

Ithaca Hours: Creating Community Economics with Local Currency

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# Ithaca Hours: Creating Community Economics with Local Currency

by Paul Glover

Here in Ithaca, New York, we've begun to gain control of the social and environmental effects of commerce by issuing over \$60,000 of our own local paper money, to over 1,250 participants, since 1991. Thousands of purchases and many new friendships have been made with this cash, and about \$2,000,000 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 multinational 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, many garage sales, forty farmer's market vendors, the Chamber of Commerce, and 300 other businesses. Hundreds more have earned and spent HOURS who are not on the Ithaca Money list.

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 hear increasingly of professional services provided for our equitable wage.

Everyone who agrees to accept HOURS is paid one HOUR (\$10.00) or two HOURS (\$20.00) for being listed in our newsletter HOUR Town. Every eight months they may apply to be paid an additional HOUR, 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.

Ithaca Money's 1,500 listings, rivalling the *Yellow Pages*, 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 so far 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. And over \$6,000 of local currency has been donated to 25 community organizations so far, by the Barter Potluck, our wide-open governing body.

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—\$5 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, we've been providing a Hometown Money Starter Kit. The Kit explains step-by-step start-up and maintenance of an HOURS system, and includes forms, laws, articles, procedures, insights, samples of Ithaca's HOURS, and issues of Ithaca Money. We've sent the Kit to over 1,000 communities in 47 states so far, and our example has become national.

To get one, send \$25.00 (or 2.5 HOURS) or \$35 U.S. from abroad, to Ithaca Money, Box 6578, Ithaca, NY 14851. Our new video (17 minutes) is available for \$17.00, or \$15.00 with the Kit (\$40.00 for Kit and video). Credit cards accepted.

See color samples of HOURS at our web site:

<http://www.publiccom.com/web/ithacahour/>

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