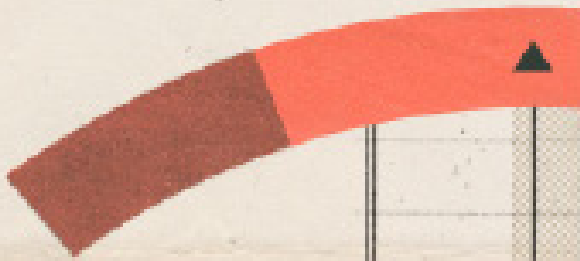
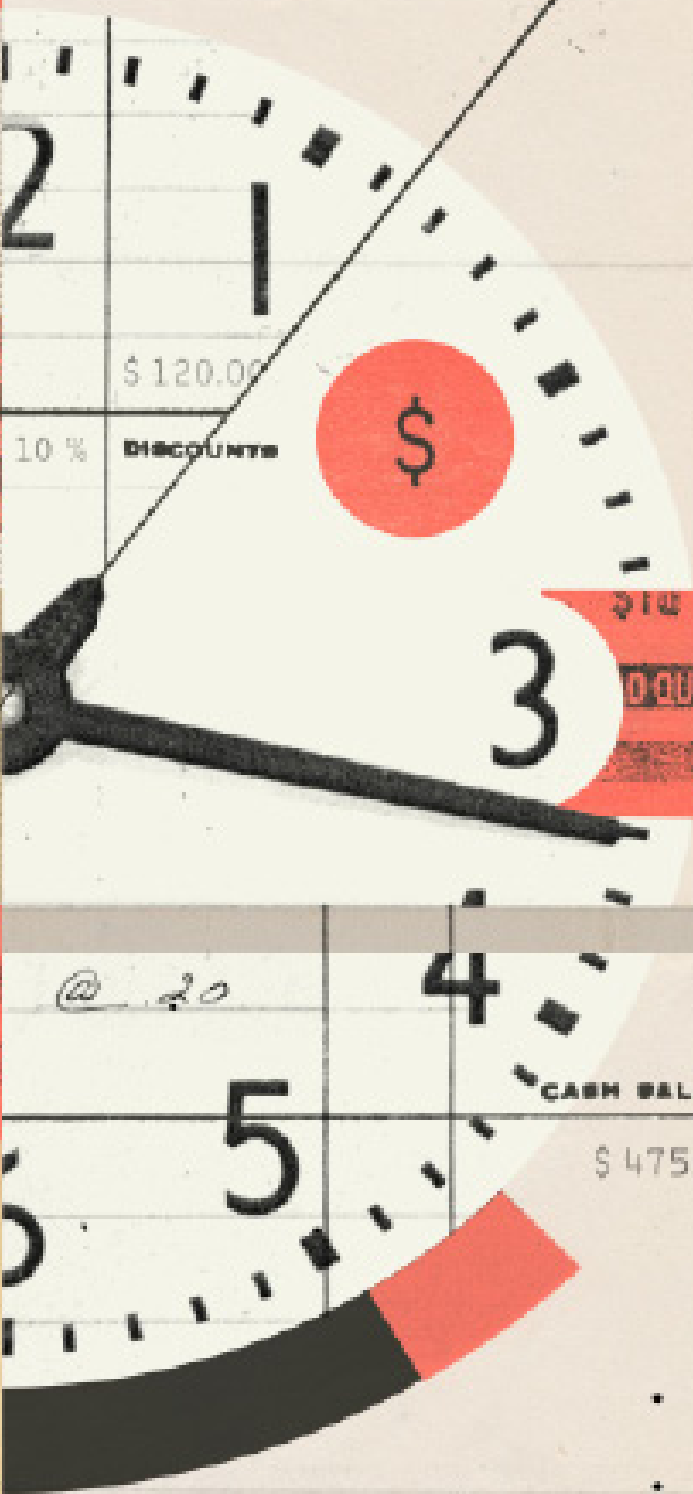


\$ AMOUNT



10

\$10 QUARTERS
TOTAL



\$ 120.00

10% DISCOUNTS

\$

9

QUARTERS

3
\$10
QUARTERS

8

\$10 QUARTERS
\$10

@ 20

4

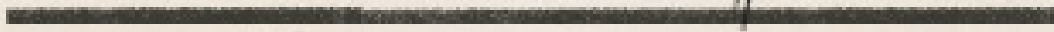
CASH SALES

\$ 475.00



• •

\$ 300



→ People engage in time banking—a complementary currency system in which hours of service take the place of money—in dozens of countries worldwide. For decades, it has been a relatively small-scale movement. But signs are emerging that it may be an idea whose time has come.

