation or deflation, should increase or decrease with the amount of production at any time, it is essential that the supply is created at the local or regional level by institutions which are focused on their own regions.

Decentralization and diversity [of money] have the benefit of preventing large-scale failure. This is as true in banking as it is in the natural world. For example, take seeds. If many different strains of corn are used by different farmers, some seeds will produce more than others; but if a disease hits the crop, some strains will resist and the total effect will not be disastrous. However, if all farmers have shifted to a new hybrid seed and a blight hits this type of seed, the result can be widespread disaster.

Many people assume that our centralized banking system goes back into very early history. In fact, in the U.S. at least, it is a relatively recent development; money institutions were small scale and decentralized through most of history. They consisted of either direct exchange of goods by barter or, later, exchange with metals (gold or silver) of intrinsic value. Banking as a system grew slowly out of the medieval period when goldsmiths when goldsmiths became, first, the caretakers of gold and, later, became bankers by using the gold as a reserve for redemption.

The banking system that grew out of the medieval period was, by and large, very diversified, with many banks issuing their own currency. This condition existed right down to the present century. Centralized banking had grown hand in hand with the industrialization of the country in the 19th Century. As industrialization grew, the need for larger amounts of money to finance the large industries with their "economies of scale" grew also. Huge sums of money also meant the need for big banks.

Today a very large part of our lives is controlled or governed by a system over which we have little or no control and do not understand. To a large extent we have accepted unconsciously A system of money and banking and we are asleep in our relationship to it. Perhaps no one fully understands this system-- even many of the bankers who use it-- but it is an important factor in determining what happens in our lives, for it determines who gets credit to start what kind of business where.

Local currencies could play a critical role throughout the bulk of America in the development of stable, diversified regional economies now bypassed by our centralized banking system. In fact, if I am right

about runaway inflation coming in the future or, as some economists are predicting, a serious depression-- such currencies will again become necessities, perhaps sooner than we would think.

## Why HOURS Are ECOLOGY Money

by Sean Kelly, *Maritime Money, Halifax, Nova Scotia.*

**Greenbacks. The green stuff. Green gold.** Rolling in the green. A lot of expressions about money have the word green in them. More often than not however, the most important green-- the environment-- is forgotten.

**Money is the tool we use** to measure the value of a product or service. But the toll our modern economy takes on the environment is rarely reflected in the true price of something. For example, is the air pollution that results from transporting a product halfway around the world factored into the price we pay?

**So would a new type of money** be any better? Although alternative currencies such as Ithaca HOURS can increase the local money supply, and guarantee that this new money stay localized to create jobs, do they have the potential to be truly green dollars?

**While creating a whole new system** of pricing is probably beyond the scope of local currencies, there are many reasons why Ithaca HOURS-- even though they're gold, orange and blue-- can be green.

**1. HOURS encourage** the buying of locally produced goods. Products that originate at home do not have to be shipped from afar, which cuts down pollution from transportation. In the case of food, chemical preservatives are not needed to keep the produce "fresh" for the long haul.

**2. If the product is processed** and refined from local materials, we get more "value-added" from our natural resources. This means we do not have to exploit as many natural resources to receive the same value.

**3. HOURS are earned,** spent and re-invested here in our community, so it's easier to see what your money is up to. You can better determine if a product is being made in an environmentally-sound way, or if the service contributes to a healthy environment.

**4. HOURS also help build** direct economic relationships between producer and customer. If you know the person growing your food, making the materials for your new house, etc., you stand a greater chance of affecting that person's environmental standards.

**5. If more of our wealth stays here** to strengthen locally--owned or controlled businesses, our community as a whole becomes more self-reliant. And with self-reliance comes the power to make the decisions affecting our future, including the possibility of changing economic patterns to build sustainably.

**These days money-- and jobs--** move around at the touch of a button. Local communities can't control the forces affecting them. One industry towns or communities where the main employers live (and make decisions from) thousands of miles away are vulnerable to economic blackmail. "If you don't relax this environmental standard which is affecting our profit, we will just move somewhere else." While citizens may say "Not in my backyard," many large companies are saying "Not in My Profit Margin!"

**The president of auto parts manufacturer** Magna International once said, "Money has no heart, no soul, no conscience, no homeland. It knows only profit." It's time for money to have a home, and a heart-- a green heart. After all, money is just paper. its value comes from nature's bank-- the trees, the oceans, the air, the soil-- home to all living things



## Grassroots Economic Development

Corporate media have hardly noticed, but the United States' economy is being rebuilt by thousands of creative grassroots initiatives, at the same time that U.S. industrial jobs are being lost to globalization. Even as poverty increases, thousands of practical programs are proving people can rebuild damaged local economies from the ground up-making them better than before. Thousands of jobs are being invented by citizens dedicated to ecology and social justice. How? They are creating wealth locally, and producing what they need.

Imagine if the billions of hours yearly of paid labor that Americans perform were dedicated to making our lives easier, rather than to enriching banks, utilities, landlords, agribusiness, insurance companies, chain stores, oil companies and government. We'd be living instead in homes that need little fuel for heating and air conditioning, homes that we'd own securely by ourselves or as land trust partners. We'd be transported in vehicles that need little fuel-by rail especially. We'd eat far more food grown without pesticides. We'd be responsible trustees of the natural resources of our regions. And we'd be trading money created locally for our use-money that stays home to help us hire each other and which is available without interest charges. Our time and money would be used to make our neighborhoods friendly and beautiful.

This kind of job creation is called community economics. Capitalism, by contrast, says that jobs come from investors and bankers. And socialism says that jobs come from politicians and bureaucrats. They both say that they are the only ones with the money, authority and knowledge to create jobs. But good jobs are now coming from average people who work, who raise children, and who depend on the health of

communities.

Here's Where Local Wealth Comes From:

Regions make themselves rich and powerful primarily by recycling their existing wealth, to magnify it. That means retaining the talents, skills, and money of local people in the community as much as possible, while connecting the community to take care of itself to the maximum extent practical.

Even many local governments are catching on to better kinds of job development. They've quit chasing heavy industry, venture capital, and franchises. St. Paul, Minnesota, for example, has a Homegrown Economy Project. Eugene, Oregon hosts the Buy Oregon project, which finds local contractors to bid for regional manufacturing subcontracts. In Littleton, Colorado, the director of business/industrial affairs, Christian Gibbons, says "our New Economy Project creates economic development from the inside. Research shows that 90% of new jobs are created by local business."

Working with existing businesses returns "the biggest bang for the buck." The federal study "Local Economic Development Tools" agrees, concluding that expansion of local firms through import replacement programs can generate ten times more jobs than imported capital. Here are some of the ways this is done:

- **Buy-Local Campaigns** (promoting social and economic benefits of shopping for locally-produced goods, at locally-owned stores)

- **Barter Posts** (storefronts which enable public to trade without cash)

- **Community Development Credit Unions** (member-owned banks that invest most deposits back to the neighborhoods from where money came)

- **Community Development**

**Corporations** (citizen groups with power of government, to initiate programs for business, housing, transit).

- **Community Foundations** (making grants to local groups)

- **Community Reinvestment Agencies** (groups making sure local banks invest locally, without racial bias)

- **Farmer's Markets** (local farmers and craftspeople selling directly to local people)

- **Farmland Retention** (groups which advocate public policy that promotes local farming)

- **Food and Fuel Co-ops** (bulk buying of food, fuels, and insulation by neighbors, to reduce unit costs and gain policy leverage)

- **Import Replacement Programs** (connecting regional businesses and individuals to supply each other without imports)

- **Industrial Retention Initiatives** (carrot-and-stick programs keep industry local)

- **Land Trusts** (groups purchasing local land to protect it, usually from suburbanization, and which buy housing to remove it from the profit system)

- **Local Business Incubators** (building



and equipment shared by small new businesses to reduce start-up costs)

- **Local Currencies** (local paper money which adds to local money supply, raises minimum wage, promotes local jobs and business)

- **Local Insurance Companies** (locally-owned insurers which invest all premiums regionally)

- **Local Pension Funds** (locally-originated and controlled pension funds, much of whose capital is dedicated to local investment)

- **Local Tax Credits** (reducing local fees on organic farms, solar and wind energy, realizing that tax reductions will be returned via high sales tax revenues)

- **Materials Re-use Centers** (disassembling and storing components of discards, for resale and re-manufacturing)

- **Military-to-Domestic Conversions** (retrofitting vacated military bases or weapons factories for non-military jobs and production)

- **Peer Review Loan Funds** (small loans guaranteed by peer pressure of small groups)

- **Regional Stock Exchanges** (capital invested for regional ecodevelopment)

- **Revolving Loan Funds** (money lent for specified purposes when prior loan is repaid)

- **Socially Responsible Investing** (buying stocks and bonds according to their environmental and/or social effects)

- **Worker Ownership Networks** (support services for conversion of business ownership to employees)

As local wealth increases through these programs, there is more money available for producing goods and services that feed the transition from dependence to strength. It's important to note that local and regional self-reliance do not isolate communities. They give them added capability to reach to each other, with ecological export industry and travel. The above examples, again, are among the hundreds of types of programs that give citizens genuine democratic power-in the marketplace- where it counts.

#### **Here Are a Few Examples of These Jobs:**

Virtually everything used in a locality can potentially be made locally, by small energy-efficient shops that use regional resources (including components of discards), and which control and recycle all emissions and byproducts. Specialty materials shops (such as foundries & sawmills) can be linked to each other and to micro-industrial assembly shops by Flexible Manufacturing Networks.

Even today, thousands of high-quality household goods are produced locally for internal markets, such as soaps, shoes, clothes, rugs, drapes, food, toys, and furniture. Communities are busy providing food & food processing, compost, garden tools, clothes, hats, gloves, shoes, wool & angora goods, plant fibers, recycled fibers, lamps, tools, forges, herbal medicines and healing. These are the basics.

There are thousands more products for which

regional and national markets could be found, such as trolley components & cargo bikes, insulation, transit, compost toilets, cleaning supplies, scrap metal reprocessing. You name it; such products can be made and exported without waiting for external capital, and without further contaminating our environment.

As local production networks for such industries as these become more extensive, and as the increase in local wealth enables more of us to afford locally-produced durables and household goods, the unit price for local artisanry and manufacture gradually becomes competitive with mass-produced imports.

Locally-made goods are already competitively priced, when we calculate that buying local goods in locally-owned stores produces local jobs that save money by reducing unemployment's costs of social services, vandalism, drug use, violent crime, and jail. Several related changes in local economies are needed to facilitate these transitions:

- Large-scale employers would embrace job sharing and flextime, and consider the benefits to themselves and society of six-hour days without reduced pay. Kellogg's thrived on this basis for 54 years. All employers would end racial bias in hiring and invest in workers as assets (even as friends) rather than as costs. Research shows that labor productivity and yearly business growth are highest in countries where income is most equal.

- Government would gradually cease providing welfare to large corporations, in the form of special tax breaks, bailouts and below-cost sale of raw materials.

- Bankers would learn that small loans are actually likelier to be fully and promptly repaid. Chicago's Southshore Bank and India's Grameen Bank have proven the superior safety of small loans to low-income people. This requires an end to racial bias in lending.

- Schools would teach all students how to become powerful community managers and creators of jobs, as well as active union and co-op members, rather than obedient drones.

- Planning departments would become public resource & innovation centers, welcoming new ideas, serving the public more than developers.

Again, none of the above is exotic. They are national trends. Such processes promise measured improvement rather than continued decline. With these tools we'll be able to use our buying power to vote for better communities and set examples for the world.

We'll measure our worth as neighbors and citizens, rather than as consumers. Yet we'll own more of quality than before.

Best of all, we'd revive an American Dream-to earn enough money from one job to raise a child, to feed and clothe ourselves well, and even relax. We'd have work that's creative and interesting. We'd have more than jobs and money. We'd enjoy life, by putting love at the center of commerce.

# Your Dream Job

Do you like your job? Lots of people do, and lots don't. Most people probably want to move along to something more rewarding, or different, but they haven't thought clearly about what they really want. Or they don't think it's possible.

These days many of us feel lucky to have any job at all. More than 3,000,000 well-paid U.S. jobs are lost yearly, replaced by lower-paid grunt work. Today the nation's largest employer is a temp agency. For the millions with dull jobs, life is frustrating. Our dreams have been crushed under stacks of bills. Our creativity is bottled up, or drowned in a bottle. Frustrated people often become cynical and abusive.

When steady employers drop us, we're expected to shuffle to the employment office, check help wanted ads, retrain and relocate. We're not usually taught how to do what we really want to do.

HOURS are part of a network of abundance, a treasury of local skills that can make our dreams happen. We can become resources for each other, rather than competitors for scarce dollars. Ithaca Money talked with area residents recently about their dream jobs. The more they talked, the more they became clear about what they wanted, how they wanted to live, how this community could help them, and how to begin. And here's what we asked them:

- What would your dream job be? Be specific-no limits.
- What responsibilities would you have?
- Would you work alone or with others?
- How many hours of work? Of play?
  - What satisfactions would it give?
  - What income would you need? What would you own?
- How would you live? What kind of house and community?
- Would your business be your own, or a co-op or partnership?
- What personal/social/and financial limits are in your way?
- What can you get by bartering and relying on local resources?
- What resources/tools/and skills do you need?

Remember, we said, you're creating more than a job. Together we're creating better ways of living, and a community network that allows us to help each other get the life we really want.

**Jon's** dream job would be to join a rural community that lives simply and creates income from the land in a way that respects nature. "It would be a situation where children could grow up learning to trust themselves and to know their connection with the rest of the earth." He'd like to adopt children "There are a lot of children who need homes, support, love." "To work with a dream with equanimity is a challenge," he says. "Better to take it a step at a time, let it unfold." At first, he'd start small, making miso (fermented soybean product) and Essene

(sprouted grain) bread. Then he'd get involved with friends who are farming. "Sometimes I want to let go of this dream, to be 'realistic' and function well in the world as it is. Part of going toward a goal is being flexible, able to go with the situation. Seems easier to do the things that are more well accepted in today's culture-going to school, getting a regular job. "So I'm learning to make peace with the world as it is, learning to accept, but also working with dream and re-creating the world as I want it to be. It's easy to keep busy working, easy to withdraw." Asked what he needs in order to start, he says "Ithaca's full of talented people you can get help from: tools, experience with business, marketing, raw materials, loans." A friend recently offered him the use of a Health Department approved kitchen.

**Durga** earns half her income as a professional dancer and teacher of dance. She works part time in an office: "office jobs are contrary to a dancer's body." Her dream job is to teach dancing in her home, especially to kids: "lots of kids aren't in shape these days, they're playing Nintendo, not running outside." She'd barter lessons for what she needs, so more parents could afford her: "a lot of repair people doing barter are better than businesses in the Yellow Pages."

She's optimistic about making a living teaching: "I already have three students waiting, and five students would be enough." But she says "I have no lumpsum set aside for taking business risks, and I just bought a house." At the same time, she recognizes that her present job is vulnerable to federal funding cuts, and she needs to go the independent route, though getting insurance would be tough.

**Dave** runs a machine shop in Interlaken, employing eight people who build guitar parts for which he has patents: "Fender and others have quit buying Chinese parts and buy from us now, even though we cost 10% more." He started as a musician, and found more income selling guitar parts (first to friends, then trade magazines) than performing. Now he's so busy ("we're swamped with work, our new tuning peg is doing very well") that he has less time with family ("I raised this calf to a bull, now I got to ride it"). His dream job would be as guitar parts designer, creating "one really good patent" to sell to a company for a 3-7% licensing fee. Then he'd travel more.

**Akuwa** arrived from Togo (West Africa) two years ago, and wants to become a nurse who works with children. She's studying at BOCES for her high school equivalency test, then she'll go to TC3 to begin studies for nursing credentials. "I want to be a nurse for children in a hospital. I like to work with children, but I'd rather heal than teach, because I don't like to talk a lot." She says it's hard to get a nursing job in a hospital. "I know nurses who have not been able to be hired there." If she doesn't find hospital work ("BOCES has a counselor who helps us find jobs"), she'd do home care. Here again, willingness to barter, for at least part pay, will enlarge the number of people able to employ her, in a competitive field.

**Mary** would love to be a travelling teacher who does water quality testing with kids. And she wants to live self-sufficiently in the country, though she'd miss the city. Today she's a wandering secretary with a temp agency. "We all have great potential. The universe wants us to be doing what we love, and I don't want to settle. When people are stuck in drudgery, we drag each other down. "I'm still working out my path-a farm in the city? I need to sit down and get my goals more clear." Recently she took her ideas for teaching water testing to Co-operative Extension, and they said they had just thought about hiring someone to test water with kids one week earlier.

## **Fair Pay Forum: Winner Take All? Maximum Wage? HOUR Per Hour?**

The HOUR system was created to emphasize that everyone's honest hour of labor deserves to be paid enough for dignified living. HOURS remind us that society is healthier when people are treated more fairly, with lesser extremes between highest and lowest pay.

Referring to the fact that America's richest 5% of families earn 20% of total income, while the bottom 40% of families earn just 15% of total income, Labor Secretary Robert Reich said, upon leaving office last month, that the Clinton Administration's "unfinished agenda is to address widening inequality" (NYT 1/9/97).

Throughout history, societies have realized that when there are a few rich and many poor, violent revolutions result. To prevent these, they have ritualized the fair distribution of wealth. The Kwakiutl Indians of the Pacific Northwest honored the rich only when they threw huge parties to give everything away. Plato declared in *The Laws* that society was strongest when the richest earned a maximum four times the lowest pay. Aristotle favored a five-times limit. The Bible says that since God owns all land (Leviticus 25:23), a Jubilee is required every 50 years, to return all land and forgive debts (Leviticus 25:10-34). The Bible forbade charging interest to the poor, or selling them food for profit (Leviticus 25:35-37).

Similarly, in 1942 President Franklin Roosevelt proposed a Maximum Wage-- 100% tax on all income above ten times the minimum wage. Today the proposed Corporate Responsibility Act (HR 2534) would cut \$800 billion in corporate welfare subsidies. Another law (HR 620) would prohibit corporations from deducting excessive CEO salaries from taxes.

This question rises again because economic power is again so badly distributed (U.S. top 1% control 40% of national wealth) and pay scales are so extreme. While many richest Americans can be respected for their hard work and skill, CEOs of the nation's largest 500 companies now earn an average \$4.09 million. This is 183 times more than the average U.S. worker (compared with 12 times more in 1950), or 400 times more than a minimum wage worker. These days the CEO's prime talent seems to be cutting jobs and wages, hiring temps and automating.

While the top income tax rate in 1961 was 91%, today it is only 35% (the lowest tax on the wealthiest among industrialized nations). Were corporations taxed at 1950 rates, the federal government would gain \$250 billion--more than the budget deficit. In 1951 lawyers earned 2.7 times the median wage; today they earn 7.5 times median. Last year, the ten richest health care executives held \$2.4 billion in stocks, while

hospitals laid off nurses. The nation's highest paid college professor gets \$2,600,000.

At the same time, 40 million hard-working Americans live below the official poverty line (family of four below \$15,141), and another 40 million are below a more realistic definition of poverty. One in four American workers are employed in low-wage jobs (below \$14,000), and seven million need more than one job. Two parents working full time for minimum wage earn only \$20,600 pre-tax, making it tough to get further education or raise children well. Average real wages for private sector workers have declined 16% since 1973. And 2,000 good jobs are ended daily. Drug sales have thus become the last and best-paid ghetto enterprise, feeding on the desperation that jails can't control. America's situation becomes explosive.

Would fair pay create a more balanced, dynamic society? Would there be more enterprise or less, were the top 10% of earners limited to "only" \$200,000, or would enterprise become dominated by people motivated by national benefit rather than greed? Would capitalism gracefully become more democratic, or would it decline? Would decentralized capitalism be less efficient, or more oriented to meet real needs? Would prices for luxury items go down to match available wages, or would money, better distributed, stimulate trading of basic goods among average people?

Should everyone be paid the same, in the spirit of HOURS? Let's assume that workers would need to charge different amounts in order to pay for different overhead: equipment and tools, office rent, loan repayments, taxes and insurance. Then should workers charge the same for personal hourly effort? Should our common humanity be compensated equally in the marketplace? Or should there be pay differences for physical or mental exertion, level of knowledge and responsibility, job pleasure, productivity, creativity, number of children, supply and demand?

If so who should be paid more? The plumber, the lawyer, the gardener, the babysitter? Whose work is really more valuable? And how much more valuable? These questions have been asked by many Ithacans especially since HOURS began to circulate. HOURS are usually paid at an HOUR per hour for informal labor, but are regarded more like ten dollar bills by many professionals (who charge multiple HOURS per hour), and by most businesses. Some local farmers and small businesses pay less than One HOUR per hour, because they earn so little themselves.

We asked some HOUR earners what they thought of everyone being paid an HOUR per hour, or agreeing to a maximum wage. What kind of society would this be? Would it be better? Would it be possible?

Greg is a cashier-- "Pay equity is definitely a desirable goal, because big differences in pay have led to luxury and starvation. The work we each do is supposed to make our lives



better physically and emotionally and if I'm doing something eight hours a day that makes your life better, then it's only fair that I be compensated in a way that improves my life. The problem isn't that someone has a bigger car or fancier computer than me- the problem is people need jobs they can survive on and raise a family on. And the other part of the problem is people who do the hardest work get paid the least: farmworkers, cashiers and cleaners. It's perverse that specialized skills are more highly rewarded than the basic work that keeps life going."

Jan owns a small business-"It's a good idea to have more pay equity, and not as much discrepancy, as between doctors and nurses who both do vital work. The "menial" services are the backbone of keeping things running. It's not fair, they're undervalued-the lowliest job doesn't have glamor. Surgeons had to go to school and have debt and insurance that they need to cover, but the nurses aides and orderlies do the jobs that are paid horribly, and they carry the bulk of responsibility."

"There definitely needs to be a shakeup, but it's hard for me to see practically how to establish equal pay, since this country was built on the free enterprise concept that you can change in your fortune by choosing to put more or less into what you're doing. This is great if it doesn't exploit others. Tribal societies are more used to sharing, but that's not where we're at yet. More people nowadays share that social vision, but I'm hungry for hearing people speaking practically about how to get from here to there."

Bill is a lawyer-"Frankly I'm as outraged as anybody at some of the wages being paid. I have a hard time believing anybody's work is worth so much, and I'd like to see a ten times cap. Assuming that prices would go down, I'd be doing better with just five times the minimum, plus expenses."

"Stratification of wealth creates hard feelings, resentment, envy and bitterness. Despite hard work by most people, there are accidents of fate that make some people wealthier. So the current system is not fair."

"But we're fighting a cultural norm that says you're worth what you're paid, and the more pay the happier you'll be. People are always comparing themselves with others this way. At the same time, job satisfaction is a very important factor. And the term 'professional' is slippery-it could apply to anyone. For example I need food but I don't grow food well."

"Enforcing equal pay nationally would be resisted, but if each company established a maximum wage, then equity could expand, as these companies proved themselves more competitive. And if medical students were paid for studying medicine, rather than going into debt, then the cost of medical care could come down."

Joe owns a small business--"Today the harder you work the less you're paid. Backbreaking work like ditch digging is often paid less than work in air-conditioned offices. But all jobs in society are necessary regardless how weirdly pay is being distributed. We need a whole new economy that's not based on production for profit but production for need."

"I'm also very fond of the maximum wage being ten times the minimum. There's no need for an income gap wider than that. We can reward invent-tors and the hardest workers to that extent, but shouldn't reward greed."

Maija is a massage therapist-- "It's reasonable that everyone should earn the same living. Everyone's labor is worth more than the minimum wage. But right now I wouldn't provide a massage for the same basic pay, because it takes more physical effort and mental focus, and I can't do massages eight hours per day. But if everyone were working four hours daily, I'd be able to make the average income. And if massage therapy were covered by government or insurance, it would be easier to direct my service toward the greatest need rather than the greatest ability to pay."

If we were all paid One HOUR per hour, a lot of stuff would not get done, but that could be good. People might come together as a group to decide what was really important to do."

Sara grows organic food-"We farmworkers are doctors by making good preventive food medicine. There's a

misunderstanding of the kind of physical effort and knowledge it takes to make food, and the work and product are undervalued by comparison with office work. We should look more closely at all jobs and ask which are really more important. Lawyers or farmers, for example. Organic farmers do more than produce healthy food-we preserve scenic landscape, which has a greater social and environmental value."

There's a certain level of pay which is enough for real comfort needs, beyond which we're disconnected from the environment."

Mike is a carpenter-- "With equal pay, people would do what they naturally want to do. They'd be doctors because they like to heal, rather than just to get rich. Recently I was hired to rebuild a playground with this other guy. We got paid the same, so we trusted each other and took criticism from each other in a good spirit. If we'd been paid differently it would have created unnecessary social tensions. I've seen one person do ten times more work in an hour than the next person. You have to consider different human capacities, but there's a trade-off between maximizing production or maximizing social cohesion."

