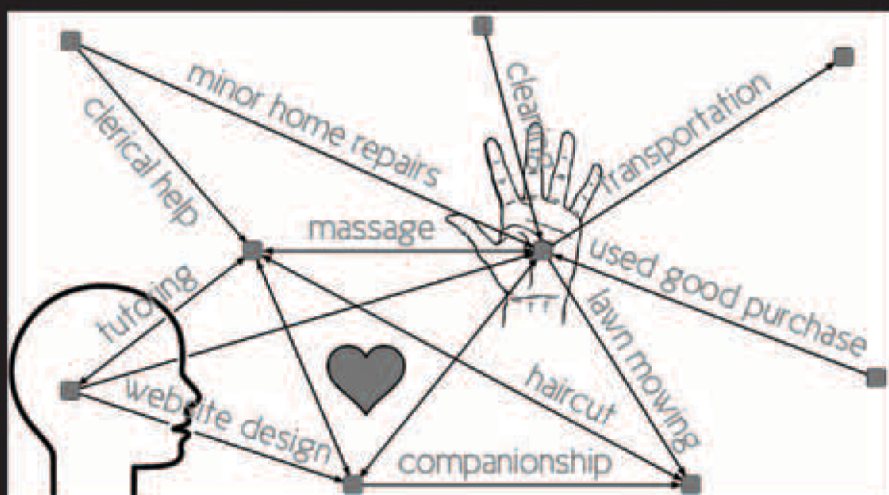


Equal Time, Equal Value

Community Currencies and
Time Banking in the US



**ED COLLOM, JUDITH N. LASKER
AND CORINNE KYRIACOU**

EQUAL TIME, EQUAL VALUE

To all those collectively creating alternatives for a better world

Equal Time, Equal Value

Community Currencies and Time Banking in the US

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Chapter 1

Time Banks and the Community Currency Movement

Introduction

Sally has very poor vision and is unable to drive or read. While she has a home health aide several times a week, the aide does not assist Sally with her mail or bills and only handles health-related errands. Sally has no family nearby, and she doesn't feel comfortable asking for help from her neighbors, whom she barely knows. To pass the time, Sally knits. Despite her vision problems, knitting is the one thing that brings Sally joy.

Murray is a member of the Time Bank organization that Sally joined, and he begins to visit once a week to read Sally her mail and to drive her to any errands that she needs to complete. For her part, Sally has agreed to donate knitted baby blankets to the local birthing center to give as gifts to new mothers. The birthing center, an organizational member of the Time Bank, offers advice and services to interested women, such as Monica, who eventually has her baby delivered by a midwife from the center. When Murray needs computer assistance several months later, Monica is happy to assist by hooking up his printer, installing software and providing ongoing technical assistance.

Most Americans engage in some form of economic transaction on a regular basis, daily in many cases. Some of these exchanges are for acquiring necessities, while others satisfy our desires. What is unique about the transactions presented above is that they were all conducted without the use of cash. Scenarios such as this are endless in Time Banking organizations, where members exchange goods and services in community networks that involve dozens or even hundreds of people. They are typical of the networks of sharing created by these local organizations all across the country. Time Banks are the most popular type in the U.S. of what has been called "community currencies," localized exchange systems based on time or unofficial dollar equivalents as the medium of exchange. This study is the first to systematically investigate the phenomenon of Time Banking and its impact on communities and individuals.

In communities across the globe, people are creating their own local currencies or non-cash exchanges as a complement to the official national currencies that we consider to be "real money." Community currency networks (also known as local or alternative currencies) are "do-it-yourself" (DIY) groups, established with

the intention of building social ties within a community and making goods and services more accessible. Neighbors and strangers alike are joining these self-help networks in a cooperative bid to make life better.