The Time Bank Solution

BY EDGAR S. CAHN & CHRISTINE GRAY

Illustration by MIKE MCQUADE

Thirty-five years ago, one of us (Edgar S. Cahn) started to experiment with a new way to link untapped social capacity to unmet social needs. He created a practice known as “time banking”—a mode of exchange that lets people swap time and skill instead of money. The concept is simple: In joining a time bank, people agree to take part in a system that involves earning and spending “time credits.” When they spend an hour on an activity that helps others, they receive one time credit. When they need help from others, they can use the time credits that they have accumulated.

Long before Occupy Wall Street, time banking represented a commitment to pursuing a more equitable and inclusive economic order. Those of us who developed time banking wanted to show that a different kind of currency could exist alongside the dollar. We refused to give money a monopoly on the definition of value. The money-based market system fails to reward many types of critical work—the work of raising healthy children, building strong families, caring for the elderly, revitalizing neighborhoods, preserving the environment, advancing social justice, and sustaining democracy—and we believed that there should be a way to honor and reward that kind of work.

In 1995, Cahn founded an organization called TimeBanks USA. For two decades, TimeBanks USA has served as an incubator for new time banking initiatives.¹ (Co-author Christine Gray, who is now married to Cahn, joined the organization in 2000.) Over that period, time banking has evolved from a set of experimental programs into a movement that has spread globally. The movement has spawned conferences, regional associations, training materials, scholarly papers, and multiple software systems. Today organized time banking takes place in more than 30

countries—including China, Russia, and various countries in Africa, Europe, North America, and South America. In the United States, there are about 500 registered time banks, and together they have enrolled more than 37,000 members.² The smallest of them has 15 members; the largest has about 3,200. In the United Kingdom, time banks have enrolled about 32,000 members, and more than 3,000 organizations have registered to use one of the major time banking software platforms. Worldwide, time bank databases document more than 4 million hours of service. (And that figure understates the true scope of time bank participation: Survey data indicate that at least 50 percent of time bank members do not record their hours of service regularly.)

In 2002, the journalist Susan Dentzer investigated whether time banking was “a concept whose time was coming—or merely a fringe idea.” In her ambivalent response to that question, Dentzer wrote, “Time [credits] could be to long-term care [among other uses] what windmills and solar panels are to the nation’s energy supply: a small, unconventional, even noble way of serving the few, but nothing to be relied upon to meet the needs of the masses.³ Thirteen years later, solar panels and windmills have moved far beyond the fringe of our system of energy production. Time banks have not yet undergone that kind of remarkable growth.

But time banking, we believe, has emerged as a platform for innovation that meets the needs of the current moment. Over the past three decades, we have learned a great deal about how time banks can serve as a vehicle for social change. Time banking provides a medium of exchange that advances goals that money does not and cannot advance. It fosters community-building efforts that have the potential to prevent or neutralize the negative externalities created by the relentless pursuit of profit. In recent years, meanwhile, several momentous forces have converged to create a new urgency around applying the time bank model on a large scale. A world increasingly dominated by a fixation on money requires a complementary currency that will open up opportunities to weave (or reweave) social connections.