Tommie is an electrician-- "I charge the cost of my expenses plus the hourly wage of the person I'm working for, including their benefits. I talk with people about what's fair pay. Equal pay is a desirable social goal. It would facilitate a more harmonious society. The least desirable work would get done with less resentment because these workers would no longer be at the bottom of the economic heap. We wouldn't have such poverty and the social problems poverty causes. When people don't have enough they feel despair that they'll never get anywhere, so they'll take chances to get wealth in ways that are harmful to society."

The rich are paid obscenely, with no relation to overhead. My orthopedist gets paid up to \$15,000 per day for two operations, and that has nothing to do with repaying education and insurance. A couple doctors at the hospital have told me their pay is ridiculously high, but that they'll accept it if that's what's offered. If pay were equitable you'd have more people going into medicine who were not simply monetarily motivated."

Melissa is studying midwifery-- "Ultimately in a fair society child care and car repair would be equally valued, monetarily and socially. If labor is wholehearted and good quality, then it should be equally valued. I'm a Star Trek fan and have often heard them say, 'We live in a culture now where we don't have hunger, poverty or disease, so now we can peacefully explore the Galaxy.' I think it's worth investing in that kind of dream."

Ed is a home builder-- "I have a dentist friend who runs a mobile clinic, a converted bus, in the Adirondacks, on an annual \$45,000 grant from New York state. He treats everyone at cost. He thinks all medicine should be socialized and everyone should have equal access to health care."

Chickie manages a dentist's office-- "This country runs on greed. No matter how much some people make they're never satisfied. They constantly have to buy things-it's like a disease. They're lonely in a crowded room-money and clocks drive them. We should instead develop the satisfaction of helping others."

Joe is a musician-- "The HOUR system has an egalitarian philosophical intent with a built-in attitude of non-gouging, but nothing is equal. Once you start measuring life according to dollars, you miss the point. I work hard to be the best I can be-I've practiced flute an estimated 20,000 hours-and although I'll never get fully repaid for that time, I wouldn't trade my years in music for any other work. On the other hand, there's a difference between getting paid extra for honest hard work, and using military and political muscle to get unfair advantage."

"Even equalizing U.S. wages would leave us a higher standard than the rest of the world, with us extracting their resources. So we'd need a slow global process of accepting HOURS as the world's money standard."

# Success Stories Social Justice

**Maria** is a professional Spanish teacher who charges her low-income client just 2 HOURS for 1.5 hours of lesson. "If we're going to really truly barter we should not put a dollar value on our work. Lawyers to house cleaners, we should all be equal. At the same time, I realize it's hard for people to shift gears, and that lawyers and doctors have higher overhead. And I appreciate participation by mainstream businesses."

**Ed** provides ophthalmology (eye doctor) services for HOURS, most of which he's spent for food. "For many years I've had a sign on my wall stating that I'm willing to negotiate for my services: no one should lack medical care because they lack dollars." He says that "HOURS and barter are a segment of this solution to health care needs. HOURS say that everyone's time is important, and I like that."

**Claire** gets HOURS through crisis intervention, therapy and hypnotherapy sessions. She's spent them mainly at Farmer's Market, and saw a movie. She also offers bed and breakfast. "HOURS are absolutely wonderful. I wish the whole U.S. would go to it. They encourage more personal respect for each other's talents and value. There's less greed at the expense and oppression of others."

**David** is a metalworker who makes "hand-forged furniture, lighting accessories, garden gates, pretty much anything." He earned HOURS creating newspaper racks for Ithaca Money, and spent this cash for mainly for food. "HOURS are a positive force with big potential because there are a lot of people having a tough time, and HOURS give people a way to deal with the economy in more equitable terms."

**Clare** does childcare and her partner Paul gives construction advice for do-it-yourselfers. Their HOURS have been spent for movies, books, bagels and apples. They've swapped childcare for bread. "Barter is a step in the right direction," says Clare. "I like that we call our money HOURS rather than dollars, because it values our time. Even though people can charge different amounts per hour, the difference becomes more obvious: like an hour of your time is worth ten seconds of my time."

"HOURS encourage exchange between community members, which makes us more connected. And connection is where world peace comes from, not from politicians trying to push things around from on top."

**John** gets HOUR income from computerized astrological charts and herbal tinctures. "The purpose of money usually is so that some people have a lot of it relative to most people who have too little. HOURS and barter are the logical transition from a poverty-oriented money system to a system based on mutual aid. If done properly, barter could provide a more secure base for unionized and collectively organized workers."

**Nancy** has done tax returns and investment planning for HOURS and trades. "These were good connections, for single women who don't know a whole lot about money. And there's a lot of anger about how work by

women is undervalued. An HOUR being an hour's work is a nice way around that; the concept can change the world. A lot of people are real pleased how it's going."

**Lynn** sells granola, jam and free-range organic eggs. He's bought books, acupressure and a hammock. "For me, selling wholesome food is right livelihood, doing work that produces tangible benefits, rather than exploiting people or nature. HOURS are gained by real effort, dollars can be gotten by investing, by shuffling paper. HOURS bring back the sense of cooperation and interdependence, of a more personal and caring economy."

**Ed** provides ophthalmology (eye doctor) services for HOURS, most of which he's spent for food. "For many years I've had a sign on my wall stating that I'm willing to negotiate for my services: no one should lack medical care because they lack dollars." He says that "HOURS and barter are a segment of this solution to health care needs. HOURS say that everyone's time is important, and I like that."

**Stephen** cashes in HOURS earned plumbing, mainly for bagels. "Capitalism can produce with greater efficiency and innovation than any other system, but it excels at satisfying useless needs created by advertising. I favor systems of exchange which eliminate profit as the primary motive of exchanges. Such systems, not fully developed yet, would remove certain commodities from the market economy, like medical care, and extend their benefits to the entire population, while using the least resources."

**Dan** is a Cornell student who earned his first HOUR helping prepare a mailing. He says, "I'd like to see people regard the HOUR not as a \$10.00 bill but as an hour of a person's labor and sweat, whether selling burgers, digging ditches, cutting hair or speaking up in a courtroom. We shouldn't require everyone to take the same pay, but we should be promoting it. The HOUR is not about abstract dollar credits. It's about people."

He recently moved into a home whose landlady takes HOURS for rent: "Her 7-year-old daughter asked me where I was from, then she asked me what my city's money looks like."

**Lisa** earns 10-20 HOURS per month doing landscaping and plant care. She's bought groceries, electrical work, plumbing, carpentry, and window insulating shades. "HOURS are good because anybody can earn them, even if they don't have a job, no matter what your skills are."

**Laura** swaps her piano tuning for what she needs, like horseback riding lessons, apples, business promotion flyers. "I trade fairly often because I like to improve my life directly rather than through the intermediary of money. For me, the purpose of life is to enjoy life, not to count how many dollars you earn every year. There's something very nice about the directness of trading without putting a dollar value on it." But she does accept HOURS and dollars.

**Partho** gets HOURS for palm readings. They've bought plumbing and food. "HOURS are a great connector. I use HOURS to treat myself to things I wouldn't have enough money for. HOURS encourage fair pay, instead of the huge differences we have with dollars. I'm seeing people more and more willing to use HOURS as they see they're useful. My landlord has used HOURS-- maybe he'll take them from me!"

Partho's daughter Drisana says, "HOURS are neat. That's how it should be: people trading work for work, and earning by doing things they enjoy."

# Local Currency in the United States

Local currencies have a long history in our country, regaining prominence during the Great Depression, when over 400 communities issued their own money. At that time (1933) banks closed, and dollars had vanished. There were plenty of factories, farms, stores and people willing to work, all sitting idle because there was no money. Therefore, local currencies were issued by Chambers of Commerce, by manufacturers, barter centers, churches, banks, schools, local governments, stores, veterans' organizations, mutual aid associations, and individuals. Some, like Detroit and Philadelphia, printed millions of dollars of local currency, while others, like Midland, Michigan issued just a few dollars.

Cities close to Ithaca printed hometown money, like Syracuse, Seneca Falls, Norwich and Binghamton. Their local economics could resume, even though the national economy was stunned. Here are some samples, from the *Standard Catalog of Depression Scrip in the United States*.



## Labor Money in the United States

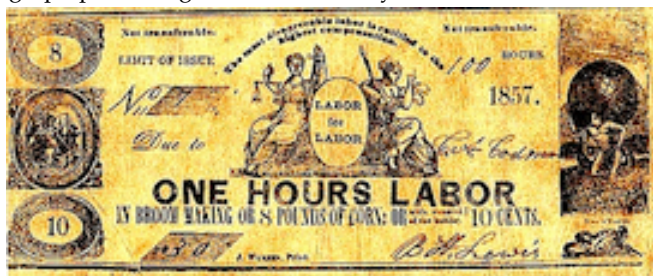
After starting the HOUR program in Ithaca, we began to search for precedents. We discovered four 1933 examples of labor money, issued as Hours, in Waterloo, Iowa; Harlem, New York; Kitchener-Waterloo, Ontario; and Richmond, Virginia. These Hour tickets could be bartered, but were backed at only one special store.



Ithaca HOURS are the first labor money ever honored by more than one store;. At their peak they've been accepted by 500 businesses, and thousands of individuals. Ithaca HOURS were further unique in that they are issued not as emergency currency, but to become a regular component of local trade, setting an example of responsible money.

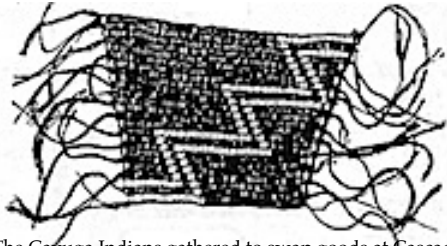
Ithaca HOURS are also the first paper money issued deliberately to promote local small business, fair pay and environmental renewal, to provide grants to community organizations, and loans without interest charges. The Ithaca HOUR is likewise the only money issued by classified newspaper advertisers to each other, represented by those advertisers who attend Barter Potlucks, where policy decisions are made. After the *Mother Earth News* article about HOURS, we heard from Professor Robert Blain of Southern Illinois University, who had written a monograph promoting HOURS as money, in 1979.

We later were told about **The Time Store of Josiah Warren (1842)**, which sold goods at cost, and took profit in the form of Hour notes issued to him by customers, in direct exchange for the time it took him to prepare each transaction.





# The Quick History of Money in Ithaca



The Cayuga Indians gathered to swap goods at Cascadilla Park. When their trades became complex enough to need money, beaver pelts and beaded wampum (above) were used.



Although the Cayugas were driven out by U.S. soldiers in 1779, the first European settlers here used Iroquois money, plus coins from Spain, England, France, Holland and elsewhere.



The first U.S. coins arrived in the 1790s.



United States paper money, in denominations as small as 3 cents and 5 cents, was first found here during the Civil War. Thereafter federal regulations made currency issue by state banks nprofitable.



National Bank Notes were issued through local banks from 1863-1929.



The dollar has not been backed by gold since 1933. Even the silver certificate was retired in 1967.



Today U.S. Federal Reserve Notes are backed by less than nothing: by thousands of billions of debt. Although national currency is convenient, it's issued through major banks and corporate interests which can take jobs and wealth away, inflate money, damage the environment, & profit from war.



The Ithaca HOUR stays here to help small business, and helps us employ each other. Every day there are more places to spend it. Ithaca's Barter Potlucks make grants to community organizations which create jobs and benefit the environment.

## What's an HOUR?

HOURS are paper money based on labor time which is measured by globally accepted reliable intervals of earth's daily rotation called hours (from the Greek *hora*: time or season). Division of days into 24 hours started in Babylon at least 4,000 years ago. Ithaca's HOURS have been issued gradually and carefully since 1991, in direct relation to the goods and services they will buy. They raise the wage for basic labor to One HOUR value (\$10.00). Many other cities follow this example.

## What's a Dollar?

Originally a respected silver coin minted beginning 1519 in St. Joachimstal (from German *tal*: valley), in Bohemia (now Czech Republic), which became known as the *taler*, later called the *daler*, and later *dollar*. The dollar was adopted by the USA in 1792, and is now the unit of money in over 20 countries. The U.S. dollar was backed by gold only until 1933, by silver until 1971, and is currently backed by less than nothing: more than \$14 million million of national debt.

The precursor to Ithaca HOURS  
was the Ithaca LETS system.

## Ithaca Money: Better than Bucks

by Paul Glover  
*Ithaca Times*, November 1986

We're rich! The Ithaca Community Self-Reliance Center has begun coordinating trade in Green Dollars. Your business and employment income, and shopping pleasure, are about to rise if you are any of these: an Ithaca with skills you enjoy but nobody pays you for, short of cash, underpaid, overqualified, needing more customers, owing half your life to the bank, disliking your job, laid off, on strike, unemployed, or just wanting to meet people and have some fun.

Such problems have been solved elsewhere by Green Dollars, the currency of the Local Exchange Trading System (LETSsystem). By the end of a meeting last month with system founder Michael Linton, 30 people had agreed to pioneer LETS here.

"Conventional money goes where it makes the most profit: armament, crime, speculation, land development," says Linton, whose visit was sponsored by the Ithaca Alternatives Fund. Green Dollars, however, are a "gift passed around the community that comes back to employ you."

### LETSplay

Here's how you use Green Dollars. First, call the Self-Reliance Center and tell them the skills and goods you offer, and the services and items you need. They tell their computer; the computer prints a full community list of offers and requests. This catalog is published monthly. The Greenlist has more categories than a supermarket, the main ones being: time; labor; services; local produce and food production; local goods manufactured and repaired; shelter; land; accommodation; vehicles; buy, sell and trade; shows; sports; societies; events; and commerce.

When you see something you want, call the person offering it. Others will call you for your help, too. Say you offer family counseling, carpentry, homemade jams and breads, four studded tires and an antique couch. You're looking for dental work, firewood and a weekly massage. Among the hundreds of listings you find a masseuse who relaxes your aching back. But you can't afford her every week, and the only thing you have that she wants is your excellent whole wheat bread. Since an hour of massage is worth more than a loaf of bread, you agree to pay \$5 in common Federal Reserve notes, one loaf of bread, and 40 Green Dollars.

To record the transaction, you call the Self-Reliance Center and tell the answering machine to credit 20 Green Dollars to the masseuse (her name and LETS number) and take 20 Green Dollars from your own total.

Where did you get the Green Dollars? Not from a printing press or bank. Green Dollars come from your willingness to make the same kind of deal with somebody who needs your carpentry, tires or couch. And the masseuse has your Green Dollars to spend elsewhere for what she needs. LETS traders are the bank. You're authorized to trade Green Dollars when

you join the LETSsystem. Every month the Self-Reliance Center mails you a print-out of your transactions and total Green Dollar balance. So it goes: endless creative shopping, until the glacier returns.

### More Good Reasons

Linton has started LETS systems in Boston, Toronto, Ottawa, Tucson, Los Angeles, San Diego, Vancouver and a dozen other cities. "In Vancouver we were frustrated having to find cash so we decided to have our own money," he says. He wrote the computer program which keeps everything tidy, with the intention of creating "money which was free-- could not be monopolized, was stable, on-inflationary, safe, cheap, convenient, dignified and fun"

His theme at the Self-Reliance Center meetings was this: Whereas federal currency chains Ithaca's wellbeing to federal banking and investment policies, Green Dollars insulate us from recession by boosting local interdependence. Federal dollars are papers backed by insufficient gold.

Green Dollars are directly backed by real goods and services. Therefore, when somebody owing federal dollars goes bankrupt, the debtors lose. But if a Green Dollar debtor leaves Ithaca the whole LETS community takes the slack, and no harm is done.

"Economics is what we do and how we score it," Linton says. "The LETSsystem is simply part of the evolution of money from grains to beads to gold to paper to magnetic computer patterns."

Bill Stearns, a local computer analyst whose hardware registers Ithaca LETS trades, agrees with Linton. "The power of computers has only recently become available to the general public," he says. "It has long been a tool of big businesses for their purposes, sometimes used against people. I'd like to see LETS allow people to work who are not currently working, and others get what they need without taking loans and paying interest, and bring us together on a one-to-one basis."

Marian Mollin, a director of the Ithaca Community Self-Reliance Center, says the Center started the LETSsystem here "because community self-reliance means the community depending on itself, creating its own fuel, food, and economic system."

"Ithaca is the ideal place to do this," she says. "There are lots of overqualified, underpaid people, with more skills than money. We already have a fairly large alternatives community, with a lot of networks like GreenStar, the Alternatives Federal Credit Union and other cooperative businesses."

GreenStar's finance manager, Art Godin, is one of several co-op workers who have helped organize LETS locally. The Ithaca store relies on member-workers more than most food co-ops, and Godin sees LETS as a possible way to strengthen participation.

Any business, in fact, may enjoy more customers by accepting Green Dollars as part of their percent markup. Richard Tripp, a real estate agent, intends to rehab properties using labor of prospective tenants who would then pay rent partly in Green Dollars. Applying that rent to purchase of the home will "give land back to users, rather than landlords," he says.

Very much like Ithaca's trees mint gold, orange and red, the LETSsystem begins to create local wealth, and a sense of community, that (conventional) money can't buy.



# A History of Ithaca HOURS

## *Begin with the People Ready to Begin*

HOURS were created by our community's need and pioneer spirit. During the 1991 recession I designed prototype HOURS and began asking people to sign up to accept them. The first 30 people agreed. Had these folks said "that's a dumb idea" or "you could get in trouble," or had they just laughed, then maybe there'd be no HOUR money.

Had there been no Farmers' Market here, with lively vendors who saw HOURS as yet another way to barter, HOURS would have had a small food base. Catherine Martinez took the first leap of faith there, becoming the first person to accept an HOUR, for her samosa.

Had the owners of two popular local movie theaters (Rich Szany & Lynn Cohen) not started taking HOURS from the beginning, at full price, then there's have been no dramatic retail use of HOURS. Had Greg Spence Wolf not stepped in to earn HOURS cleaning these theaters, then maybe the theaters would have stopped accepting HOURS.

Had the Alternatives Federal Credit Union not lent its fiscal credibility to HOURS, by accepting them for fees, acceptance of HOURS would have been slower. Michael Turback of Turback's restaurant (the fanciest in town) accepted HOURS for full price. James Cummins of Littletree Orchards did likewise. These and dozens of other pioneers pulled lots of HOURS into circulation and spread them around.

Thousands more Ithacans have established HOURS by accepting them and spending them, and by explaining them to family and friends. Tens of thousands of conversations have defined local money and have carried it forward.

During research into our local economy in 1989, I noticed that a little county in South Dakota printed coupons for downtown merchant X-mas promotion, the first I had ever heard of local currency. Two years later, early in 1991, while drawing pictures with my girlfriend's nieces, I sketched a cartoon "Ithaca Money" note. A few weeks later I saw a sample "Hour" note issued by British industrialist Robert Owen in 1847. This Hour was negotiable only at Owens' company store and based, I discovered in 1993, on Josiah Warren's "Time Store" notes of 1827.

During May 1991, local student Patrice Jennings asked to interview me about the Ithaca LETS system. This conversation strongly reinforced my interest in barter, and Patrice suggested we revive a grassroots trading system. Local merchant Tom Koslowski encouraged the idea of local currency when it was mentioned to him. A few days later, Annie McCasland, my landlady's daughter, entered my room saying she had just heard an NPR report about Deli Dollars, organized by the E.F. Schumacher Society of Great Barrington, Massachusetts.

Within a few days designs for the HOUR and Half HOUR were complete except for signatures. Patrice and I began to encourage participation. Approached at GreenStar Co-op with photocopied samples and a signup sheet on clipboard, Gary Fine, a local massage therapist, said "sure," and signed. Then came Jan Nigro, songwriter/musician; Mary Loehr, writer and cook. The first dozens all agreed, without waiting for a business plan or guarantee.



Emboldened, I began to ask for small donations to help pay for printing HOURS. During the next four months, 90 people provided 262 offers (++) and requests (--) for the first issue of Ithaca Money.

Jim Rohrsen of Papa Jim's toys became the first retailer to actually enroll to accept HOURS. Fine Line Printing completed the first run of HOURS October 1991. (David St. George of Fine Line accepted 10% of his payment in HOURS). These notes, 1,500 HOURS and 1,500 Half HOURS, were nearly twice as large as subsequent notes. *Ithaca Money* #1 (now *HOUR Town*) was printed at Our Press in Chenango Bridge, NY on October 16, 1991. The next day I issued myself 10 HOURS as the first of four repayments for the cost of printing HOURS. The day after that, October 18, 1991, 382 HOURS were disbursed and prepared for mailing to the first 93 pioneers.

The next day, on October 19, I bought a samoza at the Farmer's Market with Half HOUR #751 from Catherine Martinez-- the first use of an HOUR. Neither of us knew what a Half HOUR was worth, since the \$10/HOUR rate was then merely suggested. Several more Market vendors enrolled.

Only 46 days after HOURS began, and only ten days after the Farmer's Market closed for the season, GreenStar Co-op burned down. Local food vendors selling through GreenStar quickly organized a Mini-Market at Henry St. Johns school, and most of them decided to accept HOURS. This provided HOURS with a midwinter food base right from the beginning.

Confusion arose about varied HOUR equivalencies (\$5, \$6, \$8, \$10, \$12) and soon caused us to declare \$10.00 as the standard. And it soon became apparent that a smaller denomination, and smaller note size, were needed. The Quarter HOUR was issued six months after we began.

Stacks of *Ithaca Money* were distributed all over town with an invitation to everyone to join the fun. The *Ithaca Journal* did a fine introductory article. Radio WHCU followed with a short interview about HOURS, the *Syracuse Post-Standard*, *The Grapevine*, the *Cornell Sun*. The *Ithaca Times* article was surprisingly hostile and was easily rebutted by a letter (11/21/91). Patrice Jennings, founding member of the HOUR Board, was featured in a TV show by WICB and on other media.

Signup coupons poured in (the first from fiddler Laurie Hart). Alternatives Federal Credit Union, Cinemapolis, Fall Creek Pictures, Toko Imports and Papa Jim's toys were the first retailers.

Meanwhile, HOURS were being traded and discussed, and welcomed and ridiculed. A common jibe was, "printing your own money are you? Pretty good business-- you must have a fat wallet!" So I showed them the disbursement sheets and explained serial numbers. Those who praised HOURS were thanked and invited to join us; those who criticized HOURS or found them threatening were invited, without resentment, to join if they came to feel differently, and many did so.

By January of 1993 I began sending an occasional "Hometown Money Starter Kit" to people elsewhere who had heard about HOURS and wanted to try it in their community.

The credit union president, Bill Myers, approached me in July 1993 and offered me one of their two VISTA (AmeriCorps) positions. Thus, ironically, the federal government provided me a regular paycheck to develop local currency. This freed me to work without worrying about income, and it provided operating expenses. VISTA liked HOURS so much they employed me more than three years.

When HOURS were featured on the cover of the *Mother Earth News*, showing printer David St. George at his press, one of that article's readers wrote to refer us to Professor Robert Blain of Southern Indiana University at Edwardsville, who he said had also promoted HOURS as money. When I wrote to Blain, he sent back copies of his 1979 monograph "*Making Money a More Reliable Measure of Value*." Remarkably, he had also suggested that HOURS become the new standard of value and had recommended a \$10.00 equivalency. He sent us stacks of his booklet, which had been collecting dust, and they were sent out with requests for Kits.

With wider publicity, demand for Starter Kits expanded, becoming an important part of income. The Kit changed constantly, since the system was still being invented. Only by August 1995 had basic systems stabilized enough for the Kit to be published as a book.

National publicity, which had begun in 1993, peaked in 1996, with stories in the *New York Times*, *Wall Street Journal*, *Good Morning America*, and many others. There have been thousands of stories written and broadcast about HOURS.

The HOUR Advisory Board incorporated as Ithaca HOURS, Inc. in 1998, and hosted the first elections for Board of Directors. Monica Hargraves, director of composting for Co-op Extension (and a former economics professor and economist with the Federal Reserve and IMF), was selected as Board chair. Margaret McCasland (an educator in whose house HOURS were born) was selected as Board secretary, and published *HOUR Town* for another year.

Dan Cogan, a computer programmer, was selected as first Treasurer. Greg Spence Wolf, a singer-songwriter, and Bob LeRoy, an accountant, became co-vicepresidents. Others on the first elected Board were LeGrace Benson (former County representative and art historian), Jennifer Elges (veterinary student), Donald Stephenson (environmentalist), and Wally Woods (personnel manager).

The board hosted a large and successful Community Celebration in November 1999, and annual meetings since.

Steve Burke stepped in to serve as HOURS President for the next ten years, from 2001-2011. Paul Strebel took over in 2011.

Most of the history of HOURS is to be told by the thousands here who have discussed them and earned them and spent them. They have made HOURS real money.