One of the fascinating aspects of community currencies is that they potentially appeal to many different kinds of people with varying motivations. Some people are short on cash, others short on friends, and others have physical limitations that make everyday activities difficult or impossible. In addition, there are many different ways to organize local currencies; they can be custom-tailored for the specific needs and interests of organizers. As such, these networks exist in many different forms. Some are quite heterogeneous, bringing together participants of all ages and social and economic backgrounds. Others restrict membership to certain groups, resulting in a more homogeneous membership.

Communities attempt to meet local needs in several ways. At the official level, towns, cities, counties, states, and the federal government collect taxes and use them to provide services through publicly funded systems. Non-profit organizations raise money to provide additional services. And individual volunteering is another well-recognized way of providing help to those who need it. Thus, government agencies, private foundations, organizations, and businesses spend billions of dollars and volunteers spend millions of hours each year on social programs to help individuals in need. But all of these are essentially one-way avenues, rather than systems of reciprocity. Few of these programs attempt to provide communities with the necessary tools to improve their own social environment through mutual efforts.

American history is full of examples of community self-help through cashless exchange of goods and services. These include bartering, scrip notes, baby-sitting and food cooperatives, and many other informal and ad hoc arrangements among people with similar interests and needs. However, in the past three decades a new movement has emerged. Local currency systems have been launched as formal voluntary organizations to enhance community-building for people who may not otherwise know each other and who have a wide variety of needs and interests.

Social Forces Driving the Need for Community Currencies

Many forces have contributed to the growing awareness of local currencies. As the following headlines from the “Great Recession” era suggest, perhaps the greatest is economic.

“Tough Times Lead to Local Currencies,” *Time* (Schwartz 2009)

“Communities Print their own Currency to Keep Cash Flowing,”
USA Today (Bello 2009)

“Banking your Time to Save you Money,” *National Public Radio* (2009)

“Local Currencies Cash in on Recession,” *Los Angeles Times* (Riccardi 2009)

“At this Bank, Time is the Free-Flowing Currency,”
Boston Globe (Barlow 2009)

New community currency organizations have been formed around the country as a result of greater economic need. The terrible decline of the global economy in the late 2000s led to community currency networks receiving more and more attention in the national and international media and among community-based and grassroots organizations. In the U.S. alone, major television networks, radio outlets, magazines, and newspapers have run stories about community currencies as a response to economic troubles.

These systems are of particular interest due to declining incomes and increased job loss, combined with lack of confidence in national and global economic systems. By creating a non-cash exchange system valued only in a certain region, participants can increase their access to a variety of goods and services that might not be available or affordable in the traditional marketplace. Moreover, as with the “buy local” movement, community currency is arguably a “tool that can help revitalize local economies by encouraging wealth to stay within communities rather than flowing out” (Meeker-Lowry 1996: 448).

Beyond the recent economic crisis, other social conditions of modern life have prompted people to look to community currencies. Putnam and many others have noted declines over the past several decades in civic participation and other forms of social capital: “social networks and the associated norms of reciprocity” (Putnam 2000: 21). This erosion of social capital, including indicators such as neighborhood ties and trust, has been compounded by forces such as suburbanization, increasing female labor force participation rates, smaller households, the spatial mismatch between jobs and home, and the required residential mobility of many employees. Community currencies have been advocated to rebuild formal and informal community networks, which in turn can renew social capital and thus the well-being of individuals and groups.

Additionally, changes in the population and in the health care system have created many new health care-related needs. An increasingly aging population, often living alone and with chronic ailments, combined with the move away from hospitalization to home-based care and the decline in health coverage, all create diminished access to needed services and greater strains on households and extended families. Community currencies often address some of the gaps in care that these conditions create.

While there are many social, economic, and cultural changes contributing to the current attention to Time Banking, our research suggests that it can be very difficult to launch and sustain a Time Bank. Thus it is important to investigate the challenges and the ways in which different Time Banks have responded to them.