THE PROBLEM OF FISCAL MONOCULTURE

We live in a world preoccupied with money. Cost-benefit analysis, risk assessment, evaluation, return on investment—all treat money as the sole measure of value. Money, of course, is indispensable. It allows us to freely exchange all manner of goods and services. It underpins capitalism, and capitalism remains a powerful engine of growth and development. Yet our single-minded focus on money carries costs as well. Robert F. Kennedy captured the essence of this tension when he said, referring to what’s now called the Gross Domestic Product (GDP): “It measures everything in short, except that which makes life worthwhile.”⁴

The use of GDP as an all-purpose indicator of economic well-being is a byproduct of the fiscal monoculture that surrounds us. In a book about using local currencies, Gwen Hallsmith and Bernard Lietaer describe that problem: “As with agriculture, a monoculture crop has the effect of making everything dependent on its health and well-being. If you grow only one crop, you are more susceptible to the ravage of insects and blight.”⁵ Relying exclusively on money is like hoping for bigger and bigger returns on one crop—while gradually depleting the fertility of the soil in which it grows. When we

EDGAR S. CAHN is the founder and CEO of TimeBanks USA and author of *No More Throw-Away People: The Co-Production Imperative* (2004).

CHRISTINE GRAY is a former executive director of TimeBanks USA and author of *The Tribal Moment: The Struggle for Native American Sovereignty* (2013).

allow our pre-occupation with that monocrop to circumscribe our choices, we give up much of our power to create, to solve problems, and to advance basic values.

We tend to think of the money-based economy as an essential foundation of the public, private, and independent sectors. Yet each of those sectors draws from and builds on another economy—the “core economy,” as the economist Neva Goodwin calls it.⁶ The core economy is extraordinarily productive. It raises our children, provides elder care, makes neighborhoods safe and vibrant, helps to create an informed electorate, holds officials accountable, promotes environmental preservation, and advances social justice. The transactions of the core economy are largely absent from the calculations that make up the GDP. For this reason, they are also largely absent from our public discourse, and they remain vulnerable to displacement by monetized transactions.

Another consequence of our fiscal monoculture is that we tend to value extrinsic rewards over intrinsic rewards. Earning money confers an external benefit in the form of purchasing power. We use money to buy property, goods, and services. The acts of earning and purchasing often generate an emotional hit. But that hit does not provide an intrinsic reward. Intrinsic benefits derive from actions or relationships that have meaning in and of themselves. People often take lower-paying jobs because of the personal satisfaction they get from doing those jobs. Likewise, people often volunteer their time and accept no money in return—simply because they want to do work that helps others or that reduces suffering, deprivation, or injustice. A fixation on money reduces our ability to generate those kinds of intrinsic rewards.

BANKS WITHOUT MONEY

The time bank movement gives new life to a broad range of activities that produce intrinsic rewards. It provides a platform for generating a kind of wealth different from money and for recognizing critical work that markets based on money do not value.

One function of time banks is to facilitate the exchanges of services between members. Using specially created software that operates somewhat like Craigslist, time bank members list the services they can perform, when and where they can perform those services, and so on. Or, using the same software platform, they list the services they would like to receive. When one member provides a service to another member, they use the platform to record that exchange. Time credits in the service recipient’s account then transfer to the service provider’s account. The services that members may offer cover a broad range—from cooking, gardening, and quilting to helping with tax preparation and providing respite to caregivers. A time bank with several hundred members may offer hundreds of different services.

Exchanges based on member-to-member service, however, make up only one form of time banking. Members can also earn time credits by participating in community events or by working on community-building projects. They might help out at a neighborhood farmers’ market, lead a yoga or Bible study class,

organize a wellness day, create a baby-sitting co-op, or take part in a tutoring program, for example. Time banks vary greatly in how they “pay for” such activities. In some cases, they support the activities by going into time credit “debt” to members who take part in them. Those members understand that their time bank will never be able to “repay” them, but they donate hours of community service to the organization anyway. With this form of time banking, the way that time banks account for time credits is often intentionally loose.

Every time bank follows a few basic rules: All hours are equal in value, regardless of whether a member provides a highly skilled professional service or simply drives another member to a doctor’s appointment. Time credits are not for sale and cannot be converted into money. Members can spend time credits only on labor that builds community resources, furthers a charitable purpose, provides personal support, or remedies a social problem. When a member receives an hour of service, there may be a moral or social obligation to pay it back, but there is no legally enforceable obligation to do so. (The US Internal Revenue Service has ruled that because time banks are not commercial barter organizations, time credits do not count as taxable income.)