# **STARTING LOCAL CURRENCY**

## **1. DECIDE UNIT OF VALUE**

## **2. DESIGN PROTOTYPE NOTES**

- A. FAMOUS PEOPLE
- B. LOCAL PLANTS/ANIMALS
- C. MONUMENTS OF ARCHITECTURE
- D. MONUMENTS OF NATURE
- E. HISTORIC EVENTS
- F. LOCAL MANUFACTURE/CRAFT

## **3. CREATE WEB PAGE AND DATABASE**

## **4. ASSEMBLE INTERIM BOARD**

## **5. HIRE NETWORKER/S**

## **6. FIND PIONEER TRADERS (INDIVIDUALS AND RETAILERS)**

## **7. PRINT MONEY**

## **8. PUBLISH INITIAL DIRECTORY (PRINT/WEB)**

## **9. ISSUE CURRENCY**

- A. PAYMENT FOR BACKING (\$20-\$40 PER ENROLLEE)
- B. GRANTS TO COMMUNITY GROUPS (MAX 10% TOTAL ISSUE)
- C. LOANS (MAX 10% TOTAL ISSUE + 25% LOANS REPAID)
- D. SYSTEM GRANTS (MAX 5% TOTAL ISSUE)
- E. SALES TO COLLECTORS
- F. RENEWAL OF PARTICIPATION (HALF OF FULL ENROLLMENT)

## **10. INVITE MEMBERSHIPS**

## **11. HANDLE MEDIA INQUIRIES, EXPAND ENROLLMENT**

## **12. PUBLISH SUBSEQUENT DIRECTORIES**

- A. AS A DISTINCT NEWSPAPER
- B. WITHIN AN EXISTING WEEKLY OR PENNYSAVER
- C. AS A SEMI-ANNUAL PUBLICATION

## **13. FOLLOW-UP WITH RETAILERS**

## **14. PROMOTE RELENTLESSLY**

# A Recipe for Successful Community Currency

Printing local money sets the table for a feast provided by your city or town. Here are my suggested ingredients for spicing local trade with local cash.

## 1. HIRE A NETWORKER.

During the past 15 years, nearly 100 American community currencies have come and gone. Ithaca's HOURS became huge because, during their first eight years, they could rely on a full-time Networker to constantly promote, facilitate and troubleshoot circulation. Lots of talking and listening.

Just as national currencies have armies of brokers helping money move, local currencies need at least one paid Networker. Your volunteer core group-- your Municipal Reserve Board-- may soon realize that they've created a labor-intensive local institution, like a food co-op or credit union. Playing Monopoly is easier than building anti-Monopoly.

Reduce your need to pay the Networker with dollars, by finding someone to donate housing. Then find others to donate harvest, health care, entertainment. More on next page.

## 2. DESIGN CREDIBLE MONEY.

Make it look both majestic and cheerful, to reflect your community's best spirit. Feature the most widely respected monuments of nature, buildings, and people. One Ithaca note celebrates children; another displays its bioregional bug. Use as many colors as you can afford, then add an anti-counterfeit device. Ithaca has used local handmade paper made of local weed fiber but recently settled on 50/50 hemp/cotton. Design professionally-- cash is an emblem of community pride.

## 3. BE EVERYWHERE.

Prepare for everyone in the region to understand and embrace this money, such that it can purchase everything, whether

listed in the directory or not. This means broadcasting an email newsletter, publishing a newspaper (at least quarterly), sending press releases, blogging, cartooning, gathering testimonials, writing songs, hosting events and contests, managing a booth at festivals, perhaps a cable or radio show. Do what you enjoy; do what you can.

By 1999, Ithaca HOURS became negotiable with thousands of individuals and over 500 businesses, including a bank, the medical center, the public library, plenty food, clothes, housing, healing, movies, restaurants, bowling. The directory contained more categories than the Yellow Pages. We even created our own local nonprofit health insurance.

Imagine millions of dollars worth circulating, to stimulate new enterprise, as dollars fade.

## 4. BE EASY TO USE.

Local money should be at least as easy to use as national money, not harder. No punitive "demurrage" stamps-- inflation is demurrage enough. No expiration dates-- inspire spending instead by emphasizing the benefits to each and all of keeping it moving. Hungry people want food, not paper, so hard times can speed circulation.

Get ready to issue interest-free loans. The interest you earn is community interest-- your greater capability to hire and help one another. Start with small loans to reliable businesses and individuals. Make grants to groups.

## 5. BE HONEST AND OPEN.

All records of currency disbursement are displayed upon request. Limit the quantity issued for administration (office, staff, etc) to 5% of total, to restrain inflation

## 6. BE PROUDLY POLITICAL.

Local folks from all political backgrounds find common ground using local cash. But local money is a great way to introduce new people to the practicality of green economics and solidarity. I enjoyed arguing with local conservatives, then shaking hands on the power we both gain trading our money. Hey, we're creating jobs without clearcutting, prisons, taxes and war!

You can make it likelier that your money is spent for grassroots eco-development by publishing articles that reinforce these values. By contrast with global markets, our marketplaces are real places where we become friends, lovers, and political allies.



# Local Currency as Social Enterprise

Starting a local currency is like starting a credit union or a food co-op. It is a community institution.

It cannot be merely administered by a nonprofit board of directors, it must be managed by a full-time **Networker**, or two or three, depending on the size of your community.

Nearly 100 community currencies sprang up following Ithaca's example. A handful of them remain. That's because these systems were started and developed by enthusiastic volunteers who became overwhelmed by success. They had jobs that commanded their primary attention.

Dedicated people, they did their best and contributed excitement to their cities or towns. But the full potential of community credit was not realized. Hopes were raised then fell. Many needs remain unmet, even while the need for community currency has become greater than ever.

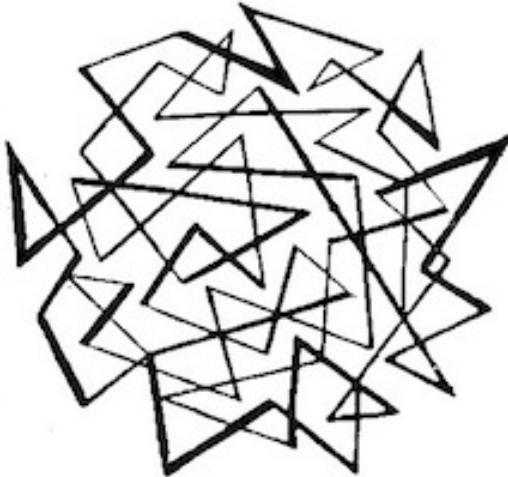
Even Ithaca HOURS, after 20 years, needs this renewal. For its first eight years our money had the benefit of full-time networking. Then the system transferred to administration by talented board members, and it began to fade. Today it is a fraction of its former scale. With professional networking it can revive.



## Attributes of the Networker

You want someone who knows the community, likes to meet new people, who understands and can present the benefits of community control of money, who can develop a mental catalog of the currency's goods and services, who is greedy for a better world.

Networking should be an honored profession everywhere. Networkers are the pivot for creating your economy of generosity.



*The networker connects everyone*

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## Tasks of the Networker

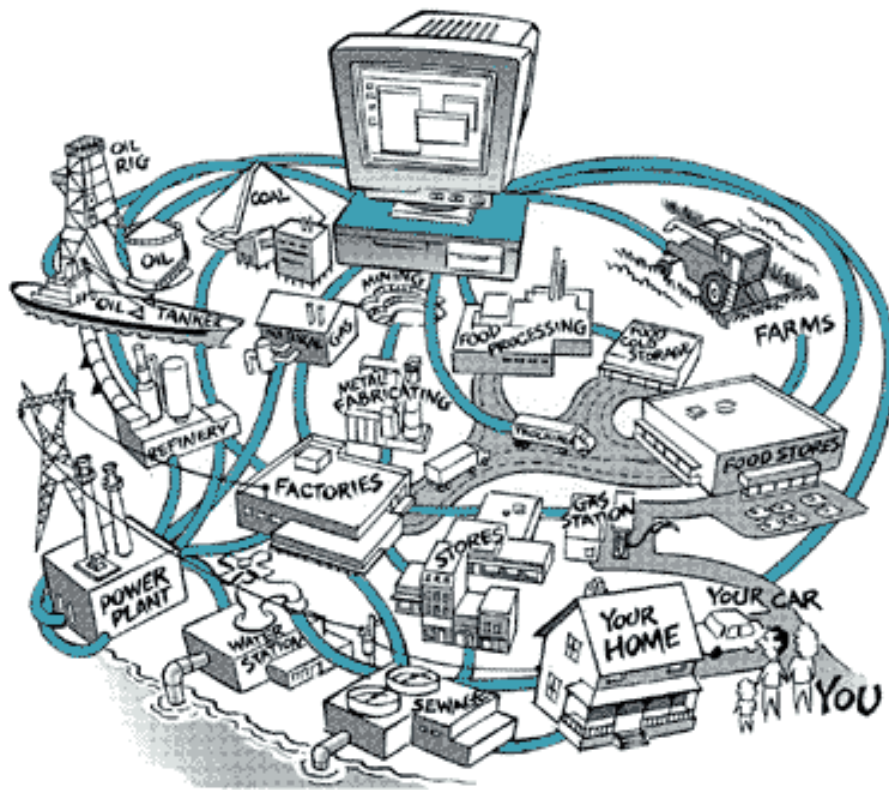
Here's a quick summary of the tasks that are described in a later chapter.

- \* Maintain the website and expand the email list.
- \* create and distribute the newsletter, both paper and email editions.
- \* promote the money at public festivals and other events
- \* contact new businesses
- \* create personal shopping lists for those earning lots of local money
- \* connect traders with one another by referrals
- \* collect "success stories"
- \* disburse the money (enrollees, grants, loans, system) and enter into database
- \* promote loans
- \* speak with media

## Funding the Networker

There are independently wealthy people who are community-minded and need no pay for this work. But it's likelier you'll find a younger person who lives lightly and wakes up excited to fix the world.

Create an in-kind income for them by finding a landlord who will donate an apartment in exchange for a tax-deduction. Upon this base, feed them through donations from local farmers, restaurants, grocers, cooks and bakers. Heal them with donated medical and dental services, chiropractic care and massages. Transport them via donated transit pass and bike sales/repair. Show them a good time by getting movie tickets and so forth. They can earn HOURS and dollars by selling display ads in the directory. Add \$5,000/year to this and they're a big success.



## Modern Times

Ithaca HOURS were first issued in 1991, before emails, websites and listserves and Facebook have become common. Digital trading systems like Paypal and Bitcoin transact billions; Time Dollars (next page) are flourishing; credit cards are bigger than ever; and demand for gold and silver coinage is louder than ever.

Therefore, paper money has become old fashioned, like food, air, shoes, shaking hands and smiling. Local paper cash serves that old fashioned economy, where we trade what we proudly create, where humans look each other in the eye.

It's still friendlier, for example, to buy a bunch of carrots at the farmers' market with local paper credit than with computer chips. Repaying a favor with dollars might be rude, while thanking with HOURS can be charming.

And what is a nation without a flag, or a corporation without a logo? What is a community without its own money? Paper currency is a powerful emblem of local solidarity.

Yet databases, smartphones, the web, texting and email have become powerful tools for strengthening local money of all types. They make easier the accounting of HOURS, the publishing of a directory, the broadcast of HOUR news, the linking of participants to one another.

### **Mobile Time Banking Phone App Gets \$998,000 Grant**

Current time banking focuses on asynchronous transactions, The new mobile app for Android will "support finer-grain, near-real time scheduling of neighborhood service exchanges."

Grant recipient Professor Jack Carroll said that the growth of time banks across the world is a huge opportunity. "Bad times are a good time for new ideas and approaches."

Time Dollars are a computer credit system recording hours of volunteer services. Exchanges are not taxed. The system has been especially successful for seniors, and can involve students, churches, neighborhood organizations and other groups.

The following is from the dust jacket of *Time Dollars*, which includes a kit for establishing such a barter system.



## TIME DOLLARS

by Edgar Cahn and Jonathan Rowe

Time is money. And our book is all about making that concept work for you and your community in a way that is new, yet rooted in tradition. With a new currency called Time Dollars, you simply deposit your time in a service bank. Then, later on, you withdraw what you need!

You earn credits (Time Dollars) by helping others in need. One hour of service (a ride to the market, yard work, minor home repairs) earns you a Time Dollar you can use to 'buy' a service you need (sewing, babysitting, typing). A central station keeps track of all credits and contacts the service providers. It's a modern version of an ancient ethic; Help a neighbor who will eventually help you.

But the possibilities are much bigger than that. Imagine paying part of your medical bill with Time Dollars earned by fighting child abuse and infant mortality. That's happening in El Paso. Imagine paying part of your health insurance premiums by giving adult literacy classes or helping seniors in their homes. That's happening in Brooklyn, Miami, Washington, D.C., and elsewhere. Imagine paying for quality child care by being part of a drivers' pool for senior citizens evenings and weekends. That's happening in lots of places. Or imagine teenagers doing yard work for seniors, and seniors staffing day care centers for working mothers, all for Time Dollars they can spend on what they need. Imagine the very poor and the elderly turning their unused time into a resource through Time Dollars. All this is happening, too.

This book explains how the things we used to do for one another have turned into things we have to buy. It introduces you to

Time Dollar pioneers who are leading the way out of our resulting money bind. Dolores Galloway, for example, who started a Time Dollar network in her Washington, D.C., apartment building shops for homebound seniors in her motorized wheelchair. And Anna Mayors who left an executive job as an international banker to become a banker of good works in Miami.

You will see how your local movement can use Time Dollars to do what it lacks money to do: improve education and public safety, help the homeless, and much more.

This book provides step-by-step instructions for starting a Time Dollar network in your own community. It covers everything from planning the services and building and training a staff to generating civic interest and support. Anyone can do it,

No matter where you are on the social scale, Time Dollars can fit into your life and improve every day of it through new friends and opportunities, more and better services, and increased self-esteem. The experts say there isn't money to meet our social needs. Now there's an answer. We can do it with Time Dollars. [timebanks.org](http://timebanks.org)

## Connecting HOURS and Time Dollars

Need something that HOURS will buy but Time Dollars won't? Both systems can gain utility by collaborating, while operating independently.

Time Dollars are not taxable income because they're earned and spent for nonprofessional volunteer services. HOURS are taxable only when spent for professional services and retail goods.

So let's imagine being able to convert Time Dollar computer credits to paper HOURS.

An HOUR system would need to place a limit on the total number of HOURS that could be converted to Time Dollars, and vice versa. Selling HOURS for Time Dollars at 1:1 would inflate the HOUR supply.

Likewise, those who want to exchange their HOURS for Time Dollars could do so, to the maximum number set by the Time Dollar system.

Therefore an exchange ratio is needed, say 5 Time Dollars for One HOUR. And a maximum convertibility per person would spread the HOURS available.

This ratio can be changed (to 4:1; 3:1; 2:1; 1:1) as it's proven that those who earn the most HOURS could readily spend them in the Time Dollar volunteer network.



# Sector Currencies

Within large cities or regions one might circulate money for specific sectors, such as food, health care, housing, or the creative economy. Here is an example of one such proposal.



ArtCash will be a regional currency designed to strengthen Philadelphia's creative economy.

We'll expand the viability of arts here, even while dollar budgets decline, by connecting local artists, art organizations, art businesses, and arts supporters.

Artists will be more able to focus upon their art because they can easily afford food, housing and health care.

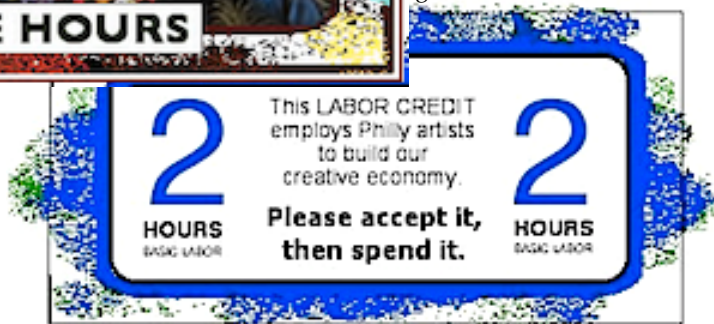
Art organizations will get what they need with less reliance on dollars. Businesses will get more customers and make more sales.

Philadelphia's larger economy benefits by setting this novel welcome mat for artists before the world. The currency will transact as both paper and electronic credits.

Paper will facilitate casual transactions and dramatize the system, while the database will record larger trades.

## ArtCash: The People's Stimulus

Art organizations can raise revenue and stimulate the creative economy by printing their own money. This can be the foundation of a non-governmental grassroots WPA.



## HOW-TO

**STEP A:** Design smaller denominations: \$100, \$50, \$20, \$10, \$5, \$1. Motto on back could read: *"When you accept and spend ArtCash you strengthen Philadelphia's creative economy."* Include smaller motto in several languages: Spanish, Chinese, Vietnamese, etc. Consider denominating as HOURS rather than dollars, to promote labor trades independent of dollars.

**STEP B:** Print on 50% hemp/50% organic cotton.

**STEP C:** Create a catalog (print & online) of local artists, businesses, organizations, vendors and individuals willing to accept ArtCash for full or part payment.

**STEP D:** Issue first ArtCash allotment to pioneer backers. Recommend \$50 value each. The amount circulating is soon expanded by annual renewal payments, grants to community groups, and interest-free loans.

**STEP E:** Facilitate circulation by steady contact with prominent traders. Help them spend for business, self, employees, family.

**STEP F:** Ask vendors to accept ArtCash for full/part payment. Show them the list of pioneer traders. Publish total amounts issued monthly.

**STEP G:** Develop BARTER system for Philadelphia artists and affiliates. With diversified catalog, ArtCash becomes an increasingly significant part of Philadelphia's arts, grassroots, small business economy. Connect to all sectors: art supplies, medical/dental, housing, urban farming, farmers' markets, restaurants, health clubs, carshare, movies, clothing, etc. Credit unions, landlords, City free clinics, SEPTA may follow. City government may itself come aboard, receiving donations of ArtCash with which to pay its own vendors and staff, as for keeping open libraries and swimming pools.

# Step-by-Step

*The following procedures, on the next several pages, reflect Ithaca's experience and preferences. We'd look forward to hearing from you about your experiences and questions, based on your personal and community priorities.*

**1. You might start with a STEERING COMMITTEE**, but it's essential to have at least one organizer taking dynamic action. Some of these folks should be long-time residents, known for community service and financial integrity. Anyone on the list who attended the The Barter Potlucks, were our first board of directors, and produced good policy ideas. Currently an elected board (accountant, massage therapist, co-op treasurer, social worker, carpenter, ad sales rep, economist) makes these decisions.

**2. KEEP OVERHEAD LOW:**

Operate out of home or someone else's office. Get a tax-deductible donated storefront.

**3. DESIGN PROTOTYPES OF YOUR MONEY.** Good design means a lot, since economics is 95% psychology. To boost credibility, I suggest making the notes look remotely similar to dollars, but featuring local themes and landmarks. Display signatures of prominent and broadly respected community residents. You might hold a community design contest. By law your money must be sized and designed to avoid confusion with dollars. Denominations less than \$1.00 are prohibited.

**4. SIGN UP THE FIRST TRADERS** (see AGREEMENT') by showing them samples of your money. Visit stores, union halls, farmer's markets, malls, unemployment offices, churches. Set up a table in parks.

Individuals and homebased businesses are the lower-hanging fruit of your money tree. Their participation will assure retailers that they can attract local currency customers, then spend the HOURS they earn with those customers.

I began with friends, saying. *"Lots of us are unemployed or underemployed. We've been waiting for a factory to come save us. When we answer a help wanted ad there are people ahead of us in line. But this money and list will let us hire each other, to get what we need."*

And I said, *"the U.S. dollar is a junk bond issued by the world's greatest debtor. Dollars are no longer backed by gold or silver, but by government waste and failing banks. This Ithaca money will be real money, backed by real people and our time, skills and tools."* Ask for \$1.00 or \$5.00 or any donation to help start-up costs. Tell them they'll each be paid a specified quantity of the local money when the barter list is printed.

In larger cities, membership in neighborhood, civic, youth gang or religious organizations might be a good requirement for participation, to build on existing trust.

**5. TYPE THE LIST**, when there are a few dozen individuals signed up, type them into a database which ALPHABETIZES LISTINGS AUTOMATICALLY, and can also print the list by phone number, first name, last name, or the number of the issue in which their listings first appeared.

**6. TAKE THE LIST AND MONEY SAMPLES TO LOCAL STORES** and say, *"There are so many people unemployed or underemployed around here that they have fewer dollars to shop with. So maybe you have goods selling slower, or unused capacity (bowling alleys, restaurants, barber shops, movie theaters). This new money gives local people spending power by helping us to employ each other. Some of this will be spent in your store. Then you can find things on the list that you need for your store or yourself. And because this money can only be used in our area, it keeps wealth in the local economy, where it can employ us again."*

Different types of businesses have different abilities to accept local currency, depending on their dollar expenses. As they shift to local suppliers they'll be able to take more local money. While some business owners are immediately enthusiastic and will even give change in dollars and coins. Others may be willing to start by taking a maximum one HOUR as part purchase, making no change with dollars..

Extremely popular businesses with high traffic (grocers and delis, for example) take a maximum 1/4 HOUR per purchase. Other shops take 1/2 HOUR, One HOUR, 2 HOURS, 3 HOURS per purchase, per person, or per restaurant table. A few very popular businesses have been taking HOURS for full price, but they have to be aggressive about making connections and spending. Ithaca reached 100 businesses at 100%.

## Ithaca HOUR 100% Club

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welcomes Ithacans to pay 100% HOURS for

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Please provide as generously as you can.

Generally, we recommend that businesses start carefully, gradually expanding their acceptance of HOURS, rather than that they get scared by sudden piles of HOURS and drop out. ASSURE THEM THAT THEY'RE IN TOTAL CONTROL of how many HOURS they hold. Encourage them to spend HOURS as they receive them, to prove their value and keep them moving. They collect sales tax in dollars. They count HOURS at their dollar value, for tax purposes. The Ithaca HOUR was introduced as worth whatever the merchant thought an hour of local labor should be worth. Most accepted our suggestion of \$10 per HOUR (the average of wages and salaries in our county), but a few said \$5.00, \$6.00 or \$8.00. Since the \$10.00 rate was soon widely accepted, we then declared it so for all.

Those accepting HOURS for full price get a 100% Club card, to help them spend..

**7. PROVIDE A PHONE NUMBER** and e-mail address so people can call in corrections, additions, deletions, questions, suggestions, comments.

**8. WRITE AND TYPE YOUR FIRST BARTER NEWSPAPER.** Choice of words is very important. Eventual difficulties or adjustments should be honestly described in a constructive, positive manner. We relied on Success Stories to encourage wider acceptance of the HOUR. To get these we'd ask *'How did you earn HOURS, how did you spend them, and what do you think of them?'* It's important to make clear that those on the list will initially get the most benefit by direct bartering, mixing goods and services, HOURS and dollars. Gradually, larger purchases can be made with HOURS as more HOURS per capita are available (through bonus payments, grants and loans). Reassure any who think they should drop off the list because no one has called them.

You might prefer to have your list published by an existing pennysaver or weekly: Pennysavers already have publishing experience, advertisers, and distribution routes. For example, the Valley Dollars list, of Greenfield, was distributed as an insert. This can boost the pennysaver's circulation, and makes your work much easier.

**Keep barter rules few and simple.** Although there is plenty for coordinators to do, the list must be easy for the general public to use. Prominently alphabetize (AAAAA) and cross reference the listings (*see also*).

## **9. DESIGN YOUR FIRST NEWSPAPER.**

If you do not use a desktop publisher, use "tabloid" pasteup pages (11"x17" sheet, 10"x16" printing area) from newspaper office or art supply store. Use only solid black line or red line images on white paper (text and graphics). Leave space for advertising. Show clean photocopied pages of these pages to potential advertisers.

## **10. SELL ADVERTISEMENTS.**

Our paper was 5,000 copies distributed free at 50 locations. *Hour Town's* ad prices were \$400 full page, \$200 half page, \$100 quarter page, \$55 eighth page, \$30 sixteenth, and \$20 card (1/24th). Accept part payment with your own money (e.g. \$80 + 2 HOURS for quarter page). Negotiate. We accepted full payment with HOURS. and were willing to barter. We can tell advertisers that many *Hour Town* readers keep the paper beside their phone book, so their ads are noticed during two months, rather than thrown away daily or weekly.

## **11. PRINT YOUR MONEY.**

The Ithaca HOUR and Half HOUR were printed three per page ("3-up" the printer says) on 8.5"x11" seventy-pound tinted recycled paper (500 uncut sheets weigh 70 pounds), the kind with little flecks in it, using soybean ink. More recently, notes have been printed on 50/50 hemp/cotton.

Our first printing of HOURS was with larger notes, to dramatize that HOURS are a big deal, and to make them easy to read. Further printings were of smaller wallet-size notes, like our Quarter HOUR, at 75% the original HOUR size. Wallet-sized notes are likelier to be carried and used. They are printed "6-up" on 8.5x11" paper. When the notes are cut apart from the larger sheet, flip through them to remove misprints (blurred, too light or dark, etc.).