Purpose and Plan

The purpose of this book is to provide an in-depth investigation of Time Banking in the United States. While it is only one type of community currency, there are several reasons for choosing it for further study. First, Time Banks appear to be growing and are arguably the most successful form of community currency in the U.S. Second, as we will see, the Time Banking model is flexible and has some advantages over other forms with regard to sustainability. About half of U.S. Time Banks have paid staff, and most have either formal or informal ties to existing agencies and organizations. Third, since Time Banks record their transactions electronically in databases, this exchange data (which is critical for scientific analyses) is available. Printed local currencies are much less regulated and transactions are not formally tracked. By investigating each of the three major types of Time Banks, we are able to document and analyze the differences to illustrate the strengths and challenges faced in these different kinds of organizations.

Our research is based on case studies of three well-established Time Banks, a survey of Time Banks nationally, as well as previous studies. We have selected these three cases because they represent three different forms of Time Banks, they have existed for a long period (over ten years), and the authors have conducted research and worked closely with them over the years. The first is a stand-alone Time Bank that has broad goals and no specific constituency, Hour Exchange Portland (HEP) in Maine. The second case, Community Exchange (CE) in the Lehigh Valley region of Pennsylvania, was started by a hospital-sponsored collaboration among nonprofit organizations and is currently part of the hospital. Our third case is a Time Bank that was launched by a social HMO (Elderplan) to provide needed services to older members and help them remain independent, Member to Member (M2M) in Brooklyn, NY. Data from these cases will illustrate the major differences in organizational structures and challenges that exist in Time Banking as well as providing answers to the questions we ask about their impact on members.

The forthcoming analyses use multiple methods for the myriad of data that we have collected from the three Time Banks – participant observation, archival review, interviews, surveys, and analysis of secondary data. This project began with our fascination on the topic as we learned of it and began to carry out research on it. Two of us have been members of these systems and bring in on-the-ground experience.

A survey of all Time Banks in the U.S. provides very valuable data on the nature of such organizations nationally, an important backdrop to the three cases. We have also interviewed founders and key activists within the movement. Naturally, we have reviewed the scholarly and popular literatures on the subject. We believe that this book fills a void in the literature on community currencies and will be of value both to scholars and to people who are involved with Time Banking or considering starting one.

In the current chapter, we first review the history of community currencies and locate Time Banking within that broader movement. We identify the characteristics

that have made it a social movement, and distinguish it from volunteering. We conclude with a discussion of the many potential benefits that advocates of Time Banking stress. Chapter 2 describes the variety among Time Banks nationally in terms of size, type of membership, duration, funding, and management. We then detail the creation, progress, and challenges of each of the three cases, focusing on characteristics that have allowed them to survive and succeed.

Chapters 3 through 6 are our analytical chapters. Here we present a variety of data addressing the major questions regarding the inputs, processes, and outcomes of Time Bank participation. Figure 1.1 provides the model that guides our analyses.

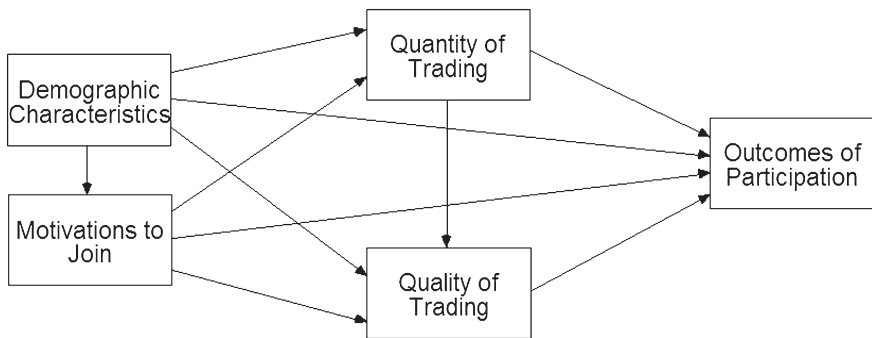


Figure 1.1 Model of inputs, processes, and outcomes of Time Bank participation

Chapter 3 focuses on *inputs*. First, we investigate the variety of motivations underlying participation in Time Banking. Next, we consider the demographic characteristics of participants and describe who joins. In quantitative analyses of two of our cases, we then link these factors in statistical tests to determine the extent to which demographics predict motivations. Using qualitative data from another case, we engage richer data about why certain types of participants come to join these networks.