For members, an earned time credit has two distinct meanings: It embodies a kind of purchasing power, and it conveys a sense that one’s work has value. The first is an extrinsic reward; the second is an intrinsic reward. Each transaction flows from a relationship, and such relationships create a spirit of trust that allows people to reweave the fabric of community. A currency that treats all hours as equal does more than simply provide an alternative to market price as a measure of value. It empowers people whom the market does not value and validates their contribution to society.

TIME BANKING IN ACTION

Although time banking has spread globally, most time banks are local or regional entities that operate as independently run membership associations. They come in all shapes and sizes, ranging from small, informal groups to large, formally structured organizations. Some time banks exist for only a short time. Others have lasted for decades. People, moreover, have used time banking to further a variety of social goals.

Business and community development | The Arroyo SECO Network of TimeBanks (ASNTB), which covers 13 neighborhoods in Los Angeles, has established a dual-currency loan fund for members who wish to start a small business or a worker-owned cooperative. The fund lends money to ASNTB members through its financial partner, the Permaculture Credit Union, and members use time credits to pay associated loan-processing fees. Borrowers can also participate in the Local Economy Incubator, which matches entrepreneurs with mentors who provide expertise in areas such as strategy, business plan development, branding, and communications. Microlending programs that succeed do so in part by leveraging social capital: Borrowers are more likely to repay their loans when they are accountable to their community. ASNTB takes this principle one step further by emphasizing values such as reciprocity and “paying it forward.”

Social services | In Rhode Island, a group of parents who have children with bipolar disorder, schizophrenia, or autism use time banking to create a kind of extended family. The Parent Support

Network of Rhode Island offers assistance to those parents when their children rejoin them after leaving a congregate care facility. Through the network, parents receive time credits for providing child care, coaching, transportation, and personal support to each other. The children, meanwhile, earn time credits by participating in their own mutual support group. Parents and children then spend those credits on outings that the network sponsors. This use of time banking has enabled parents to prevent the institutionalization of their children, and it has saved the state government millions of dollars that would otherwise be spent on support services.

Sharing expertise | Our Time Bank, a group based in Los Angeles, runs a program called the Westside Repair Café. It’s a four-hour event that takes place in a local park or auditorium every two or three months, and it’s open to the public. People bring faulty appliances, broken furniture, torn clothing, and the like, and volunteer repair experts fix those items. Transition Culver City, an environmental organization, cosponsors the repair café, and one goal of the event is to give people an incentive to keep old items that would otherwise end up in a landfill. Time bank members can pay for repairs with time credits or by bringing a dish to a potluck meal that happens in conjunction with the event. Non-members can take part in the Westside Repair Café by making a small donation (typically \$5 or less). Those who provide repair services earn time credits for their efforts.

Juvenile justice | In Madison, Wis., the Dane County TimeBank sponsors a program called TimeBank Youth Court in all four of the city’s high schools. The program gives teens who commit minor offenses an alternative to going through the official criminal justice process. The police, instead of issuing tickets to young offenders, refer them to the Youth Court. In a Youth Court proceeding, a jury of teen peers can impose sentences such as apologizing to the victim of the offense, making restitution to the victim, or performing community service. The program draws on the resource of the time bank to develop creative but suitable sentencing options. In addition, most sentences require offenders to serve on the Youth Court jury. (Teen jurors, meanwhile, receive time credits for their service.) Because of TimeBank Youth Court, minor offenses by teens in Madison no longer trigger an out-of-school suspension or an arrest record. One data point illustrates the impact of the program: Between 2009 and 2010, the number of tickets that the police issued to kids at one high school dropped from 126 to 26.

Disaster relief | In August 1992, Hurricane Andrew hit the southern tip of Florida and wrought havoc on a then-unprecedented scale. Southern Miami was home to what was then the largest time bank in the United States. Before the National Guard and the Red Cross arrived, members of that time bank responded to the devastation and provided guidance to relief teams that were unfamiliar with the terrain. They also provided sustained relief to hurricane victims; they sorted donated clothes and delivered food and water, for example. In 1993, the total number of time credits earned by members exceeded 150,000, and by 1994 more than 3,000 members were earning more than 12,500 time credits per month.