Our Two HOUR is made of locally-crafted 100% cattail (marsh reeds), and includes an ITHACA HOUR watermark (IH crossed). This paper would be harder to fabricate than dollar paper. You probably have local paper crafters too. Any such paper should be made from original rather than recycled fibers, to retain "wet strength." And samples should be tested by your print shop to make sure they go through the press satisfactorily. Also, put your preferred paper through a washing machine to make sure they'll survive washing.

To discourage counterfeiting, HOURS were trimmed to a nonstandard size and serial numbers added, stamped deep so they can be felt by hand. At least one color overlay is also important. The more colors the better. We've used thermal ink (Chromatic Technologies [www.ctiinks.com](http://www.ctiinks.com)) which vanishes briefly when heated.

Rubberstamping date of issue is another way to make notes less anonymous, and to detect counterfeiting by changing the color of date stamped each month. These considerations probably seem less urgent in small communities, especially in your first year of operation, but they are one of several ways you indicate your intention to establish a money system that people can trust.

We have not had trouble with counterfeiting. Someone well enough established in the community to be able easily to spend many HOURS is less likely to risk their community standing by counterfeiting. Someone who just wants to rip off the community is less likely to know the community well enough to be able to easily spend lots of HOURS. In a small community, the paper trail of counterfeit spending could be more readily traced back to its origin. But as the system expands and the HOUR's utility enlarges, it's an important precaution.

Moreover, our District Attorney declared that counterfeiting HOURS would be a second degree felony in New York State-- forgery of a financial instrument.

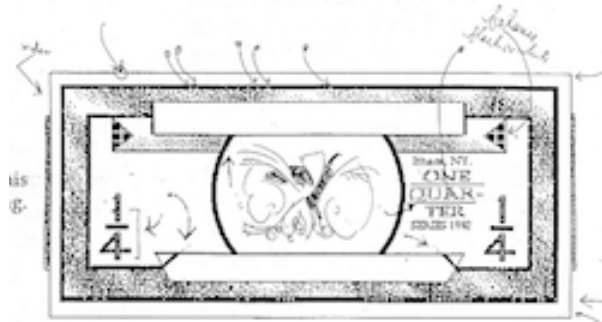
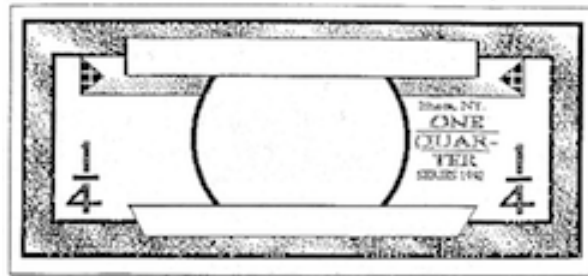
**12. ADD SERIAL NUMBERS.** Serial numbers convert printed paper into money. It would be best if stamping of serial numbers could be witnessed. Use a different color ink than printed the HOUR. Our Two HOUR note has matching red serial numbers



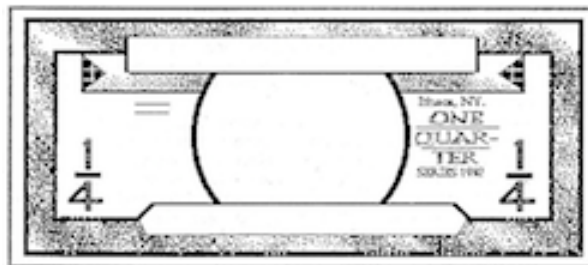
# Designing Money:

Notes can be entirely hand-drawn. In Ithaca we used a computer graphic program to design the frame. We want the note to have a dignified, easy-to-read, informal style.

Several stages like this at right, of fine tuning.



A completed frame. These samples are reduced size. Actual size should be roughly dollar-size, to fit easily into wallets without folding.



Then the central illustration is added. Some of ours have been drawn by local artists, some are found in old catalogs. This one is from a book of English woodcuts.



We added tone to this drawing, to acknowledge the several races of children in our community. Mottos, signatures are added. HOURS in multilingual communities might have more than one language.



front and back. We recommend small numbers (0502 rather than 0000502), so that participants are reassured that there are finite quantities of HOURS issued.

**13. PRINT YOUR NEWSPAPER.** Daily papers often have rotary offset presses. This is the cheapest way to get 1,000 or more copies, and a lot of space for revenue-generating display ads and listings. Ask around and compare prices.

**14. MAIL THE CURRENCY** with a copy of the first issue to those on your first published list. They receive this money as *payment* for being published backers. We initially paid a total four HOURS to everyone who signed up. Since the HOUR is valued at \$10.00, this is \$40.00 buying power per person. Whatever your denominations, pay enough to allow small but notable purchases. Issue at least one of each denomination to each person, so they know what real HOURS look like.

**Again, each serial number** for each denomination is entered on the DISBURSEMENT SHEET and/or DATABASE with the name of the person who receives the notes. This is your record for internal audit, and is available for review by participants. *Your books must be open and accurate, so that as the system grows, all notes can be accounted for.* Therefore it is best to computerize disbursements.

Serial numbers also emphasize that the notes each have a distinct identity and are not arbitrary pieces of paper. They declare that these notes are not handed out at random-- that they are distributed systematically. They make accounting the disbursement of HOURS more accurate. Imagine when your currency represents a sizable proportion of local trading, and when many people rely on it for a significant part of their income. Then the system can be audited, and the accuracy of office staff more readily verified. Serial numbers make it more difficult to counterfeit large numbers of notes.

*The strength of local currency is fair and honest disbursement.*

**As the list got longer,** we offered an additional two HOURS bonus payment for each yearly cycle, when someone has been on the list another six issues. They get this payment at their option when they send in the coupon. After two years, when a good supply of HOURS had been issued, we began paying two HOURS upon first signup, then four HOURS for first bonus. This makes the four HOUR payment more of a reward for good faith participation and for keeping phone number and listings current.

**We pay a bonus** of one HOUR to each person who signs up or re-enrolls at a Barter Potluck (not to those who merely attend), because face-to-face meeting strengthens the list.

**WE NEVER DROP SOMEONE FROM THE LIST** for not sending in the coupon every year. Once enrolled on the list and paid HOURS, they become the backing for HOURS and remain as long as they are willing.

**We began issuing serial numbers** in the middle range. Starting with 0001 would suggest that the first recipients are brave pioneers in an experiment, rather than part of a secure process well under way. We rubber stamp the date of issue on back of each note, changing the color of the stamp monthly, as another counterfeit detector.

**Your friends will probably joke,** *'Printed your own money? I bet you swipe a few for yourself.'* This is their joke, not yours. Offer amiably to show them the disbursement records. To repay myself for costs of printing HOURS, I allocated myself a 40-HOUR founders fee (paid at 10 HRS per month), announced in the first issue of *HOUR Town*, to deflate speculation about theft. The more HOURS people acquire, the more concerned they'll be about the HOUR's security, integrity and utility. Handle HOURS like dollars. Most HOURS, before disbursement, were kept in a strongbox at our credit union.

**Misprinted notes and duplicate serial numbers** should be destroyed, then listed on disbursement sheet as destroyed, with serial number ripped off and retained as receipts, in numerical order. Any participant may ask to see these records.

# Your money tells stories:



## New TWO HOUR Note Honors First Peoples

Ten thousand years ago, before Ithaca, this place was visited by small bands of Ice Age hunters tracking mastodon, mammoth, bison and elk. As the glaciers melted northward, the Cayuga valley filled up with water.

Five thousand years later, as the lake sank, the earliest Stone Age villages were built in our area. These people thrived on countless deer, turkey, fish, berries and acorns. They danced with flutes, under stars beside fires.

Over one thousand years ago, farming began with corn and beans. These folk built long bark houses south of the swamp we now occupy. Storytelling and jokes, sports, games, singing, dancing, trading and feasting were favorite pastimes, especially during the many planting and harvest gatherings. They worked together to cut wood and build.

Then five hundred years ago the Finger Lakes peoples united as the *hau-de-non-sau-nee*, or people of the longhouse. Their Great Law of Peace, as complex as our Constitution, details the responsibilities of men, women, clans and tribes to each other and to nature.

In 1779 George Washington ordered them destroyed. Their homes and crops were burned, their lands seized. Forests and fields have since become suburbs and shopping malls.

The Ithaca Two HOUR note honors these indigenous peoples whose descendants and spirit remain among us. Although their numbers were not great, there were enough of them to care for each other, while preserving the beauty of this land. Rebuilding balance between civilization and nature, though it may take another hundred years, begins with us.

## New Eighth HOUR Circulates

The small change of Ithaca's local currency system (Eighth HOUR = 7.5 minutes or \$1.25) honors the small residents of the Cayuga Lake basin, whose work keeps us alive.

The spotted salamander, drawn by Steve Sierigk, is featured on the front. This amphibian lives 20-30 years, dwells in mouse burrows and old root holes, and breeds in wild pond orgies. Although seldom seen, *Ambystoma maculata* is one of the most abundant vertebrates in our region. According to Cornell's Kraig Adler, total salamanders per acre may weigh more here than all mammals combined. Yet, because of acid rain and suburbanization, the spotted salamander is on New York State's list of species at risk. They have disappeared from the Adirondacks.

"Unless we solve the acid rain problem we could

lose them here," says Adler. "They're a very important link in the food chain. Without them there would be a large increase in the insect population. At the same time, salamanders are easily destroyed when their migration routes or birth ponds are disturbed. "People wonder why there are salamanders sitting in their new driveways," says Adler. "That's because they've returned home to breed."

*Agathidium Arlsterium*, also known as 'Mega-Lefty' or the Smith Wood's beetle, is the pencil-point-sized bug on the reverse (drawn by Frances Fawcett) that has been found only in Smith Woods near Trumansburg. According to Quentin Wheeler of Cornell, who discovered it in 1986, Mega-Lefty (for its large left claw) eats the blobby single-celled slime mold that eats the bacteria that eats the oystershell fungus that eats trees.

This rare little beetle is therefore one of the thousands of tiny species that, during the past millennia, have created the deep topsoil which today feeds the food we eat. Without Lefty and his pals we'd go hungry. Says Wheeler, "It's upsetting that people don't appreciate the natural decay cycle of the forest, which provides food for the next generations of trees."

Also featured on the reverse is a map of the Cayuga Lake basin, or watershed. This boundary helps define our bioregion-- the area in which plants, animals, and climate are similar.



## Commemorative HOUR Supports Scholarships

Beverly J. Martin gave her lifetime to the people she was born among. Many years of work as teacher and student, as teaching consultant, director of affirmative action and principal of Central Elementary school, brought her to such prominence that Central School was renamed Beverly J. Martin Elementary to honor her. The School Board did this because her "fairness, equity, moral integrity and personal leadership" inspired many students. Children at the school's ceremony presented her a quilt whose squares expressed racial, cultural and world harmony.

The front of the Martin HOUR features a portrait of Beverly J. Martin bordered by children at play and local animals. The reverse shows Beverly J. Martin Elementary School and the days of Kwanzaa. These HOURS are signed by Marcia Fort of GIAC, and by Karen Blas, Beverly Martin's niece.

By honoring Beverly Martin this way we honor everyone who works to create communities which help parents and teachers raise children well.

The Martin HOUR is the only paper money in the United States to honor an African-American. Federal Reserve Notes (dollars) honor slave owners (Washington, Jefferson, Hamilton and Jackson).

Sales of this small edition of BJM commemorative HOURS will raise dollars and HOURS for the Beverly J. Martin Scholarship Fund established last year.

**15. ALLOW A COUPLE DAYS FOR LISTEES TO RECEIVE THEIR MAIL.**

Make or buy boxes or metal racks in which the newspaper will be placed. Deliver the "We Accept HOURS" signs to stores.

**16. DISTRIBUTE THE STACKS OF THE NEWSPAPERS** for free pickup, at stores, churches, laundromats, farmer's markets, community centers and events. Places of distribution define likeliest participants. This also defines your currency's range. How far do you prefer your bioregion's economy extend? We pay HOURS to people who live and/or work within a 20-mile radius around Ithaca, NY. --the "Ithaca Time Zone."

**17. CONTACT THE MEDIA:** newspapers, radio, TV, newsletters. Visit them personally with a press release, samples of money and paper, and ask to be interviewed. Your money is news whenever:

- a new denomination is issued
- 250, 500 or 1,000 participants have signed up
- total \$10K or \$20K face value has been issued
- grants are made or received.
- system has an anniversary

**18. VISIT YOUR NEWSPAPER STACKS** as often as possible. They can quickly get flipped over or covered with other papers. Move some from slower stacks to stacks where copies are rapidly taken.

**19. SIGN UP MORE BARTERERS:** personally and at your barter potlucks, via bartermat machines (decorated boxes at popular stores, or public computer barter terminals) and by mail and email as before. As the system's popularity grows, you'll be able to rely mainly on coupons and website for new listings. We call up people who send in the coupon, asking details about their skills, and whether they have a "reasonable expectation" to live here for at least a year. Coupons are kept in chronological order, as receipts for HOURS issued. We don't distribute *Hour Town* on campus, because students move around so much and soon enough leave town. They and everyone else are welcome to earn and spend HOURS without being listed.

**When mailing HOURS,** we enfold them in an introductory page (see *Here Are Your HOURS*). We include as well a copy of "Finding HOUR Work," so they can get work without waiting to be called. We also enclose a window card (*We Accept HOURS*).

**20. PROVIDE AN HOUR BANK** where people can make HOUR change (larger or smaller denominations) and where they can replace worn, torn, washed or chewed notes for fresh ones. This can be an actual bank, or at a bookstore, gift shop, etc.

**21. PROMOTE LOANS AND GRANTS.** to get more notes in circulation, Small monthly grants to community organizations aren't inflationary, if total of all grants is kept at 5-10% of total HOURS issued. We began making loans to people who had a track record of earning lots of HOURS, then made a couple riskier loans. Our philosophy is not to charge interest on loans. This is another way we're distinct from the dollar system. Loans can be repaid entirely with HOURS if they have them; otherwise with any combination of HOURS and dollars. Our largest loan was 3,000 HOURS (\$30,000), half of which was repaid with dollars.

**Invite community organizations** to send letters requesting grants of HOURS. They need only mention goods and services from the list that they could use. When delivering a grant, in person, get a receipt signed and give them a GRANT DISBURSEMENT sheet. This is their record of how they spent HOURS, which is submitted for consideration for another grant.

**Our barter potlucks, then the elected board** made decisions about grants, loans, printing of money and rate of issue. They act as a Municipal Reserve Board (our local version of the Federal Reserve Board). Anyone on the list may vote.



**22. BALANCE THE LIST.** It is a priority to bring several popular stores into the list early, so that a few stores are not overrun. While the list promotes the skills of individuals and cottage industries, the amount of currency circulating is limited by the capability of prominent businesses to accept it, because that's where many HOURS are first spent. cottage industries, the amount of currency circulating is limited by the capability of prominent businesses to accept it, because that's where many HOURS are first spent.

**To prevent any given store** from earning or hoarding too many HOURS, we ask popular stores to limit HOUR acceptance to a maximum one HOUR purchase, at least initially. In some cases, a Half HOUR or Quarter HOUR maximum is better.

**Make a list of locally-owned businesses** who can help diversify your HOUR list (PROSPECTS). Collect business cards.

**Exotic services** like Indonesian lessons, singing telegrams and soul reading may need a boost to be noticed, Spotlight them with articles and graphics, However, if you find that 2% of HOUR payments are to math tutors, you might consider a TEMPORARY HOLD on additional math tutors, to give each tutor a reasonable chance to be called. On the other hand, child care may be so needed that 5% child care offers aren't excessive.

**Such policies as these** speed or slow the rate of HOUR issuance, according to the communities perceived capacity to spend them. We listen to the prominent retailers and service providers (like restaurants, movie theaters, banks, plumbers, carpenters, electricians, etc.), to hear how well they're spending the money they get. Then the "Municipal Reserve Board" crafts policy to match the need and capacity. During the first four months of HOUR use, for example, we issued 4 HOURS to anyone who signed up, for anything. Then we placed the holds on certain categories. Then we published a PRIORITY LIST of offers that we'd pay 4 HOURS for, without paying other offers. Then we paid these priority offers 2 HOURS, followed by a 4-HOUR payment after a year, followed by 2-HOUR payments every additional year. Then we began paying One HOUR for all offers not on the priority list. Disbursement policy should be reasonable, and clearly explained in your paper.

**The newspaper also has a lot of power** to speed or slow the rate of currency issue, by its political tone, its clarity of presentation, its emphasis on bonus payments, etc.

**Food is the foundation** of the bioregional economy, so local organic farmers are heroes. The more the better. Our farmers have hired local farm labor with HOURS. Many of these farm workers are refugees from the minimum wage retail sector, and some receive the highest common farm labor wages in the world (\$10.00 spending power per HOUR). Other small farmers themselves earn minimum wage, so can't pay a full HOUR per hour. We respect this. We're evolving toward fair pay, not decreeing it.

**As the newspaper publisher/s** you'll earn many HOURS through display ad sales, so you'll have a good opportunity to spend HOURS among those least likely to get called. Better to employ these folks than overload restaurants and movies. Spread yours as widely as possible, to enliven more people. We encourage diversified spending (exploring the community) as an important way to spread the money. Every time an HOUR is spent in a new way it becomes stronger, as by the flexing of a muscle.

**23. KEEP MAJOR HOUR EARNERS SATISFIED.** When businesses sign up offering something very popular, like movies or videos or restaurant meals, ask the owners what they would want to barter for and try to get these on the list. These owners need to be able to spend a lot of local money, because they will likely get it. They give stature and credibility to our money, and its urgent to balance their offer with exactly what they need. I've even found people to go shopping for some of these retailers, both to keep them happy and to return the HOURS to the circulation.

**We've found that retailers participate in a range of styles:**

- Aggressively enthusiastic about HOURS, making new connections to use them, spending thousands of dollars value, accepting them at 100% of price, preferring

HOURS to dollars, making HOURS a major part of their business promotion and personal income.

- Enthusiastic about HOURS, earning lots of HOURS, needing initial help to spend them, then spending easily and independently.
- Supportive of HOURS, needing ongoing help to spend them.
- Supportive of HOURS but being "too busy" to spend them. Their HOURS pile up and then prove it, by creating a PERSONAL SHOPPING LIST for them. The PSL can be made in person or by phone, by reading the entire list as fast as possible, checking those listings the retailer says 'yes' to. Then we custom laserprint their PSL, after scrolling away those listings they did not want.

**WE'VE BEEN GRADUALLY MOVING RETAILERS TOWARD THE TOP OF THIS LIST, EXPANDING THEIR WILLINGNESS AND ABILITY TO EARN AND SPEND HOURS.** This includes frequent "How's-it-Going?" visits to stores. We're aiming toward UNIVERSAL LOCAL ACCEPTANCE OF THE HOUR, when this background work will no longer be necessary.

**24. CALL THOSE ON THE LIST** to find out how they're doing and to keep listings and phone numbers accurate. (see Dialing for HOURS). Write down quotes for articles (see SUCCESS STORIES). The Success Stories are the positive trade experiences-- no clunkers are published. By presenting successful trading stories we create expectations of success, thus a greater likelihood of success. Even one negative story published would offset ten positive stories. Reassure those who have little trading, or who have not been called, that they'll get called eventually, especially as the supply of HOURS increases. You can suggest they put up flyers which mention they accept HOURS. Encourage them to spend their HOURS so that other people can use them. Their HOURS will come around again.

We've seen over and over that some people who had little call for their listed skills are eventually called on and often get regular HOUR work doing something they didn't even know they could do. Some of these sleeper shave even stepped into situations that made them very important parts of the HOUR process, by accepting lots of HOURS from prominent retailers. Long-term residents, regardless of skill levels, are the bedrock of local barter. We've learned to respect everyone's willingness to participate, regardless how modest their offer. There are great surprises!

**25. KEEP A DELETIONS LIST** to have a record of people who become inactive or unavailable (move away, get full-time job, new parent, injury, or phone is changed), so that you can know their payment status when they reappear, and to locate lost participants when each new phone book is published.

**26. ENCOURAGE EVERYONE TO ACCEPT HOURS. EVEN THOUGH NOT LISTED.** Some of our most active participants have spent thousands of dollars value of HOURS, without ever signing up or appearing on the barter list. They just tell people they take HOURS. Gradually the barter list can become less essential for spending of HOURS. As our newspaper says, 'Just Ask Anyone: "Do you accept HOURS?" Then show the list. This is an extremely important part of spreading the currency, and securing its value.

**27. WE'LL BE HAPPY TO HELP YOU GET STARTED!** Local currency is now an international grassroots movement. Several of the communities which have received this book have already started their own currencies. We're learning as we go, so we need to share ideas and experiences with each other. When you've begun designing your money, let us know.. Well be glad to offer advice as needed. Have fun!

# TASK LIST

## NEWSPAPER

- TEXT
- REGULAR: Success Stories, Potluck Dates and Report, Temporary Holds, Ask Anybody, Letters, Sign Up to Use HOURS Coupon, How to Barter, \$10 for Tax Purposes,
- THEME; Text and Graphic
- ADS
- PROSPECTS: Ad Prospects sheet, coiled business cards
- SALES: by phone and in person, collection of HOURS and dollars
- DESIGN: Graphic, Borders, Typeset, Approval if necessary
- ACCOUNTING AND RECEIPTS: Ad Sales sheet, Ledger, Receipts envelope
- COMPUTER LIST: business name, contact person phone, ad size, and issue
- BARTER LIST:
- LIST DIPANSION: tabling in public places, recruiting retailers
- DIALING FOR HOURS: to confirm/ change phone and listings, answer concerns and: questions
- FILE NEW LISTINGS AND CHAN GESIDELETIONS UNTIL ENTERING
- DELETE NEW LISTINGS SYMBOLS (+++) FROM PRIOR LIST
- ENTER NEW LISTINGS: offer] request, name, phone, last name, person's first issue it
- ENTER CHANGES
- DELETIONS
- CREATE AT LEAST TWO `BACKUPS OF ALPHAUST, store in different places
- LASERPRINT LIST WHEN READY
- POR PASTEUR: 4.75" wide, 9 point Palatino on 10 point leading, Alphabet 12 point Bookman Bold on 13 point leading

## DISBURSEMENT OF HOURS

- DESIGN & PRINT HOURS
- DISBURSEMENT SHEET: serial numbers by denomination, HOURS issued, name, phone. Totals at bottom of completed sheet. Computerization recommended.
- MAILING OF HOURS enclosed in "Here Are Your HOURS" sheet,

- with "I-OURS Accepted" card,
- STORAGE OF HOURS at Alternatives Federal Credit Union, sign out for office use
- SUPPLY HOURS to HOUR Bank, provide and copy their disbursement sheets and initial withdrawals to credit union. Repair & replace damaged notes

## PARTICIPANT SERVICES

- CONNECTIONS: filing requests for additions to the list, calling those requested
- PERSONAL SHOPPING LISTS: read entire list to those who have earned lots of HOURS, note selections, typeset their list (by deleting from main list what they did not select, then
- MAKE THREE COPIES:
  - for the person for whom the is made
  - for ofnce, for updating periodically
  - for Connector who calls those whose help has been requested
- NEW LISTINGS SHEET: provide list of new listings for those whodeam lots of HOURS NEW LISTINGS MAILING LIST for those to whom the list can't be hand delivered
- DELIVERY of goods for busy retailers! others
- HOUR BANK at Autumn Leaves Books: make drange, replacesawom or torn notes, bank HOURS
- LOANS: loan forms available and Autumn Leaves Books or from Ithaca Money loan repayments
- POTLUCKS: twice-monthly meals and deals: decide grants, grant percentage, loans, denominations, printing more HOURS, rate of issue for sign-ups and renewals '
- PUBLICITY: spotlight their stores partidpation
- BARTER POST: LOCAL TALENT COMMUNITY CENTER/JOB DEVELOPMENT CENTER! RETAIL OUTLET: Priority for locally-made goods having no other retail outlet, whose producers will take 100% HOURS and are willing to work in the store
- CERTIFICATES OP APPRECIATION
- BUMPER STICKERS
- 100% CLUB CARDS

# FILING SYSTEM

## AD BORDERS

AD COPY (manuscript, graphics and other fragments of ads submitted for typesetting)

AD PROSPECTS (business cards and ads from other papers of those likely to accept HOURS)

AD SALES (record of each ad sold and payments, plus totals)

ADVERTISEMENTS (published in past issues) filed by size

ARCHIVES (news, etc.

about the HOUR system)

CONNECTIONS (listing people to contact whose help has been requested)

CORRESPONDENCE: IN

CORRESPONDENCE: OUT

DELETIONS (listing those removed from list, and reason why)

DIALING FOR HOURS (phone survey sheets, computer print-out of list by newspaper issue number [chronological order] and/or by phone number)

FORMS (originals of forms used)

GRANTS TO NONPROFITS

(correspondence and receipts)

GRANTS TO POTLUCK

(correspondence and addresses)

GRAPHICS (original art and clips from books, magazines)

HOUR TOWN STORE (plans,

records for local currency

department store)

HOURS (original art)

LOANS (applications and

HOUR repayments)

NEW LISTINGS & EMAILS

(list of those who earn lots of

HOURS, to be mailed the list of

each issue's new listings)

NEXT ADS (ads for next issue)

NEXT LISTINGS

AND CORRECTIONS (to be

entered for next issue)

NEXT TEXT (text for next issue)

OLD LISTS (computer printouts

of earlier lists, with date)

OLD SIGN-UPS (sign-up

coupons and corrections that have

been entered)

PREP HOURS (design work for

creating HOURS)

PUBLICITY (media list)

PERSONAL SHOPPING

LISTS (list of those who have

received PSLs, list of those for

whom a PSL should be made, and

copies of PSLs made)

SUCCESS STORY LIST (master

list printout by first name, as

roster of those whose Success

Stories have been published)

TAX INFO (daily income and

expenses, by year)

## HOURS Are Yours!

Here's the process that keeps HOURS moving:



Design HOURS.  
Take to printer.