The next major stage of participation in Time Banks concerns the *exchanges* – the process question is first addressed in Chapter 4. What happens within these networks? What is being exchanged? To find answers to these questions, we report results from our national survey of coordinators and a membership survey from one of our sites. We then extensively analyze the databases of transactions from two of our cases to identify the types of services that are most frequently exchanged. In quantitative analyses in Chapter 5, we develop a variety of indicators measuring the size and characteristics of participant's trading networks. We then explore the extent to which demographics and motivations impact the quantity of exchange and the quality or type of networks that are created in these systems. Using social network analysis, we visualize these networks and investigate who trades with whom.

The final, and arguably most important, stage of participation concerns *outcomes*. To what extent do these networks produce economic, social, and health benefits for individuals, organizations, and communities? In Chapter 6 we use qualitative data from two of our cases to provide rich details on the impacts of these networks. Quantitative data from all three of our cases are also employed to test for the major determinants of these outcomes.

Chapter 7 is an analysis of Time Banking to date, including findings of interest for those who are considering starting a Time Bank. We provide a sociological interpretation of these practices, consider the dilemmas of the larger localism movement in the neoliberal era, and reflect on the future of Time Banking. Throughout the book, we think about “success” and the variety of forms it takes in this movement.

Making Money: The Roots of Contemporary Local Currency

As a medium of exchange, money provides a common unit to measure value as well as being a storage mechanism for future use. These characteristics are what made money transcend the limitations of barter by adding greater convenience and efficiency to economic transactions (Solomon 1996). With all its advantages, however, official money is always scarce relative to needs and desires. If the formal economy does not provide sufficient opportunities for people to access the goods and services they need, people will find alternate means. According to Zelizer (1994: 1), “Money multiplies. . . everywhere we look people are constantly creating different kinds of money.” Recent examples (of the variety we will not be studying) include “Bitcoin,” “Liberty Dollars,” and “Slow Money.”

If we can create money, it follows that there is no longer any need to say ‘we can’t afford to – we don’t have the money’ when faced with problems. . . What matters is not if we can afford to or not, but if we have the time, resources and knowledge to solve our problems and then the willingness and ability to commit this time, resources and knowledge to the task. (North 2010: 15-16)

The contemporary community currency movement emerged in the early 1980’s. The extent to which these efforts are unique and original is debated by scholars. From the tenth through the thirteenth century, most of Europe had local currencies existing alongside centralized money (Rushkoff 2009). Two other often-cited examples are barter and scrip (Greco 1994, Solomon 1996, Raddon 2003, North 2010). Bartering clearly has a long history. In its purest form, it is a simple swap of goods or services between two parties. As Raddon (2003: 12) argues:

The positive notion of barter conveys the personal, face-to-face and relational nature of community currency activity. When you barter you get something

of another person's, and they get something of yours. Unlike the typical retail situation, barter always requires a conversation.

The other common comparison is made to Depression-era scrip, paper notes that were a response to the economic crisis. As Greco (1994: 2) explains:

History is full of examples of successful local initiatives aimed at providing exchange media, but the Great Depression of the 1930's saw this done on an unprecedented scale. There were literally hundreds of scrip issues that were put into circulation by a variety of agencies, including state governments, municipalities, school districts, clearing house associations, manufacturers, merchants, chambers of commerce, business associations, local relief committees, cooperatives, and even individuals.

Depression scrip provides local currency advocates with "a historical instance of local money receiving strong backing of businesses and municipal governments" (Raddon 2003: 15).