CHALLENGING TIMES

Today we face a series of unprecedented social and environmental problems that will likely grow in magnitude over time. At its current scale, time banking cannot solve these problems. But our experience

Time banks draw strength from their rejection of market price as the exclusive measure of value. They reflect an understanding that communities can create their own medium of exchange.

has demonstrated that it can provide a distinctive response to them. Here are three challenges for which time banking can provide innovative solutions.

A thinning of community | Several observers have lamented the erosion of a sense of community that has occurred in recent decades, particularly in the United States. Amitai Etzioni gained considerable attention by noting the loss of tight-knit communal bonds and the shift from “we” to “me” that came with urbanization. “Between the urban villages, in row houses, and high rises, you find people who do not know their next door neighbors, with whom they may have shared a floor, corridors, and elevators for a generation,” he writes in his book *The Spirit of Community*.⁷ Robert D. Putnam, in his book *Bowling Alone*, offered a rallying cry to reverse the decline in social capital.⁸ John McKnight and Peter Block, similarly, aim in their recent book to chart a path toward rebuilding what they call “the abundant community.”⁹ (A sense of community, we believe, is closely linked to the health of the core economy—to the network of relationships that depend on non-monetary forms of interdependence.)

To appreciate how time banking can build and reinforce communal bonds, consider the results of a survey of older adults who belonged to a time bank established by the Visiting Nurse Service of New York. In the survey (which took place in 2009), 90 percent of respondents said that they had gained new friendships through the time bank, and 70 percent said that they had contact with their new friends at least once a week. Two-thirds of them said that their access to health services and other resources had improved. Most respondents reported that time bank membership gave them the support they needed to stay in their homes as they aged. They also indicated that their involvement in the time bank had given them an increased sense of belonging and that their trust in people from other backgrounds, cultures, and age groups had increased. In addition, 98 percent of them said that they had skills that enabled them to help others via the time bank.

An aging population | Every day for the next 17 years, 10,000 baby boomers will pass the 65-year mark. Family caregivers provide most of the long-term care services for the elderly. According to the US Congressional Budget Office, family members provide 55 percent of the care that keeps elders out of nursing homes.¹⁰ The American Association of Retired Persons has estimated that the total value of unpaid informal care comes to \$450 billion.¹¹ As baby boomers age, meanwhile, the caregiver support ratio will decline: Between now and 2030, the number of potential caregivers of every person over the age of 80 will shrink from seven to four.¹²

The need to fill that widening care gap makes time banking

a solid investment for government, philanthropy, and individual households. Time banks, after all, typically offer services needed by people who are older or who have disabilities: friendly visitation, telephone companionship, shopping, transportation, minor home repairs, reading mail, assistance with paying bills, relief for family caregivers, peer counseling, and the like. Time banking might also evolve into a form of ancillary, non-medical long-term care insurance—a system that reduces costs by providing informal support while engaging participants in efforts to avoid the need for institutionalization.

There is ample precedent for such uses of time banking. In Allentown, Pa., the Lehigh Valley Hospital runs a time bank program that has 500 members. For the past decade, members of the time bank have generated between 10,000 and 15,000 time credits per year by providing informal care to elderly and disabled people. By offering complementary care and support, they have helped to reduce re-hospitalization rates and to decrease the disproportionate costs incurred by “super-utilizers.” (Super-utilizers are patients with complex physical, behavioral, and social needs who undergo inpatient admissions.) Some people who receive care through the program have “paid back” time credits by learning how to function as translators for Latino patients. Once certified to serve in that role, they take on wage-earning jobs as translators in sponsoring hospitals.

In the Maryland counties of Anne Arundel, Calvert, Frederick, and Talbot, a group called Partners in Care functions as a time exchange community that supports older adults who want to stay in their homes. Partners in Care teams fix leaking faucets, change lights, and install safety equipment such as shower seats, toilet risers, and railings. Members of the community also earn time credits by providing rides to older people who can no longer drive. In 2012, drivers for the group logged a total of 174,000 miles.