Invite people to be listed:  
Businesses & individuals.



Disburse HOURS:  
signups, grants, loans.



Handle phone inquiries.  
Sell ads. Update list.



Keep databases current.  
Write stories for paper.



Paste up HOUR Town:  
Listings, ads, stories.

**HOUR Board Elected at Annual Meeting**  
About 75 people attended the Annual Meeting and Dessert Bash March 2. Elected were LeGracia Benson, Daniel Cogan, Jennifer Elges, Monica Hargraves, Bob LeRoy, Margaret McCasland, Greg Spence Wolf, Donald Stephenson, Wally Woods. Thanks to ABC Cafe, GreenStar, Ben & Jerry's, Harvest Deli, Itasca Bakery, Just Desserts, and Oasis for snacks!



Print HOUR Town.



Distribute HOUR Town.



**Volunteer Opportunities!**  
The HOUR Board is welcoming volunteers to do the tasks shown on this page, to expand the benefits of local currency in the Itasca area. There are several committees: Circulation/HOUR Loans & Grants, Member Events & Local Outreach, HOUR Town, Fundraising/Finance, Retail Relations, Media Relations, Personnel & Volunteer Coordination. What interests do you have? Contact Greg Spence Wolf at 272-8342 or: gregwolf@hotmail.com



**The best work is play!**  
Most of the work to expand HOURS is done by everybody who accepts HOURS, introduces them to others, and spends them.  
**Best ways to do this:**  
➤ Spend HOURS promptly.  
➤ Ask for HOURS as change and spend them elsewhere.  
➤ Replace HOURS that you give away to visitors with HOURS purchased from the HOUR Bank (108 The Commons).  
➤ Just Ask Anyone, "Will you accept HOURS?" Then show this list.



# Get What You Need Without Dollars

Somewhere in your town someone has what you want today, and they're willing to trade it to you for something you have or can do. Lots of local people already trade for much of what they need. They get medical and dental care, child care, fresh food, housing, clothes, recreation, house painting and repair without dollars. They live well, by paying time or goods instead. And they make new friends while doing so.

*HOUR Town* is more than a list of what you can buy with HOURS, it's a portrait of our community's talent. And there are thousands more things that could be on this list. Whatever you can do can be advertised here.



## How to Barter:

1. List goods and services you can trade.
2. Mention barter and HOURS when you advertise.
- Post notices in public places, tell friends,
3. Call someone to offer or request goods or services.
4. Ask about their credentials or experience.
5. Negotiate a trade
- Seek full value, but be flexible.
6. Make any agreement specific and clear.
- Repeat it aloud.
- Write it down if necessary.
7. Give good service.

Even when your own skills are not impressive to you, there are people eager for your help. Things that are simple for you to do can be hard for others to get. For example, do you enjoy being a grandparent? There are plenty of kids who need your time, who'd count your time worth gold (or at least home-baked pies). Can you help with homework? Even basic know-how is a good contribution. Do you have an unused garden space? Somebody wants it and can pay you food, or lawnmowing. Did you live in a foreign country or distant city? You can explain how to get around. Did you kick a bad habit? That's experience valuable to many of us. Do you know how to plant seeds, wash dishes, make preserves or sew? Write down your hobbies, your experiences, your equipment, tools, ambitions and interests. Remember, all over town people are trading anything you can imagine.

Finding trading partners is easier with the *HOUR Town* list. Most of the people who list here have at least a little swapping experience and are willing to consider your suggestions. Can you imagine most people here listed in our Skills Phone Book? It would become easier for us to meet all our basic needs, to make new acquaintances and have fun. Call these folks up and find out if you have something they need. Introduce yourself to participating businesses, let them know you're ready to help, and that you accept HOURS, too. We've already seen some of these connections develop into regular jobs, or become apprenticeships that produce recommendations that lead to jobs.

Many people have said that HOURS personalize their exchanges. That means HOURS help satisfy our need to live in a friendlier world: the more people you have personal exchanges with, the more people you can trust and rely on. And we can't buy trusted friends or neighbors at the mall.

# We're FAMOUS!

## Media and Local Money

One type of interest HOURS earn is publicity. Articles about our local currency program have been featured in thousands of newspapers, magazines, books and broadcasts, nationally and abroad.

Publicity's main benefits are to spread the word locally about your currency program and its benefits, to broaden its cultural reach, to reassure people of its legality, and to reinforce the sense of its broader importance.

Beginning as a subcultural program in Ithaca, we reached local conservatives through the Wall Street Journal and Business Week. One such fellow was converted from skeptic to enthusiastic trader when he read about us in the *Economist*.

When a local Japanese-speaking merchant could not comprehend HOURS, I gave her a DVD of the program as seen on Japanese national TV. This likewise excited her about participating.

Cautious folks who did not want to pioneer this strange idea were assured it was 'normal' through Good Morning America, Family Circle magazine, inflight news programs, and CBS This Morning.

Academics who dismissed HOURS as child's play were impressed to see them explained and endorsed on two pages of the standard university textbook *Economics* by Case & Fair.

Through these media we made every Ithacan famous. They were approached at conferences and begged to show their HOURS. They were asked to explain HOURS wherever they travelled. At a fountain in Rome one Ithacan was where she came from, then besieged with excited questions about HOURS. Our Italian-American pizza shop owners were interviewed locally by Italian national TV, then seen by their relatives in Italy.

An Ithaca threatened by a mugger in New York City showed his wallet full of HOURS. The mugger was so curious that he quit robbing to learn more. We were proud when a burglar robbed a cash box of HOURS from a local restaurant.

Most gratifying is the story that the little daughter of a landlady met her mother's new tenant from Buffalo, NY. She asked him, "What does your city's money look like?"

When you speak with media, keep in mind that if they like you the story will be favorable. Here are some story excerpts.

"The growth of such exciting new community schemes as Ithaca's HOURS... Illustrates the way the corporate economy has marginalized so many that these people have erected alternative economic schemes. As masses of people are abandoned to joblessness, these will become key ingredients in survival strategies for hundreds of millions. While creating these survival schemes we must dismantle the powers of the global corporations that have made such changes necessary." --*The Nation* 10/21/96

"Ithaca HOURS stimulates the local economy because they... offer a customer base to start up cottage industries. They encourage accountability because the people who use them are more likely to care about environmental practices in a local orchard than, say, a rice paddy in China. And because you can't invest HOURS... they circulate faster than dollars. All of which translates into renewed faith in the local economy." --*Cornell Magazine*, December 1994

"At a time when giant banks and credit card companies are working to perfect electronic cash that leaps national boundaries instantly and invisibly, some cities are going in the opposite direction and keeping money on Main Street by printing their own." --*Winston-Salem Journal*, 7/96

"Local currency is legal, but the government stipulates that the notes must be different size than dollar bills, issued in denominations at a minimum of one dollar, and reported as taxable income to the IRS. Instead of winding up in the coffers of distant corporations, however, Ithaca HOURS must be spent locally."

--*Wall Street Journal* 6/27/96

"Ithaca's HOURS have spawned imitators across Canada, the U.S. and Mexico. The scheme has been welcomed by communities increasingly wary of the flow of federal 'funny money'-- the dollar-- out of their communities into the hands of big corporations and banks. And the issue of interest-free loans goes to the heart of the HOURS' appeal to U.S. communities, with their unhappy memories of bank failures and foreclosures on loans." --*London Observer* 8/18/96

"These days, the money Paul Glover makes -- called Ithaca Hours -- is floating all over town. During the last mayoral race, all three candidates clamored to take the homegrown money as donations. The other day, a new- and used-car dealership signed up to accept it. Fancy restaurants, the bowling alley and the corner deli all take the multicolored bills. And so on.

"It occurred to me that if we were going to have enough money in this community," he said, "we were going to have to print it ourselves." He called the money Ithaca Hours to reflect the "true value of labor" and made one hour worth \$10, because \$10 per hour is about what the average person earns in surrounding Tompkins County. Then he designed the bills, a different color for each denomination, and walked around with prototypes." --*New York Times* 1/21/96

"Residents of Ithaca, a city in Upstate New York, have come up with a unique method to deal with their strapped economy-- they're printing their own money.." --*National Public Radio's Morning Edition*, 3/18/96

# LETTERS

## A World of Interest in HOURS

I am running for the presidency of Zaire, and am Chancellor of International Christian University of Zaire. We are desperate with our staff, professors and students, because the money in Zaire is almost all paper money. We want to explore your ideas. Would you please inform us on what must be done? We are targeting 70,000 villages in 9 regions. ---Dr. Stephen Nzita

We believe that your programme can offer our association of small-medium scale businesses (SMSBA) and its members the stability, profitability and growth they are after. We are currently a group of 8,011 small enterprises (of which 4,487 are women owner/managers' businesses), and we provide assistance to them in the areas of human resource development, economic strategies and sustainable business management. Please send us the guidelines that will enable us to fully understand your barter system. ~

Eddie Amen Kargbo, President SMSBA, Freetown, Sierra Leone, West Africa

I've got information about your HOURS system and would like to get more. We are starting a barter group and would like to know how people get their HOURS. After getting paid two HOURS, how do they get more. Can they borrow them? --Claude Fressonnet, Montbel, France

---[REPLY] Participants may receive bonus payments every eight months by sending in the coupon again. This rewards us for continued participation, helps keep the list accurate, and gradually raises the per capita supply of HOURS. We also make grants and zero-interest loans of HOURS.~

We just read an article in *Z magazine* which describes what you do with alternative currencies. We want to get as much information on the subject as possible. In our times of national economic collapse due to staggering foreign debt, inflation, massive unemployment, reductionist economic policies, and the like, people begin to react creatively to the nonsense of centralized power. No wonder local currencies have awakened interest among us.

We have two areas of special interest: an organization of bank debtors, and parents with children in the same public schools. They have begun bartering services, but what you do promises to greatly increase their possibilities. There are many other small rural communities which could benefit from local currencies. Please send us your list of documents. --Gabriel Cámara, Chihuahua, Chihuahua, Mexico

I read the interesting article by Paul Glover on *HOUR Town in Best Ideas: A Compendium of Social Ideas*. Please send me a book! --Ms. Lena Börjeson, Stockholm, Sweden

I thank you for the expedient answer to my letter and the brilliant article of Paul Glover on "*Creating Ecological Economics with Local Currency*." I am enclosing payment for the *Hometown Money* book. --Jürgen Schuldt, Universidad del Pacifico, Lima, Peru

Greetings from the Women and Rural Welfare Centre. The centre aims at motivating, educating and organizing the Women, Rural Public and the disabled group to enhance their social, economical and cultural status. We would be glad to receive more information about Ithaca HOURS. --Mrs. J. Regi Manimagala, Medavakkam, Madras, India

Did you know that in our country's most prosperous times (1500-1700 AD) each city had its own currency? --Donna Richoux, Netherlands.

I think you have a wonderful idea and it should catch on easy here because until recently this island's culture was largely based on a kind of friend-to-friend, relation-to-relation natural barter system. This type of system will be able to help take off some of the pressure in these stressed-out post-hurricane times. --Eve Herbst, St. Thomas, U.S. Virgin Islands

El TLALOC propone un medio alternativo de intercambio, un 'vale' que pasa de mano en mano, que implemente el trueque, como apoyo solidario entre los tianguistas. El TLALOC es equivalente a una hora de trabajo social o manual. El TLALOC simboliza la decisión social de dar preferencia a quienes se esfuerzan por combinar el bien personal y el colectivo. --Luis Lopezllera, Col. Tlaxpana, Mexico City, Mexico

Thank you for the *Hometown Money* book! It is wonderful!! I love the philosophy behind the money and I hope to see Hamilton-Wentworth HOURS in the very near future. We really need local currency here in Hamilton. I feel that your idea may well revolutionize, peacefully and positively, the economy of North America and eventually the world. --June Caskey, Hamilton, Ontario, Canada

*Kingston HOURS are freeing us from the artificial constraints of the dollar economy that strangle initiative. Whereas the modern corporate world extracts dollars and eliminates jobs, local currencies create jobs, improve lives, reinvigorate community. Unlike dollars, local money cannot be removed from the community. It and its value must remain where it is produced. In contrast, dollars rapidly leave to line the pockets of those with far more than they need.*

HELLO, EVERYONE in the HOUR Money Network! We are close to printing 3,000 units of our first scrip. We're open to hearing about how startups have gone for folks and how you keep the ball rolling. --Andrea Dulmage, Prince George, British Columbia, Canada

I really felt happy to discover your system, which gave support to my ideas. I'm trying to start a similar system called El Banco Sin Dinero, based on your response to poverty, with solidarity, cooperativism, productivity, self-esteem in order to get a better living standard, which is quite low in this country. I feel your experience will be very valuable to us. --Cecilia Contreras, Caracas, Venezuela

# LETTERS

I heard about your community currency this morning on NPR. I would like to get a copy of your book. I am a municipal bond analyst with St. Louis-based A.G. Edwards and Sons, and I am curious about the economic impact of your community money. In particular, I would like to try to quantify the impact to see if could be considered in the bond rating process. Any additional information you have of that nature would also be appreciated. ---Patrick S. Early, Clayton MO

I am writing to you on behalf of the Ford Foundation. The Ithaca HOURS program has been suggested to us as having the potential to receive a \$100,000 Innovations in American Government Award. I strongly encourage you to apply for this award.

--William Parent, Cambridge, MA.

Family & Children's Service would like to request a grant of Ithaca HOURS ~ for our youth services program. Our Dispositional Alternatives Program works with at-risk youth aged 7-16, who need support to improve some areas of their life including family, school and community bonds. We use individual and group activities to help youth feel better about themselves and their role in the community. Unfortunately these activities often cost money and our funds are extremely limited. Ithaca HOURS would be a great way for DAP youth to have access to activities and lessons. By learning to dance, draw or play and instrument or sport, young people can discover untapped talent and improve their feelings of self worth. Ithaca HOURS teach that all people's skills are valuable to a community. ---Lisa Wernick, Family Caseworker

Four of our WOMANSHARE barter network members went to UN Women's Conference in Beijing. One presented WOMANSHARE at the grassroots tent, and another did a presentation on the Peace Train from Helsinki to Beijing that carried 250 women from 42 nations across 8 frontiers to the Conference. They both reported that the concept of alternative currencies and service exchange systems caught on like wildfire with people from extremely diverse home origins. People were coming up to them throughout the conference asking for more information. --Diana McCourt, New York City

I am pleased to inform you that the Cottonwood Foundation has selected HOUR Town to receive a grant of \$500. Our Board is impressed with how your organization combines protecting the environment, promoting cultural diversity, empowering people to meet their basic needs, and relying on volunteers. --Paul Moss, White Bear Lake, Minnesota

There is a great need for a barter system in this community, which is a tourist town and the prices for most things are inflated, ranging from food, to rent, to labor and medical services. Our project M.A.N.A. has been providing emergency food to people in this area since 1991. Enclosed is a \$25.00 check for your Hometown Money book.

I read about Ithaca HOURS in the Whole Earth Review. Here is a check for your book. This is surely what the United States has needed for a long time. --Tom Todd, Kalamazoo, Michigan

Enclosed is payment for your book. Community

currency seems like a great way to keep wealth in the area and determine how self-sufficient a region really is. This can indirectly lead to greater self-sufficiency for local communities, giving people more control over their lives. --Ken Moskwa, Lakewood, Ohio

What you have accomplished has taken courage and concern and is of deep interest to us here in Newport and to others around the world. My colleagues and myself have been involved in establishing fair and just trading in accordance with our traditions, namely the teaching of the Prophet Muhammad, peace of Allah be upon him. The similarities with what you are doing are striking and at the same time it must be said that in certain very important ways Ithaca HOURS is an inspiration for us.

We would very much like to meet with you. I enclose two silver dirhams which are part of the free currency which our people use and which we mint ourselves. --Mahmud Lund, Newport, Rhode Island

--[REPLY] We respect that Islam does not permit usury. Our local money is lent without interest charges.

Currently the richest and most powerful one-fifth of the world's population controls 82.7% of the wealth, while the poorest and least powerful three-fifths of the population possesses only 5.7% of the wealth. As a result, the poorest three-fifths are suffering in increasing numbers from lack of adequate food, housing, health care and education, and from an unhealthy environment - poisoned air, water and soil. --John Conner, the Center for Grassroots Christian Communities, Clarksville, MD.

I recently read an article regarding the HOUR barter system developed in Ithaca. I would like to receive further information on HOURS. --Peggy Johnson, Director, House Democratic Policy Staff, Michigan House of Representatives, Lansing, Michigan

I am a municipal administration consultant to local governments in the state of Pennsylvania and as such am always looking for new and innovative ideas to pass on to the communities with which I work. Please send information about HOURS. --Leo LaChance, Sr., PA Dept of Community Affairs, Erie, Pennsylvania

Could you please send info on Ithaca HOURS? I am a Green Party activist and we want to work on an alternate money system here. Believe this is essential to take control back from banks & the Federal Reserve. --Catherine Powell, San Francisco, CA.

I heard about your community currency this morning on NPR. I would like to get a copy of your book. I am a municipal bond analyst with St. Louis-based A.G. Edwards and Sons, and I am curious about the economic impact of your community money. In particular, I would like to try to quantify the impact to see if could be considered in the bond rating process. Any additional information you have of that nature would also be appreciated. --Patrick S. Early, Clayton MO

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I am running for the presidency of Zaire, and am Chancellor ~ of International Christian University of Zaire. We are desperate with our staff, professors and students, because the money in Zaire is almost wall paper money. We want to explore your ideas. Would



please inform us on what must be done? We are targeting 70,000 villages in 9 regions. --Dr. Stephen Nzita

Greetings from the Museum of American Financial History in New York City. I read with interest the New York Times article from Sunday January 21, 1996 about your Ithaca Hours currency, and we are interested in acquiring some for the Museum's collection. We are interested in any samples and advertising information you have available. We would also like some information about the Hometown Money book. --Meg Ventruccio, New York City

Since we ordered the *Hometown Money* book several weeks ago we've found an enthusiastic neighborhood center which will help get our project off the ground. We're getting together an organizing committee of 10-15 people to come up with currency prototypes and do extensive outreach. I'm hoping a newsletter will be up and running here in early spring... Many thanks to you for continuing advice.

--Robert McClure, Madison, Wisconsin

I'm very excited about the potential for a village-wide program something like yours. Enclosed, find a check for \$25. Please send me your book. Thanks for having the courage and fortitude and skills to accomplish such an awesome program. --Betsy Bott, Richmond, Virginia

This program seems to be an ideal way for me to work a small amount of hours, enrich my life with some new human interaction, apply my worth into doing some work, and get some financial benefit as well. I desire to clean house, cook, run errands w/my car, house sit, animal sit, mow lawns, shovel snow, read the Bible to anyone, clean windows-garages-cars-boats, be a waitress at your party... no heavy lifting. List me for whatever you think will get me used and paid; I'll even volunteer for no pay if there is a need. May your considerations always put Jesus Christ in front of all other things. --Leslie Benjamin, Van Etten, New York

Hardwick once again leads the way, with Buffalo Mountain Hours, as the first Vermont community to join the growing numbers of cities and towns around the world with highly successful barter currencies. As more and more people join community barter currencies, making more and more goods and services available, locally-owned stores begin accepting the currency as partial or full payment.

This enables them to make sales and gain spending power they wouldn't otherwise have. By trading with each other, we become more familiar with our neighbor's needs and abilities, heightening our sense of real community and local self-reliance. --Buffalo Mountain Hours Newsletter, Hardwick, Vermont

I was quite excited to discover your system of HOURS. My wife is a natural at the art of exchanging services. She is currently using it to refurbish a building on our little main street to house her beauty salon and a tearoom. We live in a town of 950 residents and the economy is in need of a boost. An organized system like yours could prove to be very successful here.

Brian Hart, Crossville, Illinois

Community currency seems like a great way to keep wealth in the area and determine how self-sufficient a region really is. This can indirectly lead to greater self-sufficiency for local communities, giving people more control over their lives. --Ken Moskwa, Lakewood, Ohio

I am active in the Greenfield-Northampton-Amherst local currency-- Valley Dollars--, V\$. I wanted to let you know that I have started up a discussion group on local currency in the Utne Cafe, available through the WWW. If you are interested, I could use a few more enthusiastic voices, and differing angles on local currency --Richard Witty, Greenfield, Massachusetts

I recently read an article regarding the HOUR barter system developed in Ithaca. I would like to receive further information on HOUR Town. --Peggy Johnson, Director, House Democratic Policy Staff, Michigan House of Representatives, Lansing, Michigan

I am a municipal administration consultant to local governments in the state of Pennsylvania and as such am always looking for new and innovative ideas to pass on to the communities with which I work. Please send information about Ithaca HOURS. --Leo LaChance, Sr., PA Dept of Community Affairs, Erie, Pennsylvania

I would like to be listed in *HOUR Town*. I have provided compost service in the Ithaca area for almost one year and have been receiving Ithaca HOURS in pay. I did have a couple of questions concerning where I live and my eligibility to be a part of Ithaca HOURS. I'm within a 30-mile radius, and I work and barter and buy there. Am I still eligible outside a 20-mile radius [the Ithaca Time Zone]? I also am wondering if Common Place Land Trust in Truxton could accept and exchange HOURS. CPLT is a member of Alternatives Credit Union and various other organizations in the area. Again, we are a bit beyond the city limits but would like to be a part of a monetary exchange which reflects our concerns. --- Martha Strunk, Truxton, NY

---[REPLY] Martha, you're a welcome participant in Ithaca HOURS. The sign-up and bonus payments are made to people within 20 miles of Ithaca because we were getting requests for sign-up HOURS from people all over the country. But it's great to hear you've been earning and spending HOURS, and your listing appears in this issue of *HOUR Town*.

When banks leave low-income areas, high-cost services move in, further eroding the spending dollar of poor and low-income families, who already pay a disproportionate share of their income renting rat-infested apartments and shopping at overpriced grocery stores.

I'm quite sure any middle class economics professor can justify why this should happen to low-income people with nice equations and algorithms. Then the poor throw in a new equation to the marketplace, called RIOTS. Then the government throws the marketplace out of the window, placate the poor and moves on. It worked in the French revolution, it worked in the Russian revolution, and it works here. Frankly, I prefer business to remember it is better to OPTIMIZE profits than maximize them and stop building a two-tiered society where a decreasing percentage of people have all the wealth and an increasing number of people nurse their feelings of injustice by creating perverted theories of 'a new world order' and bivouac in the woods.

Does this scenario sound familiar to anyone? Making lots of money by leaving an increasing percentage of the American population by the wayside makes no sense -- they extra money people make gets spent in buying bulletproof cars and security guards. --- RacialJustaol.com

I appreciate your assistance in our attempts to develop a community currency for Appleton, Wisconsin. --Monk Elmer, M.D.



# HOUR Supply

## The following measures tightened the supply:

- We made a list of offers for which HOURS would no longer be paid, in order to balance the list and encourage greater diversity. We discovered an excess of math tutors, for example. This was followed by a Priority List of offers for which HOURS would be paid.

- Early in 1994, we switched to 2 HOURS sign-up payment, then paying 4 HOURS bonus when people sent in the coupon after 8 months, and resuming 2 HOUR bonus payments each 8 months thereafter.

## The following measures expanded the supply:

- Later in 1994, HOUR grants increased to 10% of non-grant HOURS issued.

- Starting mid-1995, One HOUR was paid to everyone who mailed the coupon, whether offering something from the Priority List or not. We asked that people expect to live in Ithaca at least one year.

## Providing enough HOURS

The HOUR's aim is to help people create work they like, and to fulfill the environmental and social benefits of local trading. To do this we seek to provide the right number of HOURS. We want enough HOURS issued so people can easily trade with each other, and we want to issue these gradually enough so that businesses have enough time to learn to use the greater quantities of HOURS they lend to receive. Each retailer sets an HOUR rate which fits their expanding capacity to spend HOURS.

At the same time, so many people have been accepting HOURS for so many purposes, without even being listed, that the HOUR supply is

spread widely. This is great, because it gives deeper foundation and stability to our money. But as a result, nearly everyone says they can use more HOURS than they receive.