Understanding Contemporary Community Currencies

Time Banks and other forms of community currency differ considerably from their historical predecessors. First, they are not based on an assumption of bilateral exchange; instead, their key innovation is the use of multilateral bartering, a form of serial reciprocity (Offe and Heinze 1992). That is, one does not need to find a single individual to exchange needed services with, but rather can provide and receive services within a large network of people with a wide variety of talents and needs. As illustrated earlier by the example of Sally, Murray, Monica, and the Birth Center, exchanges occur within a broad network in which one person or organization provides for a second person or organization that may never reciprocate back to the first but can instead offer something needed by a third.

Secondly, such exchanges may occur at different times, as needs arise. Thus, local currencies expand commerce by connecting a network of people and often businesses together in an ongoing process. And third, unlike the informal nature of bartering and the use of scrip as an emergency measure, community currencies are formal membership organizations that are intended to be long-lasting and to complement the mainstream economy.

Since this idea of non-cash, multilateral exchange is so different from what we are used to (some may consider it revolutionary), it is often hard for people to understand. Some potential participants are skeptical and find it hard to believe that one's time could be used as a currency. The popular metaphor "time is money" not only shapes our thoughts and actions (Lakoff and Johnson 1980), but can literally be true in the case of community currencies. In a focus group with pioneering staff who have started Time Banks, we heard about the recruitment challenge of helping people to "get" the concept. As one of the founders told us, even after people join,

... at the beginning I think it's an issue of de-programming and reprogramming; at the beginning people refused to receive, everybody's willing to give but they don't want to receive. And the issue of reciprocity is a challenge. Because everybody wants to give (Founders Focus Group 2009)

To complicate the problem of understanding the concept even further, terminology for these types of organizations varies tremendously in written accounts. For example, some writers, both scholarly and in the media, use the terms “complementary currency” or “alternative currency” as an umbrella term that might include non-local forms of non-cash programs such as airline miles and other reward programs. In this study we are interested in the form of alternative currencies that are locally-based – referred to here as “community currencies” or “local currencies,” and we focus on Time Banks within the context of such local organizations. However,

“Complementary currency” is a generic term for the wealth of contemporary alternative exchange systems which exist alongside mainstream money. A wide range of complementary currencies have been springing up in developed and developing countries since the 1990s as a response to social, economic and environmental needs, in the form of skills-exchanges, modern-day barter, green versions of supermarket reward schemes, and even notes and coins. (Seyfang 2009: 141)

Most of these new forms are local, community currency organizations. By the end of 2010, there were at least 140 in the United States and more than a thousand globally that have been launched in the past three decades.

Another question commonly asked about community currencies is whether the exchanges are legal and/or taxable. Community currencies are perfectly legal, though the specifics vary by country. In the United States, the private issuance of paper money (but not coins) is permitted as long as it does not resemble the legal tender issued by the federal government (Solomon 1996). As we discuss below, the tax implications vary by system type and country. Most importantly for our focus on Time Banks in the U.S., the exchanges in those organizations are not taxable, by explicit ruling of the Internal Revenue Service (see below).

How Does it Work?

While all community currency systems differ somewhat, each is premised on creating a local currency as a measure of and mechanism for the exchange of services and goods. Participants publicize the goods or services they wish to offer and/or obtain through a directory, newsletter, notice board, website, or listserv. Interested parties contact one another or a staff member, negotiate the transaction, and then arrange it. The recipient “pays” with, and the provider receives, credit in the form of recorded hours or local currency notes that can be used for making

purchases from other participants in the system. The idea is to decrease the need for conventional money by increasing the individual's access to resources in the local community and thereby decreasing their dependence on conventional money and traditional markets alone.

As in the formal economy, exchanges in local currency systems are usually initiated by the buyer, the person seeking a service or good. Thinking about these transactions from an economics perspective, the "risk" of participation is assumed largely by the sellers or providers of the service or good. That is, the sellers are receiving the local currency under the assumption that it will be useful within the network for future purchases. In the formal economy, sellers receive money that is linked to the Federal Reserve System and accepted anywhere around the country. Therefore, greater risk rests with the buyer. Internet auction sites such as eBay also illustrate this. The buyer utilizes the product description and the seller's ratings to make an informed bidding decision. Still, the buyer takes a greater risk since she or he must usually pay for an item before they receive it and can inspect it. The buyer assumes the seller is legitimate and will actually deliver the product as described. Thus, in local currency systems, a sense of trust is very important. New recruits, in particular, must believe that the community currency has utility.