A fragile environment | Climate change has heightened the unpredictability of Mother Nature. To an increasing degree, we have been witness to floods, droughts, hurricanes, earthquakes, violently swinging temperatures, and rising sea levels. Our carbon footprint, together with other externalities generated by the global economy, may no longer be ecologically sustainable. These developments increase the need for response networks that can quickly and flexibly incorporate volunteers into systems of strategic support. And in that context, disaster specialists are discovering that time banking can be a powerful tool of emergency preparedness.

In 2010 and 2011, a series of earthquakes occurred in and around Christchurch, New Zealand. The work done by members of one organization—the Lyttelton Time Bank—illustrates the role that

time banks can play in building and mobilizing resources during an emergency. Before the earthquakes, the time bank had an extensive database that included 330 individual members and 18 organizations. It maintained a list of potential volunteers, and it operated a system of regular email communication. During and after the earthquakes, the time bank put those assets to work. It provided up-to-the-minute information on safety precautions; on the closure of roads, schools, and businesses; and on the availability of clean water, food, and other resources. It also set up a job-matching board, delivered counseling services, coordinated the handling of donated supplies, and deployed volunteers. The Lyttelton Time Bank “acted as a hub organization activating its extensive social network through which valuable resources could flow,” write the authors of a report on the organization’s response to the earthquakes. “A real strength of the time bank model,” the authors note, is that “resources are identified, developed, and activated through hundreds and thousands of trades.”¹³

TIME OF OPPORTUNITY

Even as certain global challenges make time banking an increasingly relevant form of social innovation, another recent development—the advance of digital technology—has made it easier for time banks to operate and to extend their reach. Time banking on a significant scale would not be possible without the use of computer technology that stores and manages information on the services that each time bank member either needs or can provide. The anthropologist Polly Wiessner has observed that such technology reduces the transaction costs of finding people with whom one can cooperate. (“Search costs for untapped assets to fill unmet needs are efficiently reduced by the database lists [of] assets and their availability,” she writes.¹⁴) Equally important, technology decentralizes the process of matching needs with resources: Users can now exchange time credits directly, and that capability lowers costs for the entire time banking system. The ability to track each transaction also reinforces the sense of trust and reliability on which that system depends.

In April this year, TimeBanks USA released a new version of Community Weaver, a software application that tracks the hours that time bank members earn and spend.¹⁵ The new version is designed to run on smartphones and tablets. Optimizing the software for mobile use will increase the flexibility with which members can offer services, make requests, and schedule the use of time credits. It will also allow members who don’t have access to a computer to take advantage of those capabilities. (TimeBanks USA provides this software to community groups free of charge.)

Digital technology is giving rise to other developments that support the expansion of time banking. Among young people especially, we are seeing the emergence of “sharing economy” practices that use online platforms to bypass formal markets. Commercial peer-mediated exchange systems (Airbnb for accommodation, Lyft for transportation, TaskRabbit for odd jobs, and so forth) are expanding rapidly. Time banking is consistent with that trend, but it goes further than many sharing economy initiatives in helping to reweave nonmarket relations. The growth of time banking also reflects a shift from profit-driven modes of production to network-based modes of production—exemplified by Wikipedia and open source software—that rely on peer-to-peer collaboration.

In broad terms, time banks help people leverage the capacities of

their community for confronting challenges both old and new. Three benefits of the time bank model are worth emphasizing. First, time banking allows each person to define herself as a worker who contributes in a measurable way to advancing the public good or to solving an urgent social problem. Second, time banking enables a community to gauge its social capacity and to mobilize its resources to fill unmet social needs. Third, time banking provides large-scale social welfare systems with a framework for engaging the recipients of services as active collaborators in achieving outcomes. Instead of being passive recipients of those services, beneficiaries can gain new skills, build new connections, and become agents of social change in their own right.

Time banks draw strength from their rejection of market price as the exclusive measure of value. They reflect an understanding that communities can create their own medium of exchange. The emergence of time banking and other alternatives to our fiscal monoculture—facilitated by the growing use of social media and other forms of digital technology—could help the human family rebuild some of the capacities that have enabled our species to survive and evolve: our willingness to teach each other, care for each other, come to each other’s rescue, stand up for what is right, and take collective action in response to injustice. ■

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