1. Keep spending your HOURS rather than saving them. HOURS need to be spent to do their good work of helping us help each other. All HOURS are needed to circulate, to touch more hands. HOURS earn community interest (job creation, local self-reliance and pride, funding community organizations, making zero-interest loans) rather than bank interest.

2. Diversify your spending-- spread the wealth. If you'd like help selecting a wider variety of Ithaca Money goods and services, or need something that's not yet on the list, just call us. Homebaked food and homemade clothes are some of the list's largest categories.

3. Just ask anyone! to accept your HOUR/S. at stores, garage sales, loans to friends, for rent, anything. Then show them this trading list. Asking stores to accept HOURS is an important way to expand our business base. **Retailers are more willing to start accepting HOURS when several of their customers have asked politely.**

## Retailers and HOURS

The 500 businesses accepting HOURS expand the credibility and stability of our money. Most of these businesses are accepting HOURS for 100% of price, but we encourage storefront retailers to start taking HOURS are a small part of purchase price-- 1/4 HR, 1/2 HR, 25%, and so on. This is because *their high profile makes them likelier to earn HOURS faster, and we want them to have enough time to learn to spend more. High volume shops like grocery stores must limit how they take HOURS, or else they'd soon have nearly all of the HOURS.*

Sometimes we've even restrained merchants from taking HOURS for full price, so that they could prove their ability to spend what they received. Each merchant has different lifestyle and overhead, which determines how fast they can spend HOURS. Dozens of merchants have expanded their HOUR rate as they discover more ways to use them.

You can help businesses to spend their HOURS, helping them accept at a greater rate, by:

- 1) Offering to accept HOURS in change.
- 2) Introducing yourself and what you'd provide for HOURS.

- 3) Offering to accept HOURS as part pay, if you're an employee. And many people have said they want to use HOURS to show support for the local economy, but that they're already working full time.

4. Buy HOURS [\$10.00 each] from retailers and anyone who has some, when you don't have many. This keeps the HOURS moving. Good places to buy HOURS lately are at GreenStar, AFCU, Turback's, Andy's Third Street Café, Autumn Leaves Books, Farmers' Market vendors.

# more about HOUR Issuance

It doesn't matter how much currency you print. Whether a garage-full or briefcase-full, your money gains respect according to how it's *issued*. When you issue it systematically and carefully, backed by a varied catalog of goods and services, people will trust it.

Our aim is to provide enough HOURS to help people create work they like and to fulfill the environmental and social benefits of local trading. To do this we seek to provide the right number of HOURS. We want enough HOURS issued so people can easily trade with each other, and we want to issue these gradually enough so that businesses have enough time to learn to use the greater quantities of HOURS they tend to receive. Each retailer sets an HOUR rate which fits their expanding capacity to spend HOURS.

Therefore HOURS are issued gradually and carefully, in reasonable relation to the variety of goods and services listed in the HOUR directory.

As more people gradually learn more ways to spend widely, balancing the circulation, then more HOURS can be issued as grants and interest-free loans. That's how the supply expands significantly. It's an evolutionary process.

If it's issued randomly it will be treated like toilet paper. So I'd emphasize, again, that the money is issued as *payment* to those who join the trading list. It is *not given away* to them.

## Here are some suggested guidelines:

1. Start by issuing a small equal amount to each person, business, nonprofit or government agency, say \$50 value, in several denominations, when they agree to be listed in the directory.

That makes it harder to gather a pile of HOURS. But HOURS are made for spending rather than saving. They earn community interest by being spent, rather than bank interest in a bank.

As you build a list of individuals and home-based businesses, more local retailers will join because they see potential loyal customers with extra cash to spend.

To me, it has been important to issue most HOURS through **individuals** since their listings in the directory enable them to trade among one another, rather than dump all their HOURS on retailers. The faster HOURS are issued, the more networking effort to help businesses circulate them satisfactorily.

These first HOURS are payment for:

A) Being a published backer of Ithaca HOURS. When people join the trading list they're

providing the first service to the trading community.

B) Answering phone inquiries.

C) Accepting HOURS for full or part payment.

D) Keeping listings and phone number up-to-date started making 2 HOUR **bonus** payments to

2. We sent an annual **bonus payment** of 2 HOURS to people who reaffirmed their willingness to continue accepting HOURS. Sending in the coupon every year is regarded as optional-- no one is removed from the list for not sending in the coupon again, but we called periodically to make sure their phone number, email and listing/s were still accurate.

3. Put a strict limit on the total amount of HOURS issued to the currency **system** itself, say 5%. Paying your office and networkers with HOURS would quickly inflate the money supply. Networkers can instead earn HOURS by ad sales commissions, from advertisers who pay with local cash.

4. Cap HOUR **grants to nonprofit groups** at 10% of all HOURS otherwise issued. We look forward to capitalizing community projects also. If a community is ready overnight to trade HOURS for half of what they sell, then it could work already. Perhaps Madison has this capacity, but we have been finding that people learn gradually, and that businesses are generally especially needing to go slowly. They have suppliers who accept only dollars.

5. Limit HOUR **loans** to 10% of all HOURS otherwise issued, plus 25% of total HOUR loans repaid.

6. Sell HOURS to **tourists**. This expands the HOUR supply when they're sold by the HOUR system and then spent. Most tourists will take their HOURS home, though.

Businesses do not need lots of HOURS issued to them-- their motivation to participate is to gain more loyal customers. Their continued participation depends on having individuals and home-based businesses where they can spend the HOURS they've received. If it's mainly business-to-business then somebody will earn far more than they can spend.

I especially recommend that food and other prominent retailers start by taking a small part of purchase price in HOURS, and expand their HOUR acceptance rate gradually if they wish. Emphasize that they're always in control of the HOUR process, and that you're ready to help them locate ways to spend the HOURS they receive, if they need help.

When high-profile retail participants get into the habit of needing more HOURS, the HOUR's credibility is safe and the system is sound. You're then in a position to expand the local money supply gradually until the day arrives when there is "enough" local money circulating to make sure every eats well, is well housed and educated. But again, this is a gradual process.

Were 20 HOURS issued to each person they might try to spend them more readily, but people would soon accept them less readily. Your food stores would quickly get overrun.

So the HOURS need to be issued at a rate that the community has proven able to spend them. Too fast and it's like dumping 20" of rain overnight. Rain is necessary, but too much too fast washes the soil away.

To issue HOURS in one giant lump is like dumping 20" of rain in one day, rather than over several months. The grassroots can't absorb it, people are flooded, and the system washes away.

But we've seen HOUR issuance more as gradual irrigation for healthy growth, like rainfall distributed throughout a season. Were the entire year's rain to fall in one week, soil and seeds would be washed away.

So we issue HOURS gradually person-by-person, retaining a rough link between the number of people backing HOURS and the number of HOURS circulating.

But, by limiting the amount of currency out in the community, aren't we playing the same game that the Federal Reserve Board plays?

This is a different game. We are issuing the money according to policies made by local people. We don't charge interest for loans. We make grants to community organizations rather than to oil companies. The money is backed by labor rather than capital and debt. HOURS connect people. Dollars control people.

#### **The following measures expand the supply:**

Early in 1994, we switched to 2 HOURS sign-up payment, then paying 4 HOURS bonus when people sent in the coupon after 8 months, and resuming 2 HOUR bonus payments each 8 months thereafter.

So many people have been accepting HOURS for so many purposes, without even being listed, that the HOUR supply is spread widely. This is great, because it gives deeper foundation and stability to our money. But as a result, nearly everyone says they can use more HOURS than they receive. Three main things can be done about this. First is to spend HOURS promptly. Second is to ask businesses to participate, to expand our retail base. Third is to open our own local currency store. When these gain speed, we'll be able to expand our money supply at a faster rate.

#### **The following measures tightened the supply:**

We made a list of offers for which HOURS would no longer be paid, in order to balance the list and encourage greater diversity. This was followed by a Priority List of offers for which HOURS would be paid.

HOUR issuance soon became more restricted,

slowing the rate of issue, and how we've recently made HOURS slightly easier to find.

The key to success is therefore measured issuance + daily networking.

After six years we were trading probably \$700,000 of HOURS per year, which is a good start for a small town. But it took us a while to get there. So be patient, be happy, have fun.

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#### **The golden rules followed in Ithaca are:**

Just keep welcoming the people who understand local currency and agree with its aims (fair pay, new jobs & businesses, higher minimum wage, shopping locally, friendly ecological economics), and gracefully let the others pass by until they're ready.

Your traders should understand that this process is gradual, expanding at the rate the community embraces local money, rather than an instant solution. During the first years most people's trading will likely come through calling each other and saying, "I see on the HOUR list that you offer breadbaking. What I do is woodworking, so I wondered whether we could try a an exchange-- if you need any cabinets or repair. If it suits us both, maybe we could work something out on a regular basis."

Adam Smith said, "Labor was the first price, the original purchase money that was paid for all things. It was not by gold or by silver, but by labour, that all the wealth of the world was originally purchased."



# HOW TO HANDLE ENROLLMENTS

- CALL SENDER to verify phone number.
  - ASK THEM ABOUT THE OFFER/S.
- Clarify (what kind/s of bread, price per loaf; what kind of massage, price per session, etc.)
- IF THEY'RE OFFERING ONE-TIME Good/s (refrigerator, futon, blender; etc) get details of brand name, condition, and price in HOURS.
  - ASK CASUALLY WHETHER THEY EXPECT TO BE IN ITHACA FOR AT LEAST A YEAR.
- IF YES: 'Welcome to the Ithaca Time Zone. We'll be sending you some local cash, and more background information.' \*
- IF NO: tell them we welcome their listing, but that we ask people intend to live in the Ithaca area at least one year before accepting a sign up payment. We'll send them some information about how to earn HOURS and wish them good luck.

- IF PHONE DOESN'T ANSWER, do not leave a message on machine
  - IF AFTER SEVERAL CALLS WITH NO ANSWER, at different times of day, leave a message on machine asking to be called.
- call (or if no message machine), file coupon among paperclip DORMANT coupons in Payment drawer.

## • DISBURSE HOURS

- One HOUR if offer not on priority list
- One HOUR if renewal bonus (every four issues) for offers not on priority list.
- Two HOURS if offers on priority list. (First priority bonus is 4 HOURS)
- Two HOURS if second or subsequent bonus on priority list.
- Two HOURS if nonpriority signup or bonus payment at a Potluck.
- Three HOURS if priority signup or priority renewal bonus at a Potluck (2 + 1 HR Potluck bonus).
- Four HOURS if first renewal bonus on priority list.
- Five HOURS if first renewal bonus on priority list at a Potluck (4 + 1 HR Potluck bonus)
- Issue as many HOUR denominations to each person as possible (One HOUR = Half + Quarter + 2 Eighths), so they can see as many notes as possible. If issuing 3 or more HOURS, include a Beverly J. Martin commemorative.
- ON DISBURSEMENT SHEET, write serial numbers, total HOURS, name, phone.
- Stamp the DATE OF ISSUE on back of each note (lower left).
- Stamp the DATE OF ISSUE on coupon. Write in the number of HOURS paid.
- PUT HOURS IN ADDRESSED ENVELOPE, inside folded "Here Are Your HOURS" sheet.
- If One HOUR paid, use "Here is Your HOUR"

sheet, with return address on envelope. These are found in the computer as "Payment," and the months (June-July, August-September, etc.) are changed for each issue.

- Write the NUMBER OF HOURS OF NEXT RENEWAL BONUS PAYMENT due them when they've been listed in *Hour Town* four issues, in space provided.
  - Write the *Hour Town* ISSUE NUMBER when this payment is due, in space provided.
  - INCLUDE "FINDING HOUR WORK" sheet (cartoon side facing up).
  - INCLUDE yellow HOURS ACCEPTED sign behind the HOUR notes.
  - INCLUDE SHEET SHOWING HOURS AND THEIR \$\$ VALUE, if a storefront business. This is a reference sheet for clerks.
  - SEAL ENVELOPE, STAMP, MAIL.
  - THEN PUT COUPON ON NEW LISTINGS! CHANGES CLIPBOARD.
  - PUT E-MAIL ADDRESS (if any) on E-MAIL/LOCAL SHEET for later transfer to computer text file EMAIL HOURS USERS. ENTER EACH EMAIL ADDRESS in your bulk mailer.
  - IF OFFER IS A STOREFRONT BUSINESS. put their name and address on the NEW LISTINGS MAILING LIST clipboard. They'll receive mailings showing the latest listings.
  - ENTER COUPON INFORMATION INTO ALPHALIST (Filemaker) file, for next issue of ITHACA MONEY, soon before paste-up.
  - Find and replace +++ (three pluses) from prior ALPHALIST (under EDIT menu) Replace with ++ (two pluses). Enter new listings
  - ENTER +++ (triple plus means listing is new, appearing for the first time)
  - OFFER: (keyword first: descriptive info: business name: e-mail if any)
  - NAME: (first name, and last name if checked yes on coupon)
  - PHONE NUMBER
  - LAST NAME: (for all coupons; this doesn't show in newspaper)
  - ISSUE NUMBER; (the Ithaca Money issue number in which their listing/s will first appear).
  - One-time goods, like stove or car, have a G here instead of a number.
- BACK UP ALPHALISTS TWICE, BACK-UP ONE COPY OFFSITE.
- AFTER COUPONS ARE ENTERED, store them in folders, by issue number.

# AGREEMENT

[illegible]

enter serial numbers

Seeking to expand the business base of HOUR acceptane, we keep a priority list of businesses we'd like to connect to the sytem:

[illegible]

**This flyer enfolds the HOURS issued and mailed:**

---

# *Here are your Ithaca HOURS,*

as payment for your agreement  
to accept HOURS for your goods and services.

Your listings will appear in the next issue of  
 *HOUR Town*, and all thereafter.

By accepting these HOURS you're also agreeing to  
keep your listings and phone number up-to-date,  
by calling Ithaca HOURS at \_\_\_\_\_ or \_@\_\_\_\_\_

**The HOUR** is Ithaca's \$10.00 bill

**The Half HOUR** is Ithaca's \$5.00 bill

**The Quarter HOUR** is Ithaca's \$2.50 note

**The Eighth HOUR** is Ithaca's \$1.25 note

**The Two HOUR** is Ithaca's \$20.00 bill

When you've been on the list for one year you may receive a renewal bonus  
of \_\_\_\_ HOURS by mailing the coupon again.

You can also get this bonus when issue number is published.

Your participation allows us to make grants of HOURS to community organizations,  
totaling .suet people like you. Decisions about grants, loans, and issuance of HOURS  
are made at the Barter Potlucks, by any participants present.

**Barter Potlucks** are 15th of each month,  
6-8 pm at GreenStar Co-op, 701 W. Buffalo St.

We are gradually and carefully expanding the supply of Ithaca HOURS.

During these early years of HOUR use, much of your barter income  
will come from calling others and offering to swap goods and services.

Tell your friends you accept HOURS, and mention HOURS in other advertising you  
may do. We're intending to open an HOUR store,  
where your goods and services can be displayed.

Barter income of professional goods and services is taxable at fair market value.

. Casual barter income, as between family, friends and neighbors, is not taxed.

## *Welcome to the Ithaca Time Zone!*

HOUR change can be made at the HOUR Bank: Autumn Leaves Used Books.

Worn or torn notes can be exchanged at the HOUR Bank also.

**Please call us if you have any suggestions or questions.**

# HOUR Grants

accept Ithaca HOURS, you contribute to this process.

HOURS are symbolic of the spirit of this small city, because both community and HOURS thrive on generosity. Ithaca's little valley, with just 30,000 residents, maintains nonprofit theatres, credit unions, organic farms, farmer's markets, land trusts, skating rink and pools, magnificent parks, community gardens, churches, service clubs, senior and youth programs, art galleries and shows, the Sciencenter, Nature Center, Ithaca Festival, Grassroots Festival, sports leagues, alternative schooling and healing, an ecovillage, a major food co-op, the Tompkins County Museum, historic preservation, public libraries and the Library Booksale, community centers, bicycle & computer donations, unions, revolving loan funds, extensive recycling, Challenge Industries, food pantries, the Community School of Music and Arts, RSVP, local merchants who donate to dozens of causes, and dozens more public service and political organizations which promote quality childcare and apprenticeships, and fair treatment of the poor, and which oppose racism and war, pollution, highways and sprawl.

Most all of these depend on staff paid below profit-sector wages, and they depend on volunteers. Take away their generosity of time and we'd have a dismal mining camp rather than a community. We'd have desperate people competing for scarce dollars rather than discovering each other as resources. We'd have children without hope or fun.

We can't put a dollar value on what's great about Ithaca. But we can add HOUR value to this generosity of time. Since we began creating HOURS together, donations of HOURS to more than 100 local organizations. This is 11% of the HOURS issued other than as grants, and it's just the start. When you

## Grantmaking Procedures

An HOUR grant process is simple.

- A nonprofit organization sends a letter describing how it would spend an HOUR grant.
- The group declares its willingness to accept HOURS for its services and events.
- The Barter Potluck (or Advisory Board or Board of Directors) considers the community benefits of the group's work.
- It's considered whether the group would spend HOURS widely rather than just at one place.
- If the grant is approved, the group is asked to spend the HOURS within six months or to return them.
- The group is asked to report how they spent their HOURS.
- Our grant capacity was 11% of all HOURS issued other than as grants, plus 75% of the value of HOUR loans repaid.



# HOUR Grant Requests

Over the decades, Ithaca HOURS has made grants to over 100 community organizations. They applied by sending a letter stating how they could spend the HOURS, and enclosing a brochure. Simple. Some requests:

The **Task Force on Battered Women** is very pleased and appreciative to be considered for an Ithaca HOURS grant. There are many ways that our agency could use Ithaca Money services, with the shelter being the top of the list. Among the services that would be most useful in the shelter are:

- Sewing (large curtains for the playroom),
- House cleaning (several HOURS for overall job),
- House repairs, Yard work (summer lawn mowing)

The office staff very badly needs computer lessons also!

Thanks for considering the **Displaced Homemaker's Center** for a grant. Below is a list of what the Center may use the grant for: computer consulting, computer instruction, desktop publishing, publicity, public relations, newsletters for women who use our services, car repair, carpentry, child care, food, lawyer, women's health troubleshooting

I am writing to request a grant of Ithaca HOURS for the **West Haven Community Garden**, a new community garden being planted on EcoVillage land. The garden will be open to the Ithaca community, with outreach directed mainly at West Hill. All gardening will be according to NOFA (Northeast Organic Farming Association) standards, without diemical pesticides or fertilizers. Use of a plot will include organic gardening advice for those used to relying on chemicals for pest control and fertility.

Part of the organic philosophy is to feed the soil, not the plants. One excellent way to achieve this goal is to compost food scraps and manure. We have found a source of manure that will transport it to us for three HOURS per half pickup full. We could use as much of this as possible. We will be able to get a few HOURS donated by gardeners, but not enough for the quantity of manure required to support the project.

I am writing to ask for a grant of Ithaca HOURS for **The Friendship Center**. The Friendship Center recently started a program help homeless and needy individuals to participate in activities that they normally would not have the chance to do. Some of the

activities planned are joining a softball league, bowling, having a plot at the community gardens and going to the movie theater. A donation of Ithaca HOURS will help pay for the cost of some of these activities and help pay for the cost of food that is provided at some activities.

Volunteers play an important part in this and all Friendship Center activities. By giving volunteers Ithaca HOURS this would help the Friendship Center to say thank you to the many who help out on a regular basis.

**Ithaca Rape Crisis** would greatly appreciate a grant of Ithaca HOURS to our agency. We would be particularly interested in computer, carpentry, and interior painting. I've enclosed a copy of our brochure to explain our services. Thank you for thinking of IRC at your barter potluck.

We would like to apply for a grant of 20 HOURS to help with outreach activities of our recently formed group, **MAGPY (Mothers and Grandmothers Protecting Youth)**. In spite of our name, men and non-parents are active members of our group. We are concerned with the increasing use of heavy drugs by young people and the related crime and violence involving drug dealers from out-of-town. We want to send a dual message to the community: First, violence and heavy drugs have no place in Ithaca. Secondly, we want to promote positive alternatives for young people, especially activities which build self esteem and hope for the future.

We are currently planning one or two block parties for young people. We would like to hire local bands for these events. As part of this outreach, and also to send a clear message to drug dealers, we are planning a community-wide march in September. We would use HOURS to hire bands to play, for graphics and related publicity expenses; and to purchase materials for youth programs.

**Offender Aid and Restoration** of Tompkins County would like to apply for a local agency grant from Ithaca Money. As always, we are struggling for funds and our clients are not the most popular among donors. We could use Ithaca HOURS for grant writing and consulting, publicity, newsletters, and computer assistance. Enclosed is a copy of our current Mission and Program Statement.

Thank you for considering a gift of 20 Ithaca HOURS. As you probably know, the **Sciencenter** is a hands-on science museum due to open next month at the corner of First and Franklin Streets. The museum has been built by 95% volunteer labor-- everything from the foundation to the exhibits.

Our needs for volunteer and/ or bartered labor will continue: construction volunteers, museum floor help, landscape maintenance, and cabinetry or carpentry needs.

# HOUR Grant Thanks

To become eligible for further HOUR grants, we asked groups to tell us how they spent them. Simple. A sample of thank-you letters received:

**Greater Ithaca Activities Center** would like to thank you for the grant of Ithaca HOURS that we received in October. We spent these HOURS at Papa Jim's to purchase games and multicultural activity books, for advertising consulting services for the adult basketball league, and for landscaping consulting services for the beautification of the Alex Haley Municipal Pool. The HOURS we received helped us continue to expand the variety of our programs while using local talent and resources.

If there is an opportunity to receive another grant of Ithaca HOURS, we would be very interested. Current needs that could be met with Ithaca HOURS include sewing and materials for uniforms for our Campfire Club, and additional consulting services for the landscaping of the new Alex Hale Municipal Pool. This service project is being carried out by a group of 23 teens in one of our programs. The teens will be doing the labor and are working with a local landscaper to help draw up plans for the site. Once again we would like to thank you for the help you have given us in serving the greater Ithaca community.

Dear Ithaca HOURS Folks,

Please add **CUSLAR** to your list of Ithaca HOUR success stories! Thanks to our HOURS grant, CUSLAR (Committee on U.S./Latin American Relations) hired George Torres and Lisa Rosenthal to perform a benefit concert of Mexican music. The concert helped us raise some cash and we got George excited about the whole HOURS system (Lisa's already an old pro). We've also bought more Books for our Latin America library from Autumn Leaves bookstore (with HOURS of course). Now we're looking to hire people who can help us design a new logo and make a brochure. Once again, thanks for your support.

Thanks for considering continued support to our community here at the **Displaced Homemakers Center**. We hope to use a donation to update our Legal Project handout materials and redesign our first Legal Project brochure for public distribution. Thanks for considering our request and for your fine contributions to Ithaca.

It was very nice talking with you on the

phone last week-- thanks for the barter idea concerning the kitchen. As we discussed, I am writing to thank you for your donation of Ithaca HOURS to the Displaced Homemakers Center. DHC has been providing assistance to women and men for fifteen years, helping people define their interests, find jobs, pursue further education, access legal information and obtain emotional support.

Using Ithaca money frees up our staff to provide more involved one-to-one work, helping people move positively through their lives toward goals and dreams.

We traded with a number of people for a variety of services. Specifically, office coverage @\$7/hour: \$75 Computer work @\$10/hour: \$40 General help at our annual Sri Lankan dinner @\$10/hour: \$10, updating of our Lawyer Referral Chart @\$10/ hour.

Dear Friends:

**Ithaca Rape Crisis** wants to again thank you for the use of 20 Ithaca HOURS. We used this for much needed computer program updates. Enclosed is the list of expenditures. If anything else is needed please call at the above business number. Thank you.

Dear Ithaca HOURS Barter Potluck,

As you are probably aware, **Stop Wal-Mart** is a grassroots organization fighting an economic Goliath which wishes to set up one of its vacuum cleaners in Ithaca. Since we are a short lived, one-issue campaign, many avenues of fundraising are not open to us: most foundations require a year's lead time for funding grants. Up to now we have been primarily been relying on contributions from individuals. The people of Ithaca have been generous, but we have not come near the spending ability of Wal-Mart.

We have received donations of Ithaca HOURS and have used them for a variety of uses. We have been able to pay for copy costs; computer time to create leaflets, brochures, etc.; and to repay out-of-pocket expenditures by individuals with HOURS.

Our sincere thanks to Ithaca HOURS for the donation of 20 HOURS worth of Ithaca HOURS to the **Senior Citizens Center**. We used the HOURS to pay for professional graphics and layout for a brochure for our new Health Insurance Education Program. This program offers people age 65 and older assistance in understanding health insurance issues in later life. This past summer 12 volunteers were trained to provide assistance. The program is operating on an extremely small budget. The Ithaca money was a great help to us in being able to promote this program.

# HOURLoans

Control of money is more important to democracy than voting. That's because, to a large extent, control of money decides where jobs are available and for how long. Control of money decides who owns land and what gets built. Control of money decides what is legal and what's a crime. Control of money decides who lives well and who struggles. And ultimately, control of money decides who lives longer and who dies sooner.