Unlike traditional volunteer and charity programs, community currency networks empower both providers and receivers of services, broadening the scope of valued services and expanding the proportion of the population that can actively participate in the local economy. They often include people whom the traditional employment sector tends to exclude, people who are old, disabled or lacking certain skills or education. And they are based on the principle that every person has something to offer.

It is also key that there is ordinarily no distinction between "providers" and "receivers"; all members are both. Consequently, the term "co-production" has been coined to explain how the community currency model – Time Banking programs in particular – operate (Cahn 2000). The co-production principle dictates that skills and services provided by the disenfranchised are necessary to rebuild individual lives as well as whole communities. Thus, all members of a community – regardless of age, health status, or traditional training – can and should be agents of change as providers as well as recipients of services. The concept of change in this context refers both to the validation of the contributions of all members of a community, as well as a recognition that such contributions enhance community access to services and products which may not be readily available in the existing market.

The formal market economy is often inefficient in including goods and services that cannot be easily quantified in terms of dollars and cents. Often termed "informal," services such as friendly visiting, medication reminders, or assistance with reading or shopping are things one cannot readily purchase in a store. Yet these are often the very things needed to maintain independent living and a high quality of life.

Community currency networks are potentially a perfect venue for these types of “friendly favors.” Furthermore, the element of reciprocal exchange inherent in community currencies minimizes the emotional stress sometimes experienced by receivers of goods or services in traditional charity programs. For example, scholarly research has found that the elderly tend to desire independence and autonomy and are less enthusiastic about receiving help than providers are about giving it (Lee 1985). In such unbalanced power relations, the inability to reciprocate can detract from their quality of life (see also Krause et al. 1992). In a study of three generations of women, Brody et al. (1983) found that members of the oldest generation were most apt to dislike receiving help from those whom they were not able to assist in return. Instead of a one-way social service provision, community currencies can empower those in need by providing opportunities for them to contribute what they can to the network.

Types of Community Currencies

Since the early 1980s, there have been three basic types of community currency systems in operation across the world: Local Exchange and Trading Systems (LETS), Hours systems, and Time Banks (Meeker-Lowry 1996). The latter are the most flexible and vary accordingly. Time Banks are either stand-alone and based in a neighborhood/community or agency-based, “embedded” in an organization. Among the embedded Time Banks, some have open memberships while others are restricted to the member clients/residents of the host agency or organization. It is important to note that there is such a wide variety of community currencies and practices that any overview can only be an approximation of the complex reality on the ground. This is also part of the attractiveness of these systems, they are subject to constant innovation and adaptation to local conditions.

LETS

Local Exchange and Trading Systems began in British Columbia in the early 1980s and have been the most widespread form of local currency schemes internationally. They tend to be stand-alone groups administered by volunteers. Some have organizational members (local businesses and nonprofit agencies), but all stress individual, member-to-member trading. The value of these “virtual” currencies is usually pegged to the national currency. Participants report their exchanges to an administrator who tracks circulation in a database. While never being extensively pursued in the U.S. (see Solomon 1996), it is estimated that there have been thousands of LETS started across the world (Cohen-Mitchell 2000, UNILETS Online 2012). Researchers have concluded that LETS activity peaked in the mid-1990s and a substantial proportion of LETS are no longer operating (Seyfang 2002, North 2003). Low trading volumes and the insufficiencies of administration by volunteers have plagued many systems (see Aldridge and Patterson 2002).

Moreover, since LETS currencies are not exempt from tax and welfare benefit calculations in some countries, they are often not very attractive to the poor and unemployed (Seyfang 2003).

Hours

The growth of LETS in the late 1980s inspired a community activist to establish a local currency system in Ithaca, New York in 1991 (see Glover 2000). Ithaca Hours is a paper currency whose value is linked to the U.S. dollar. Each “One Hour” Ithaca bill is equivalent to \$10 since this was the approximate average hourly wage in the area at the time the system was started. The notes come in six denominations ranging from One-Tenth Hour (\$1) to Two Hours (\$20). Despite being called “Hours,” the currency is not based on the labor time expended in any given transaction. Nonetheless, in all of these systems, negotiation often occurs between transacting individuals. Since its founding, thousands of individuals and hundreds of businesses have exchanged the currency.

This model spread rapidly across the United States during the 1990s according to research by Collom. He identified 82 Hours systems that had been attempted in the U.S. from 1991-2004. Only 17 were still active as of 2004, a 20.7% survival rate (Collom 2005). In an updated analysis, Krohn and Snyder (2008) found that two more systems had been started, but only a total of 12 were active as of 2007 (lowering the survival rate to 14.3%). Nearly all Hours systems are stand-alone, run by volunteers, and have a mix of organizational and individual members. The challenges of retaining dedicated administrators and recruiting new participants, a shortage of useful services, and insufficient resources have hindered these systems (Collom 2007b).

Time Banking

In the United States, the Time Bank concept was originated in 1980 by Edgar Cahn, a law professor and former special counsel and speechwriter for Attorney General Robert Kennedy.¹ He implemented the first Time Bank in Miami, Florida in the mid-1980s (see Cahn and Rowe 1996; Cahn 2000). Unlike Hours systems or scrip, Time Banking does not use paper representations of money nor is there any equivalence with standard U.S. monetary values. The currency is time – however long it takes to do something is what it is worth. A participant spends an hour providing a service to another and their account is credited one Time Dollar while

1 Cahn is widely recognized as a pioneer for his independent development of the Time Bank concept and continues to be a leader in the international movement today. Earlier, a Japanese woman named Teruko Mizushima wrote about the idea of a time-based complementary currency in 1950 and launched the Volunteer Labor Bank in Osaka in 1973 (see Lietaer 2004, Miller 2008).

the recipient's account is debited. All types of work, and hence all workers, are equal in value.

The core values of Time Banking as distributed by the umbrella organization of the U.S. movement, TimeBanks USA (2012), are as follows:

ASSETS

We are all assets.

We all have something to give.

REDEFINING WORK

Some work is beyond price.

Work has to be redefined to value whatever it takes to raise healthy children, build strong families, revitalize neighborhoods, make democracy work, advance social justice, make the planet sustainable. That kind of work needs to be honored, recorded and rewarded.

RECIPROCITY

Helping works better as a two-way street.

The question: "How can I help you?" needs to change so we ask: "How can we help each other build the world we both will live in?"

SOCIAL NETWORKS

We need each other.

Networks are stronger than individuals. People helping each other reweave communities of support, strength and trust. Community is built upon sinking roots, building trust, creating networks. Special relationships are built on commitment.

RESPECT

Every human being matters.

Respect underlies freedom of speech, freedom of religion, and everything we value. Respect supplies the heart and soul of democracy. When respect is denied to anyone, we all are injured. We must respect where people are in the moment, not where we hope they will be at some future point.

The earliest Time Banks were often called service credit programs or banks and had paid staff. These embedded, agency-based programs were intra-generational, recruiting older persons to help other older people remain independent and in their home – in some cases creating a safety net that extended beyond the limitations of traditional social programs (Coughlin and Meiners 1990, Meiners, Treat, and McKay 1996). Today, many Time Banks are still based in existing organizations (such as hospitals, schools, churches, or social service agencies) and target the socially and economically marginalized – the young, the elderly, the poor, and the disabled (Seyfang and Smith 2002). However, other Time Banks are stand-alone,

community-based networks which bring together people from very heterogeneous backgrounds. The Time Bank model is flexible, and there is a wide range of programs in existence today.