In the United States, most money is controlled by boards of directors of the largest banking, investment and manufacturing corporations, through the Federal Reserve Board, which controls interest rates.

The people of Ithaca are among the few citizens to directly control money, because we print our own money and we decide who gets it. We reward those who back HOURS by being listed in *HOURL Town*. We make grants of HOURS to local groups. And we make loans without charging interest.

HOURL loans up to 50 HOURS (\$500) were first made available in 1993, two years after the system began. Such small loans are known as microloans, and are seldom provided by commercial banks.

Applicants are asked how they would use the loan, how they would earn HOURS, and were sometimes asked to offer collateral. They repaid monthly, starting six months after the loan was made. HOURS were accepted for full repayment. When they did not have enough HOURS for the monthly payment, dollars were accepted. Repayment with barter was considered.

The Barter Potluck first decided that HOURL loans outstanding may total as much as 5% of all the HOURS issued other than as loans. At that time, with 5,598 HOURS issued other than as loans outstanding, 280 HOURS (\$2,800) were available for issuance as loans.

As the lending system proved reliable, the loan cap was raised to 10% of all HOURS issued other than as loans + 25% of the value of HOURL loans repaid. This policy helped replenish the supply of HOURS that tourists had taken away.

HOURL loans are made without interest charges. The better kind of interest HOURS earn is community interest: the trade value and human value added to our community by using new money that connects us to each other. When left in banks, HOURS don't earn minutes. They earn community interest when we spend them.

This is our fundamental monetary revolution. Commercial lending is a treadmill, requiring that principle + interest be repaid, even though there are not enough dollars circulating to extinguish total debt. As a result, more people fall deeper in debt to bankers every day. Many bankers themselves make bad loans, and go into

debt to their shareholders.

Lending money interest-free has not only economic benefit but spiritual benefit. The Bible, Torah and Koran all prohibited lending money at interest. As one letter writer said, *"In some sixty years of study of Holy Scripture and of the economic forces that bear on humanity I have drawn certain conclusions about what sort of economic policy God had in mind for man and, in my judgement, your plans and efforts are 100% in agreement with His plan, even though you may not credit God as being the author of that plan."* --Alonzo Heron, St. Louis, Missouri

We also intended to capitalize community projects. The first large loan was made to Alternatives Federal Credit Union. Here's the report from *HOURL Town*, May 2000:

Alternatives Federal Credit Union/CUSO received \$30,000 in the form of 3,000 Ithaca HOURS. The HOURS will be spent to pay 5% of contract work for building the credit union's new headquarters at State and Fulton Streets.

"Alternatives Federal Credit Union pioneered HOURL use, since HOURS were first issued in 1991," said Bill Myers, manager of the credit union. "HOURS complement our mission of local re-investment." Myers says the credit union will spend the HOURS for plumbing, carpentry, electric work, and a wide range of other services, among about two dozen area contractors.

"This is by far the largest of the 31 loans we have made thus far," said Dan Cogan, President of the Board of Ithaca HOURS, Inc. "It is a large step beyond our usual microloans of 10 to 100 HOURS" (\$100 to \$1,000). The AFCU loan will be repaid over ten years. The Ithaca HOURL system does not charge interest on loans. "The benefits of local currency loans spread throughout the entire community," he said, "The whole community earns community interest when accepting HOURS."

Cogan says that the expanded use of local currency could enable the community to accomplish additional work that dollars are less readily available for. He gave such examples as protecting local farmland, financing small business incubators, solar power, transportation alternatives, building low-cost innovative housing.

HOURL Board Vicepresident LeGrace Benson said, "We've gradually and carefully expanded the HOURL supply, to make sure they circulate well," she said. "However, because of major media exposure, many HOURS have been taken from Ithaca as souvenirs. So this exceptionally large loan will quickly replenish the supply of HOURS."

"We are requesting tax-deductible donations of dollars to administer the expansion and take it to the next level. While many of our system expenses can be purchased with HOURS, it would still be inflationary to pay all our costs with HOURS. While we're working to make the network strong enough to rely entirely on HOURS we need bridge money."

# Local Currency Law

HOURS may not look like dollars, and people must report the dollar value of professional trades, as taxable income. News media have repeatedly contacted the IRS and Federal Reserve Board for their opinion of local paper money, and have always been told that it is not illegal. The book by Lewis Solomon (*Rethinking Our Centralized Monetary System: the Case for Local Currency*, Praetor, 1996) includes an extensive case law description of the legality of local currency. Solomon is professor of legal research at George Washington University.

*"As long as local currency is pegged to the dollar they do not affect the fact that the monetary policy for the United States is set by the Federal Reserve System. Instead, it is acting very much like a bank, enabling borrowing and lending to occur that might not otherwise. It is quite likely that local currency is making people better off."* —Warren Weber, Senior Research Officer, FRB of Minneapolis, letter, 7/2/91. Stan Mangel of the FRB of Kansas City says that *"as long as local currency does not look like dollars, its highly unlikely we'd ever become remotely interested."* (Denver Post 9/20/94). In fact, a reporter for the Federal Reserve Bank of Cleveland came to visit us. After a pleasant conversation on our porch, she wrote a favorable story for their newsletter.

## WHAT ABOUT TAXES?

by Bob LeRoy, Bob LeRoy Accounting Service

Upon first hearing about the Ithaca HOUR alternative currency system, some folks are concerned about the legality of HOURS use. Many have come to me for accountant's advice about the handling of HOURS. I will summarize here the reassurances & pointers I have given them all verbally.

**HOURS ARE CASH.** Though the printed notes are not monotonously green like the paper cash most of us are used to, they are certainly a form of cash. Each 1 HOUR is assigned a clear, specific conversion value of ten dollars in U.S. currency, and this cash value is what is used for tax purposes.

**TREAT HOURS LIKE CASH!** There is ABSOLUTELY NO REASON to file any Internal Revenue Service forms relating to "barter transactions" for your HOURS activity. If your HOURS earning or spending for business purposes then the cash value of HOURS income gets mixed in with all other income, and the cash value of HOURS expended gets mixed in with all other expenses.

**WHENEVER YOU RECEIVE AN HOUR,** ask yourself: "if this were a \$10 dollar bill, would I report it as taxable income and pay tax on it?" If the answer is "yes", then add \$10 to your taxable business income and pay tax on it; otherwise ignore it on your tax returns.

**AND YOU THOUGHT THIS WAS ROCKET SCIENCE!** Well, it's not. The above is all you REALLY need to know about HOURS legality. The currency itself is perfectly legitimate. Remember that the simple fact that an HOUR is passing through your hands says NOTHING about taxability; it's the PURPOSE of the HOURS transaction which tells you what to do (just as with 10 dollar bills!). For instance, if you somehow convinced your city hall to accept a 1/2 HOUR for a parking ticket, that cost would NOT be a tax-deductible expense, exactly as its not a tax-deductible expense when it's paid with a 5 dollar bill.

**ACCOUNTING FOR HOURS** is not rocket science either, Income-type purposes and expense type purposes get sorted out and categorized in business records just like before, with no new complications added on those levels. What you now have, though, are simply two flavors of cash: vanilla & chocolate (well, let's say vanilla or carob). The U.S. currency & the HOURS do need to get totalled separately (though they both will form a part of the single "cash" assets line in any business balance sheet) - - mainly because HOURS can't get included in bank deposits, except to a very limited extent at Alternatives Federal Credit Union. Ledgers which previously had separate columns for "checks received," "credit cards received" and cash received, would now ideally add one more column for "HOURS received." If there is already a ledger or simple list where petty cash spending (money paid out in U.S. currency, not by check or credit card) is recorded, then Ithaca HOURS spending may be recorded there too, simply asterisking or marking in some way (or putting into a 2nd column) those payouts which are via HOURS; there will always be 2 ending balances of petty cash remaining, one for U.S. money and one for HOURS.

**IF YOU TAKE HOURS HOME FOR PERSONAL USE.** just replace them from the cash register with dollars from your own pocket.

**CASH REGISTER REORGANIZING** is minimal. All cash registers seem to have tray slots for \$20, \$10, \$5 & \$1 bills. The simplest approach to filing away Ithaca HOURS collected at a retail business is to slide the 2 HOUR notes underneath the \$20 bills, the HOUR notes under the \$10 bills, 1/2 HOURS under the \$5 bills, 1/8th HOURS (= \$1.25) under the \$1 bills. That's all easy to keep track of. Only the 1/4 HOUR notes (\$2.50) remain, to be stored in whatever other slot seems uniquely convenient in your own cash register.

**WHENEVER YOU SPEND AN HOUR,** ask yourself: "if this were a 10 dollar bill, would I report it as a deductible expense and thus lower my taxable income?" If the answer is "yes", then add \$10 to the specific kind of deductible expenses involved; otherwise ignore it on your tax returns.



# Asserting Local Currency Legality

Occasionally there are attempts to intimidate independent currency issue. Bernard Von Nothaus was convicted in 2011 for issuing Liberty Dollars-- coins backed by silver that significantly resemble United States money.

Lawyer Bill Rounds replied, "Congress [has] the power to punish counterfeiting the coins that they themselves produce, and probably to punish coins resembling genuine United States coins. Again, there is absolutely no mention of private coinage. In fact, the definition of private coinage is that it is not the current coin of the United States. Therefore, Congress has no authority over private coinage at all and neither does any other branch."

The book *"Rethinking Our Centralized Monetary System: the Case for Local Currencies"* by Lewis Solomon, professor of legal research at George Washington University, details legal precedent permitting private money.

Here follows a sample letter to be signed by a congressman. It can be sent to any official who threatens free trade.

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We understand that you have considered drafting a law that could prohibit all private monies, believing that, like Liberty Dollars, they challenge the primacy of Federal Reserve Notes.

I'd like to offer certain distinctions between Liberty Dollars and various community credit systems with which I am familiar.

Liberty Dollars confronted the United States seignorage privilege by minting gold and silver coins, using the same mottos, declaring these dollars, and seeking to replace the United States dollar nationwide.

Within my district (NY-26), by contrast, we have seen significant economic benefits by trading Ithaca HOURS.

This taxable paper currency, valued at \$10/hour of basic labor, has facilitated millions of dollars of trade among thousands of individuals and over 500 businesses. By stimulating extra trade, it has added to sales tax revenue.

The stability of a national currency depends ultimately on the vitality of village and neighborhood economies. Therefore, HOURS strengthen the

United States dollar by bringing into productive use many local skills and labor time that is not employed by the formal economy. And by so doing the network serves as an incubator for new businesses and jobs. Moreover, this supplemental currency has created discretionary income that has stimulated further millions worth of taxable transaction in the retail economy.

Ithaca HOURS, in six denominations, look entirely distinct from Federal Reserve Notes. This colorful cash features local children, waterfalls, trolley cars. Issued within a 20-mile radius, they serve as a local boost to dollar trade, not a national replacement.

Among their advocates are the Tompkins County Chamber of Commerce. HOURS have been reviewed favorably by the Wall Street Journal, Forbes, Business Roundtable, and the newsletter of the Federal Reserve Board of Cleveland. The public voice of HOURS for several years was a former economics professor and Federal Reserve researcher, who managed accounts for the International Monetary Fund.

There are many other types of supplemental credits circulating in our country. Disney Dollars transact in the Magic Kingdom. Thousands of merchants nationwide issue promotional store notes, and many downtown districts issue Downtown Dollars. There are various online credit systems like LETS (Local Economic Trading System) and ITEK business-to-business credits, whose transactions may be accessed by the IRS for taxation.

They are mere modest mortar reinforcing the brick walls of commerce. **Indeed, their aim is not to replace dollars, but to replace lack of dollars.**

Such currencies are approved in many other countries worldwide, from Germany and France and Britain, to Thailand, Argentina and even the People's Republic of China. The Swiss trade nearly \$2 billion of WIR yearly, among 60,000 businesses.

Multinational corporations exchange promissory notes for multimillion-dollar-value barter. An estimated half of global commerce is cashless.

Our Federal government's greater concern should be taxability. I believe that if swapping printed jelly beans adds to federal revenue we should not restrain that trade.

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## Community groups print Local (and Legal) Currencies

--Wall Street Journal (6/27/96)

*"At the Fine Line Printing shop in Ithaca, NY, crisp new 1996 bills are coming off presses. Valued at about \$6,000 and bearing an engraving of a steamboat, they will be stashed under lock and key at the local credit union until someone stamps them with serial numbers. Then they will begin circulating through the local economy as perfectly legal-- and taxable-- wages, rent payments, mortgage fees and pocket change."*

# FUNDRAISING

## YOU'LL NEED DOLLARS FOR:

- **STAFF. To KEEP COSTS LOW:** Live simply, with imagination. Rely on volunteers, and reward them with parties and compliments.
- **PRINTING NEWSPAPER. To KEEP COSTS LOW:** Publish your barter list in an existing penny saver or newspaper. They already have both the staff and equipment and ad sales, and it would boost their circulation. You could provide "camera-ready" pages, or they could do pasteup for you.
- **PHOTOCOPYING. To KEEP COSTS LOW:** Arrange with a church, business or friend for donation, or trade for copies.
- **COMPUTER. To KEEP COSTS LOW:** Get a secondhand unit. Barter. Post a notice or classified. Major computer companies like Macintosh and TBM donate computers to community organizations.
- **ART SUPPLIES. To KEEP COSTS LOW:** Ask donations from local newspapers and ad agencies.
- **TRANSPORTATION. To KEEP COSTS LOW:** Bicycles are more efficient for multiple quick visits within a close radius. Within ten blocks I have access to borrowed computers, photocopying, libraries, and most of my advertisers. We even distribute our newspaper on a 4-wheel cycle. My transportation costs during the past 2.5 years have totalled \$500.

## SOURCES OF MONEY:

- **AD SALES:** *Hour Town's* full page ads (10"x16") cost \$400, half page (10"x 8") \$200, quarter page \$100, eighth \$50, sixteenth \$30, and business card \$20. Prices slightly lower after first insertion. We accepted full payment in *HOURS* when advertisers had them. Over 300 businesses advertised in the paper, and some of them were regulars. We printed 5,000 copies.
- **SIGN-UP FEES:** We charge \$10.00 (or equivalent in *HOURS*) for five one-line listings, which last as long as the person wants it. This is a small but significant income.
- **SUBSCRIPTIONS:** We charged \$10.00/year (six issues) to home-deliver *Hour Town*.
- **FOUNDATIONS:** Most foundations, especially the largest, usually only grant to organizations with tax-exempt 501 (c) 3 status. You can incorporate and apply, which takes at least several months, and/or you can get a sympathetic local group with this status to act as your fiscal sponsor. The sponsor usually takes 5-10% of any grant, as their payment for letting you present yourself as one of their projects, and for doing the bookkeeping. There are some foundations which grant to individuals or groups without tax-exempt status.

There are national, regional, state and

local foundations, but most grant according to their "area/s of interest." The Foundation Directory and other books list foundations and indicate who, what, and how much each foundation will grant. Some foundations provide application forms. Others want you to introduce your project in a letter, then they'd write you to invite a full application if interested in your work. Ask your local librarian for help finding these directories on behalf of your local currency/barter project might include: economic development; women; single parents; cottage industry; unemployment; underemployment; poverty; youth; seniors; small business; crafts; energy efficiency; environment; labor; sustainable agriculture; barter; monetary reform; shopping locally; community self-reliance, etc. Your grant proposal can highlight each theme according to the donors area/s of interest.

## GOVERNMENT

**Federal:** Check the Federal Directory of Grants. Ithaca HOURS were a project of Alternatives Federal Credit Union, which employed a VISTA volunteer through the National Federation of Community Development Credit Unions. In Australia, the federal government granted thousands of dollars for development of LETS, a computer barter system.

• **State:** Check the State Handbook for your state. Explore especially within economic of development. Ask your state representatives.

• **Local:** During the Great Depression many local governments supported barter posts. You might request use of a storefront the city has acquired by tax default.

**CHURCHES:** Find out from ministers, pastors and/or office staff about grant programs. Some churches have a Social Action Committee which will listen to and can support your request.

Catholic Campaign for Human Development makes grants in every diocese. Here's a statement of their purpose: "Proposals are sought for projects, organized and governed by low-income people, seeking economic and/or social strength and self-determination in their communities. The projects should address the basic causes of poverty and work to change unjust social structures."

**CHAMBERS OF COMMERCE:** Local currency can become a significant host to local small business. Some chambers have a Small Business Council, and larger cities may have additional specialty business associations.

**ANGELS:** These are wealthy people who are enthusiastic about local currency and who want to make it happen. Show them a budget and ask.

**BENEFITS:** Dinners, musical events, movie festivals, Barter Faires, car washes, carnivals, ice cream socials, block parties. Every town has someone who has organized such events. Ask around. Events need to be well publicized.

Remember, your community needs more income, people need to feel productive, and valuable to each other-- they need your help, and they want to help you help them. Good luck!

## Stimulate Trade

These next pages show several ways to encourage more trading. We display categories from the list that would be useful to people who are landlords, parents, throwing a party, hungry, and so on. We invite people to ask for HOUR change from businesses which have HOURS. We publish a cross-reference list occasionally. We create Personal Shopping Lists (PSLs) for people who earn lots of HOURS.

## Hey, Let's Eat!

Here's food homemade in Ithaca,  
available for HOURS.

HOUR Town has sampled most,

**ALL ARE DELICIOUS!**

see FOOD: bread, baklava, cakes, candy,  
cider, cookies, corn, deli goods, desserts,  
falafel, fruits, granola, honey, jams,  
knishes, lamb, maple syrup, pies,  
samosas, sausage, seitan, soups,  
spnikopita, subs, tempeh, tofu meatballs,  
vegetables, wine.

*SEE ALSO* baking, cooking,  
catering, edible Plant Walks

## Hey, Landlord!

When you accept HOURS  
as part of rent payment,  
you can spend them to buy:  
architectural design, banking, block laying,  
landscaping, bricklaying, business cards,  
business consulting, cabinetmaking, carpentry,  
check bounce fees, concrete pouring, curtains,  
crane services, drywall finishing, electrical  
supplies and electricians, engineering of heating  
and air conditioning, gardening & weeding,  
house cleaning, insurance analysis, labor,  
landscaping, lawyers, lumber, mailboxes,  
masonry, metalwork, painting, photography,  
plumbing, real estate appraisals & listings,  
roofing, sheet metal work, signs, stained glass,  
tax law and returns, trash hauling and removal,  
trees, trucking, wallpapering, welding window  
cleaning, and plenty more!

There are hundreds of additional ways  
to spend them for personal use.

## Hey, Let's Party!

Your HOURS can purchase:

baking, baskets, belly dancing performances,  
billiard supplies, body oils, bowling, cake  
decorating, calligraphy, candles, catering, child  
care, children's parties (storytelling, magic,  
juggling, music), cooking, costume design, cottage  
on lake, dance lessons, dance performances,  
dartboards, drums, errands, fire walking,  
flowers, food, games, guitar player, house  
cleaning, keyboard player, lighting design,  
limousine rides, magician, music performances  
(drummer, fiddle, flute, glass harmonica, guitar,  
organ, pennywhistle, piano, recorder, saxophone,  
singing), music tapes, palmistry parties, piano  
tuning, poems, pool cues, posters, recycling,  
singing telegrams, storytelling, toys,  
videotaping, wine, wine tastings, and more.

## Let's Get Romantic with HOURS!

bed & breakfasts, boat rides, concerts, dance  
lessons, desserts, flowers, gifts, haircuts, hot tub  
rental, jewelry, limousine, manicures, movie  
tickets, nudist park, restaurants, sailing club  
membership, theatre tickets,  
wedding invitation design, wine

## Ask for HOUR Change

Even when you're not regularly earning Ithaca  
HOURS, you can be an important participant in  
this community-enrichment system. Just ask for  
Ithaca HOURS as part of your change.

GreenStar Co-op cashiers will have HOURS  
handy, as do wait staff at Turback's Restaurant  
and most other 200 HOUR businesses (see  
display ads). Taking HOUR change makes  
social change, by moving our money through the  
community, to do its work.

You'll find HOURS easy to spend for thousands  
of goods and over 300 services on this list. And  
plenty more people take HOURS who're not  
listed.

*Just Ask Anyone!*

When you spend your  
HOURS you let other  
people use them.  
They'll come back!

# Promote Circulation

## **We Use HOURS Because:**

Many people don't get enough dollars from regular jobs. So HOURS help us hire each other to get what we need. HOURS assert that everybody deserves to be paid at least the average wage in Tompkins County [\$10/hour/1991], regardless of race, education or gender. Society benefits when all of us have the dignity of sufficient income from honest labor. Many businesses don't have enough sales because their clients don't have enough dollars. HOURS provide more money, dedicated to local commerce. Grants of HOURS help community organizations which have fewer dollars than usual. HOURS promote the production of locally-made goods and the hiring of local services. Use of local talent decreases transportation fuel use. HOURS are real money, backed by real people, real time, real tools and talent. HOURS stay within Ithaca, increasing our control of the social and environmental effects of commerce. HOURS honor things we respect, like Ithaca's natural beauty, our children, and local farms and crafts. They're fun!

## **We Are Rich When We Hire Each other**

### **We're paid more than money**

When we shop locally we get more control over jobs and prices, more control over food quality, more control over environmental effects and labor conditions. We start new businesses and create more jobs for kids, parents and retirees. We feel prouder for getting paid to use our skills and hobbies. We export more goods, keep wealth local, and set good examples for other cities. We increase friendly trade and can meet new friends.

**We are making a community while making a living.**

## **HOURS Support**

### **Local Organic Agriculture**

The many Ithacans who earn below \$6.00 per hour can't afford local organic food. We're forced to buy poisoned food from California and Mexico. When we earn an HOUR (\$10.00) per hour, which can only be spent locally, we can afford local organic food. Thus, HOURS expand the market for locally-grown.

## **Farm Work**

As the Quarter HOUR says, Finger lakes farms are planting Ithaca's future. Creating fresh clean food for local sale, while enriching soil, is the most essential work being done hereabouts. Without these farms, and their expanding regional market, future generations of Ithacans will be hungrier, and less healthy. All other work is important, but less fundamental. Fields are being plowed now, and planted soon, so farmers will be hiring. Some of the larger Farmers' Market vendors will be able to pay a full HOUR per hour of your sweat-- the highest farm labor wages in the world. Others will be able to pay just a Half HOUR per hour, which is more than they themselves earn. That's because state and local tax policies, California water policy, federal subsidies, stripmining of land, monocropping and costs of credit allow agribusiness to sell us imported food cheaper.

Whether working for an HOUR or Half HOUR per hour, helping can a farm is still a bargain. You get good exercise in the countryside, you benefit the environment, and you learn where life comes from. To find out who is hiring with HOURS, call Margaret at 277-\_\_\_\_, or ask at the Farmers Market. Most farmers will let you bring a tent if you want to stay a few days. Some have extra housing.

## **Stop Job Layoffs, Use Ithaca HOURS**

During the Great Depression many cities had few dollars to pay employees. Therefore, some cities printed their own local money. City employees could spend it at local stores. Anyone who accepted the city's money could use it to pay taxes.

Their local money benefited everybody: city employees got paid instead of fired, local stores got more customers, city government got more sales tax, and taxpayers retained city services without paying higher taxes.

During the present Great Recession, Ithaca could declare it would accept HOURS for tax payment, at the suggested rate of \$10.00 per HOUR, then pay them as wages. Spreading HOURS among all employees (maybe to 5%) would save the jobs being cut, and increase the proportion of tax dollars re-spent locally. HOURS can also be spent in the private sector, saving jobs and encouraging use of a currency dedicated to local commerce.



# Balanced Circulation

As local money is issued, the local currency networker/s keep alert with how HOURS are circulating. They're constantly on the street asking 'How's it going?' and offering to help people spend. This ensures that a few people are not overloaded and that many people benefit.

Just as national currencies have armies of brokers promoting, facilitating and troubleshooting circulation, every local currency needs at least one person on the street, to do these.

Whenever we see an accumulation of more than 2% of the total HOUR supply at any one place, we help that person/business to spend them faster. If the accumulation persists, we'll recommend steering spending HOURS around that point. If such an accumulation still persists, we recommend a tightening of the HOUR supply, by changing HOUR issuance policy.

When HOURS are moving well all over town, we recommend expanding the HOUR supply at a faster rate.

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## FIRST: expand the variety of ways local money can be spent

With more spending choices, people are more able and likely to spend diversely. By adding to the trading list businesses, individuals, nonprofits, local government agencies. Call and visit retailers. Make it easy for people to enroll via your website, by mail and email, at specified stores, and at public events like festivals, public meetings and farmers' markets.

**HOURS Are Backed By:**  
Hundreds of businesses  
Dozens of Community Organizations  
Several major local institutions

## Hospital Accepts HOURS

When the Cayuga Medical Center was at a standoff with Blue Cross about reimbursement rates, and competing with a regional medical center, we asked CMC to give Health Alliance members a discount, and accept local currency. They agreed. This benefited them—they became identified more strongly as the community's medical center, got bills paid which might otherwise have gone unpaid, and soon found themselves being interviewed on national television.

## HOURS Accepted for Child Support

Child support may be paid with Ithaca HOURS to the extent agreed by both parents, according to Judge John Kelleher, Hearing Examiner.

This opportunity was arranged through the Community Dispute Resolution Center. According to Rita Linger, Visitation-Custody coordinator for CDRC, "there have been several requests for the use of HOURS for child support. HOURS can reduce the large amount

of non-compliance by fathers."

## HOURS Accepted for Rent

At least a dozen people are paying part of their rent with HOURS. Call us if you'd like your landlord to accept HOURS from you. We'll send landlords a package of HOUR information, and follow up. Just ask ANYone!

## HOURS Approved by Department of Social Services

HOURS earned do not count as income that decreases eligibility for social services.

## Transit system Accepts HOURS

TOMPKINS CONSOLIDATED AREA TRANSIT:

**WHEREAS**, Ithaca Hours, Inc. has asked the TCAT Board to consider acceptance of Ithaca Hours from TCAT passengers as partial payment for TCAT bus rides, and

**WHEREAS**, the mission of Ithaca Hours, Inc. is to support the local economy by keeping money in the community, and

**WHEREAS**, TCAT's acceptance of Ithaca Hours is likely to promote increased ridership among Ithaca Hours members and users, and

**WHEREAS**, the TCAT Board wishes to begin TCAT's participation in Ithaca Hours on a limited basis, with the TCAT Board periodically reviewing TCAT's participation to determine if it should expand the opportunities for passengers to use Ithaca Hours,

**NOW, THEREFORE, be it RESOLVED**, that the TCAT Board authorizes TCAT to become a member of Ithaca Hours, Inc., and to accept up to one-half (1/2) of an Ithaca Hour (1/2 Ithaca Hour = \$5.00) as partial payment for a monthly bus pass, with the balance of the pass cost paid in U.S. currency.

## Public Library Accepts HOURS

Tompkins County Public Library accepts HOURS for full price of overdue fines.

## City government could accept local currency for taxes

During the Great Depression many cities had few dollars to pay employees. Therefore, some cities printed their own local money. City employees could spend it at local stores. Anyone who accepted the city's money could use it to pay taxes.

The local money benefited everybody: city employees got paid instead of fired, local stores got more customers, city government got more sales tax, and taxpayers retained city services without paying higher taxes. During the present Great Recession, cities and counties could declare they would accept local currency for part of taxes, then pay them for part of wages.

Spreading HOURS among all employees (maybe to 5% of total each paycheck) would save the jobs being cut, and increase the proportion of tax dollars re-spnt locally. Such wages would be an employee option, upon approval by the union. HOURS can also be paid in the private sector, saving jobs and encouraging use of a currency dedicated to local commerce.

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## SECOND:

## Promote new trading partners

During their first years, HOURS are made for spending rather than saving. The more hands they

touch, the stronger they get. HOURS need to be spent to do their good work of helping us help each other. All HOURS are needed to circulate, to touch more hands. HOURS earn community interest (job creation, local self-reliance and pride, funding community organizations, making zero-interest loans) rather than bank interest.

### **When you Spend Widely, You Expand HOUR Supply!**

Some folks will be content to spend their money with just one or two favorite retailers. Encourage varied spending. Here are some promotional notes:

#### **Spread 'em around!**

The more hands they touch,  
the stronger they get.  
And you're doing nicely now!

### ***Just ask anyone! to accept your HOURS.***

There are many people who support the system but who are not able to be listed. Some buy HOURS from the HOUR Bank, to provide dollars for printing.

Buy HOURS (\$10.00 each) from retailers. When you shop at an HOUR store, ask the merchant how well they're spending HOURS, and offer your services. Most merchants are doing well, and your interest encourages them.

### **Grocers Accept HOURS**

Grocery stores are a special case. Were they to take HOURS for full price, they'd quickly receive all the HOURS in town. They should be asked to accept local money for a small part of a larger price. Say 1/4 HOUR for a purchase of \$10 or \$20.

Here are ways that HOUR traders can help grocers:

1. Buy HOURS from the front desk, then spend them.
2. Accept HOURS for foo you sell the grocer.
3. Offer to do odd jobs for HOURS.

4. Accept HOURS as part of your paycheck, if employed by a grocer. If each employee took One HOUR per paycheck, the grocer could expand its HOURS acceptance rate. When you apply for a grocery job, mention that you'll be willing to accept at least One HOUR per paycheck.

5. Ask for HOURS as change.

### **Creating Jobs by Spending HOURS**

According to our summer phone survey,, our estimate is that each HOUR trades every 20 days. That's \$953,560 of HOUR trading per year, or the equivalent of 48 jobs at \$20,000 each for 1996.

Many retailers have said they'd consider accepting HOURS if people asked. And they start to consider HOURS seriously after several customers ask them about HOURS. So when you go into any store or trade with anyone, ask them if they'll accept HOURS for at least part price, then show the list.

Nearly everyone says they can use more HOURS than they receive. Two things can be done about this. First is to spend HOURS promptly. Second is to ask businesses to participate, to expand our retail base.

The available HOURS are so widespread lately that many of the established businesses are seeing FEWER HOURS than before. Most of the HOURS seem to be circulating in the informal sector, even without

reference to the trading list: odd jobs, garage sales, rent payments, loans between friends, poker games, businesses not on the list, allowance for kids, tips, donations to beggars, everything. This is what was hoped for.

We reached a point where we could create new mechanisms for safely issuing more HOURS more readily, to meet demand. At the same time, there are a good number of HOUR loans outstanding, which we can recall to reduce supply. Our Health Alliance likewise allows us to pull many HOURS from circulation as people pay memberships with HOURS. There are people we can call on to buy HOURS from anyone who has accumulated more than they can readily spend, to help spread the HOURS around.

### **When you spend HOURS they put people to work, and then come back to you.**

People who have accepted HOURS are committed to spending them, to get their value back. They will bump the next people in line, and the process will pick up. It's gradual, but it has been happening here the longer that people get used to trading HOURS. They teach each other.

You can emphasize that this revolution happens every time they spend and earn HOURS. It's not overnight; it grows like a young forest.

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## **THIRD: Personal Shopping Lists**

Pay especially close attention to your prominent retailers. When they say they're getting more HOURS than they can spend, help them learn to spend more. During several years I made dozens of Personal Shopping Lists for businesses that wondered how to spend their HOURS. I'd show them a \$100 bill and offer to buy 10 HOURS from them if they'd sit with me for a half hour to review the list.

As the list was read to them line by line, they were asked to say "yes!" when they heard something they'd like for themselves, their business, their family or friends.

Repeatedly this converted them from reluctant participants to enthusiastic spenders. One of them said afterward, "I can't get enough HOURS."

We'd also make a list of things they'd need that aren't on the list so far. Sometimes they can provide you their vendor list.

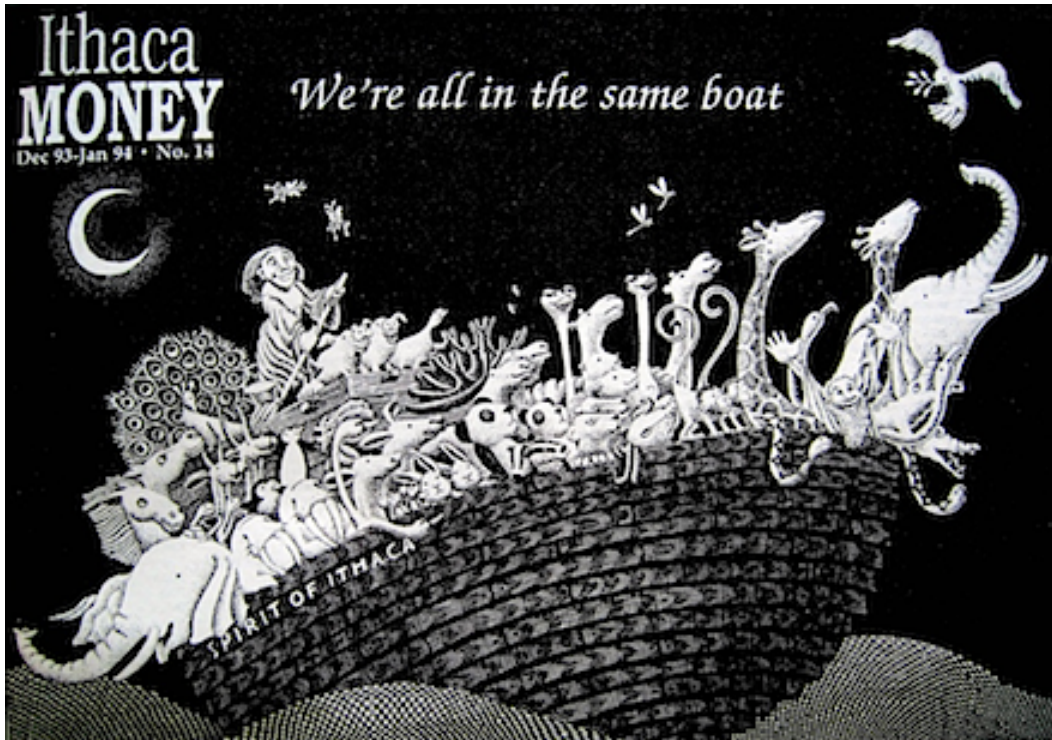
If these don't suffice to balance HOUR income and spending, encourage them to reduce the rate at which they accept HOURS. That is, taking them as a smaller part of purchase price.

We'd also make a list of things they'd need that aren't on the list so far.

## **Intertrade Between Currencies**

At the broadest levels of local currency trading, larger accrediting agencies would be needed to monitor the value and integrity of each currency. To keep things simple and manageable, (and to prevent replicating the abuses of national currency) we recommend that intertrading of local currencies be formalized only between the systems of comparable size, which operate nearby each other.

illustration by Susan Simon • [susansimon.com](http://susansimon.com)



The seasons of parties and presents offer essential gifts that can't be bought in stores: family, friendship, community and beauty. At their best, holidays renew our humanity and make us feel welcome on earth. They are opportunities to relax together, trading gifts which connect us.

Bartering promotes gift-giving that strengthens local businesses, and stimulates new employment that encourages creativity and job satisfaction. Systematic barter gradually develops a mutual trading system that can independently finance whatever community projects we may need. Barter expands commerce that respects the planet.

But to the extent that our holidays have become compulsory shopping contests, however, they harm us instead. They feed an economy which thrives by tearing the earth apart, filling landfills. They waste wealth.

### **Genuine giving asks questions like these:**

- \* What does the gift teach and encourage?
- \* Is the gift made with craft and pride?
- \* Is the gift sold by a locally-owned, community-minded shop?
- \* Are employees fairly paid?
- \* Will purchase enrich our region's mutual trade, or deplete us by exporting hard-earned money?
- \* What raw materials is the gift made of? Is it durable and recyclable? Would the gift remain useful or soon be discarded? Does its manufacture respect animals, plants, water and soil?

Responsible gift-sharing heals and satisfies. It serves human desires older than Christmas, and as creative as the first new year.

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## **Shop the HOUR Catalog**

Thousands of gifts-- delicious homebaked food, fabulous arts and crafts, over 300 health, home, entertainment and other services-- are found in *HOUR Town*. All are available for swaps and/or HOURS. Most people on the HOUR list are willing to create a gift certificate. Call us up and give us a try. Support each other and the businesses which participate on this list: give the gift of community.

# **Here's how to introduce your favorite business to HOURS:**

You've got some HOURS and you'd like to spend them with a locally-owned business. Tell them that:

## **HOURS are an Easy, no-risk promotion for your business:**

The 500 businesses accepting Ithaca HOURS (worth \$10.00 each) get increased sales and loyalty from customers who earn HOURS. HOURS are local money, dedicated to local commerce: 11,000 HOURS (\$110,000) have been gradually and carefully issued since 1991, trading millions value. HOURS increase consumer confidence and spending power.

## **You're in total control of how many HOURS you accept:**

Some shops take HOURS as 100% of the price for goods and services. Some take HOURS as 25% or 50%: others 3 HOURS maximum per purchase, 2 HOURS max, 1 HOUR max, 1/2 HOUR max, 1/4 HOUR max. We recommend you start accepting HOURS as a small part of the purchase, so that HOURS are earned gradually. You can change this rate at any time. Most HOURS businesses have expanded their rate.

## **No risk:**

Just spend HOURS as you receive them. Some have earned and spent hundreds of HOURS (thousands of dollars). We're ready to help you connect to spend them, at no extra charge.

## **Easy accounting:**

No special accounting is required. HOURS can be held in petty cash (as "undeposited funds") or bought from your register with personal cash/check, to be carried in your wallet for personal and business uses. Each HOURS is taxable as \$10.00 income. Collect sales tax in dollars.

## **They're legal:**

HOURS have been cleared by the IRS, Federal Reserve Board, Treasury Department, Secret Service and FBI. During the Great Depression, 400 communities printed their own money. Counterfeiting of HOURS would be punishable as felony forgery, by up to seven years in jail.

## **They're easy to spend:**

HOURS can purchase thousands of goods and over 300 services.

## **And they're famous!**

Ithaca HOURS have been featured by most major national media. We bring them to participating stores for interviews.

# **If you could attract 2,000 local customers with \$1,000,000 in expanded spending power, would you take their money?**

## **All you need to do is to accept HOURS!**

HOURS are legal local currency; 10,000 HOURS (\$100,000) have been carefully and systematically issued by serial number since 1991. More than 2,000 residents of the Ithaca area, including 500 businesses have been accepting and spending HOURS for millions of dollars trading.

### **What is an HOUR worth?**

*One HOUR is valued at one hour of basic labor or \$10.00. There are five other denominations:  
2 HRS (\$20); 1/2 HR (\$5);  
1/4 HR (\$2.50); 1/8 HR (\$1.25), 1/10 HR (\$1.00)*

### **Are HOURS legal?**

*Local paper currency is legal as long as it does not look like U.S. currency, and is reported as taxable when appropriate. Media inquiries to the Treasury Department, the IRS, Federal Reserve Board, and Secret Service have found no problems with HOURS.*

### **What does it cost me?**

*Absolutely nothing!  
Accepting HOURS is a risk-free promotion.*

*If you agree to be published in the HOUR Town directory as a backer of HOURS, the system pays you two HOURS (\$20.00) and donates your list business card ad in the directory.*

### **How do I spend HOURS?**

*Thousands of goods and services can be purchased with HOURS. Our staff will be glad to guide you through the HOUR Town directory as you decide how best to spend HOURS.*



### **What if I get flooded with HOURS?**

*You are in total control of how many HOURS you accept. Businesses range from setting a maximum per purchase to accepting 100% HOURS. Get a few, spend a few. The HOUR staff can suggest a rate that's best for you.*

### **Will taking HOURS make more accounting work for me?**

*No special accounting is required. HOURS are counted just like cash. If a transaction is taxable, collect sales tax in U.S.*

**Call Today!**

**HOUR Town**

(607) \_\_\_\_\_

email@ithacahours.\_\_\_\_

## **Happy HOURS:**

"By accepting HOURS. I have introduced my business to a large number of new customers and enjoyed many other benefits. Besides necessities (locally-grown produce, landscaping, carpentry, plumbing, cleaning). I find myself using HOURS for small luxuries I could not otherwise afford."

**Michael Turback ,  
Turback's Restaurant**

"I started my massage business and got a small loan of HOURS for a brochure and advertising. I borrowed only what I needed and it's interest-free. Several clients pay in HOURS and I spend HOURS with others who provide services. I like that HOURS stay in the community."

**LaBerta McGruder,  
owner, Bird's Back**

"Alternatives Federal Credit Union has decided to hold as many as 500 HOURS (\$5,000) at any one time as payment for mortgage & loan fees. So far we've been spending HOURS as fast we can get them."

**Bill Myers, mgr. AFCU**

"There are a lot of people who could not join a health club without the HOURS they're earning." It's opened up a whole new market for me.

**Toni Lieb,  
City Health Club**

"HOURS... stabilize the livelihood of small scale, freelance cottage industries. That's important because so many people in Ithaca are not nine-to-fivers."

**Bob LeRoy. accountant**

**member. Tompkins County Chamber of Commerce since 1994**



# How Retailers Spend HOURS

## For Your Business:

accounting, advertisements, architecture, auto repair, autos, bank fees (AFCU), block laying, bookkeeping, business cards, business consulting, calligraphy, car repair, carpentry, cash register repair, check book balancing, cleaning supplies, computers (8: accessories Sr consulting & internet & repair), concrete pouring, copyediting, curtains, database management, desktop publishing, drywalling, electrical supplies and electricians, engineering for HVAC, errands, fax services and repair, flowers, food and catering for company picnics, furniture & repair, grant writing, graphic design, greeting cards, handyman, house/ office cleaning, illustration, indexing, insurance analysis, interior painting and renovation, investment planning, labor, landscaping, lawn mowing, lawyers, lightbulbs, lighting design, loan fees (AFCU), mailing list services, meeting room space, moving & packing, murals, music tapes, office work & organizing, painting, patent research, payroll preparation, photography, plants & care, plumbing, publicity, public speaking lessons, recycling, roofing, rubber stamps, signs, stationery, stone (cut), transcribing, tax law Sz: returns, towels: continuous roll, trophies, trucking, typing, upholstery, videotaping, welding, window cleaning, woodwork, word processing and writing.

## Yourself, Family, Friends and Home:

appliance repair, auto repair, autos, babysitting, books, bowling, carpentry, Cayuga Nature Center membership, child care, children's parties, clothes, cooking, counseling, electricians, food, garage sales, gardening, GIFTS, haircuts, healing (acupuncture, chiropractor, etc), health clubs, language lessons (see by language), massage, mediation, movies, music instrument lessons (see by instrument), pet sitting/ walking, plumbers, psychologists, restaurants, rototilling, Sciencenter membership, sewing, shoes, singing telegrams, stained glass, telephone repair, tires, toothpaste, tree surgery, TV removal, VCR programming lessons, veterinarians, video rental, vitamins, wallpapering, washing machine repair, wasp & bee control, wedding gowns & services, window cleaning, window shades, wood cutting & clearing, yard work, yoga lessons, zipper repair, and dozens more!

**Put HOURS into your wallet and carry them with you.**

**You'll bump into dozens of places to use them!**

## Donations to Community Organizations:

When you're asked for a donation, you can make tax-deductible donations of HOURS. More than 100 local organizations have requested and received donations of HOURS.

## Employees:

### Employees May be Paid with Local Currency

As long as employees receive at least minimum wage in dollars, they may agree to accept any fraction of their wage above that in HOURS, according to the Department of Labor Standards. Such HOUR income, paid as a "fringe benefit" (by agreement posted at the workplace), is not subject to tax withholding. In some cases it is tax-exempt (IRS Reg. [1322.01 §1.132-1, Federal Tax Reporter '91 v.2: 20,009).

For example, an employees earning \$12.00/hour might accept 50 cents per hour in HOURS. This would mean a total \$18.75 in HOURS for a 37-hour week, or 1.87 HOURS. This employee can spend the HOURS for full value from the trading list, and the employer retains \$18.75 cash with which to pay rent, utilities, inventory.

Several businesses have employees who accept HOURS as part pay.

We'd make an intro sheet for them. Several businesses give HOUR BONUSES.

By passing some of the promotional benefit of HOURS along to employees, they increase employee loyalty and decrease turnover, retaining the value of employee experience.

**We're ready to help you spend HOURS.**

If you need or want something not already on the list, let us know.

This is the credit union's HOUR flyer (see over)

people. My little daughter saw me using an Ithaca HOURS and said, 'Daddy, didn't you just print this thing out? How can it work?' The fact is, somebody simply prints out federal dollars too, but nobody ever thinks about that. Dollars are so much a part of our psyche that we don't ever question it. What could be more empowering than printing your own money?"

Bill Myers,  
AFCU Manager  
*(Mother Earth News, Aug-Sept '93)*



## ***Alternatives*** *Federal Credit Union*

Accepts  
**Ithaca  
HOURS**  
for the  
following  
fees:

For more information:  
**(607) 273-4666**  
301. W. State Street  
Ithaca, NY. 14850

# Never Enough HOURS

By Bill Myers,  
CEO of Alternatives Federal Credit Union

**During and out-of-town trip**, I looked into my wallet and saw an Ithaca HOUR nestled in with the Federal Dollars. Ithaca HOURS are a local form of money that encourages local purchasing and barter. I was traveling to a national CDCU conference where there was a diversity of credit unions-- Latino, African-American, Asian, rural, farm worker. Each credit union serves a unique membership, so each is unique.

**The Ithaca HOURS reminded me** of the individual nature of locally-controlled community development. Relying on dollars makes us all a company town to the national economy. Ithaca HOURS teach us that problems and solutions can start and end here. We can be locally-dependent: we can control local economic development by becoming more of a community.

**Personally, I enjoy using Ithaca HOURS.** It's an effort to keep federal dollars from slipping away and creating undesired effects from my labor. As a "store of value" and a medium of exchange," Ithaca HOURS are inherently dedicated to local service.

**Alternatives Federal Credit Union has participated** in Ithaca HOURS since their inception. We've found a multitude of uses for HOURS, so bring 'em in!

## Loan Application fees:

Flex, 7/1, Commercial 30 HOURS  
Secondary 17.5 HOURS  
Home Equity Line of Credit 25 HOURS

## Mortgage payment

2 HOURS

## Loan late charges

Full Amount

## Line of Credit Annual fee

2 HOURS

## Overdraft fee

2 HOURS

## Check-bounce fee

2 HOURS

(5 fees x \$3, pay within 20 days of fifth notice)

## Membership fee

1 HOUR

## Ad in AFCU Yellow Pages

2 HOURS

## Stop Payment fee

1 HOUR

## Automatic transfer fee

.5 HOUR

(A accounts only, pay within 30 days of notice)

## SRI packet

5 HOUR

You may present your HOURS when you initiate a transaction or within one month afterwards. For more information on how to acquire or spend Ithaca HOURS, pick up a copy of *HOUR Town* in front of the credit union.

AFCU is perhaps the only financial institution in the United States which accepts barter credits for loan payments.

THIS SHEET IS FOR BUSINESSES  
CONSIDERING HOUR ACCEPTANCE:

# Accounting HOURS

One HOUR = \$ 10.00

Half HOUR = \$5.00

Quarter HOUR = \$2 .50

Eighth HOUR = \$ 1.25

Two HOUR = \$20.00

**No special bookkeeping is required.**

Just count each HOUR received as \$10.00 value.

**Handle HOURS any of three ways:**

- \* Enter HOURS as "undeposited funds" (petty cash).
- \* Deposit HOURS in an HOUR Safekeeping Account at Alternatives Federal Credit Union (273-4666).
- \* Buy HOURS from the drawer with dollars from your pocket. Carry them with you to spend for business or personal needs.

**If you want to track HOURS in/out  
or have an HOUR key on your cash register,**  
you might call \_ accounting dpartment at \_\_\_\_\_  
or Alternatives Federal Credit Union at \_\_\_\_\_

**To make HOUR change or replace damaged  
HOURS,**

visit Autumn Leaves Used Books (115 The Commons), or Alternatives Federal Credit Union.

For further information about HOURS,

contact Paul Glover at 272-\_\_\_\_\_

\_\_\_\_\_@lightlink.com

# Hometown Money

Paul Glover is founder of Ithaca HOURS local currency, Citizen Planners of Los Angeles, Philadelphia Orchard Project, League of Uninsured Voters, Health Democracy, and a dozen more organizations.

He also started successful campaigns to prevent highways, shopping malls and suburbanization.

These have been the subject of over 2,000 new stories nationally and globally.

Author of several books, editor of several newspapers and newsletters, Glover has taught urban studies at Temple University, and now consults for community economic development.

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**"No one in the world has done a better job in defining local solutions-- that are simple, empowering, and fun-- for seemingly intractable global problems than Paul Glover. He offers powerful, proven, and participatory tools for communities to begin solving their piece of the national... crisis."**

--Michael Shuman, author of "Going Local," "Technology for the Common Good," "The Small-Mart Revolution," and other books. He is co-director of the Institute for Policy Studies.

**"One of our best bioregional writers."** --Kirkpatrick Sale, author of *Human Scale*, *Dwellers in the Land: The Bioregional Vision*, *The Green Revolution*, *Rebels Against the Future*, *The Conquest of Paradise*, *Power Shift*, and *SDS*

**"[This] is the latest in long list of things he has done that seem too hard for anyone to pull off. He once walked from Boston to San Diego, a trip that took six and a half months. In Ithaca, which is all hills and valleys, he rode his bicycle everywhere, in all weather."** --*New York Times*

**"The growth of such exciting new community schemes as Ithaca's HOURS... Illustrates the way the corporate economy has marginalized so many that these people have erected alternative economic schemes. As masses of people are abandoned to joblessness, these will become key ingredients in survival strategies for hundreds of millions. While creating these survival schemes we must dismantle the powers of the global corporations that have made such changes necessary."** --*The Nation*

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**paulglover.org**

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