A coordinator is often employed to recruit participants, provide orientation, match providers and recipients as needed, track the hours, and distribute statements to members or make them available online. The statements of accrued and owed hours ("Time Dollars") are the record of one's balance in the "bank." The more formal administrative structure of Time Banks has helped make them more successful than the other forms of local currencies. Moreover, Time Dollars are tax-exempt (more on this below) and the systems are seen much more favorably among policy makers as they have been promoted primarily for their social (not economic) benefits (see Greco 1994, North 2003, Seyfang 2003).

Despite this more politically-neutral framing, the egalitarian Time Dollars are actually more radical than Hours and LETS, which are pegged to national currencies (see Bowring 1998). That is, in Time Banks, one person's hour of service is always equal to another's, regardless of the services provided. When local currencies are valued according to national currency equivalents, as in Hours and LETS, they reproduce the wage inequality that prevails within the mainstream economy. Since exchanges are valued in the amount of time providing in Time Banks; there is no distinction in value according to a person's education, skills, or marketplace assessment. It is thus a potentially revolutionary ideology, challenging meritocratic and class distinctions and functionalist ideas about stratification that require compensation according to the importance, scarcity, and difficulty of a service, resulting in very unequal compensation in the market economy.

Given the lack of a physical currency and the fact that many social services are provided within their networks, Time Banking is often seen as a form of volunteering. Yet the scholarly literature on volunteering does not provide a definitive answer, the applicability of the volunteer concept is questionable. The groups themselves and the individuals acting within them should each be considered. All local currency systems are "voluntary associations," "a group of people who share an interest and have agreed to pursue it jointly" (Pearce 1993: 18). More specifically, community currency systems can be considered "mutual-benefit associations" since "the prime beneficiary is the membership" (Blau and Scott 1962: 43). Yet some networks are also 501(c)(3) non-profit, "voluntary organizations" (Pearce 1993) with paid administrators. In these cases, the groups are more of a mixed type, taking on aspects of "service organizations" (Blau and Scott 1962).

Some advocates view community currency participants as "volunteers" (see Cahn and Rowe 1996) and the earliest Time Bank programs in the U.S. often had the word "volunteer" in their titles (see Coughlin and Meiners 1990). Nonetheless, the premise of local currencies is that participants must give *and* receive (spend the currency), so the volunteering frame does not fit. Transactions in these networks are nearly always initiated by a request from the recipient, not the provider (or "volunteer"). Indeed, these networks simply will not function unless participants

request products or services. Coordinators often have to remind their memberships to spend the currency that they have banked.

As Wilson (2000) notes though, whether “volunteers” can receive material rewards is open to debate. Smith (1981) argues that being a volunteer is a matter of degree. At the one end, “pure” volunteers “would be individuals receiving no remuneration whatsoever while performing very valuable services” (1981: 23). On the other (less than pure) end, volunteers can be paid for “activities that have a market value greater than any remuneration received for such activities” (1981: 23). Since Time Dollars are an egalitarian currency (based on the amount of time it takes to provide a service), the relationship to market value is difficult to compute in these networks. Nevertheless, we do make the effort in Chapter 4 to show the considerable economic value of exchanges in our cases.

Two other distinctions in the volunteering literature also do not seem very applicable here. First, the differences that Wilson (2000) notes between associational volunteers (members working for their organization) and program volunteers (members working on behalf of their organization) are not relevant. Second, the dichotomy between self-oriented versus community-oriented forms of voluntarism (see Janoski and Wilson 1995) provide little clarification to this puzzle either. While Time Banks are “mutual benefit associations” and therefore self-oriented, they also typically strive to build social capital and improve the community as a whole. The results we present in this volume will help inform the questions surrounding community currency participation and volunteering.

The Time Bank model of local currency appears to be growing; TimeBanks USA reported distributing 188 start-up kits in response to requests in 2009, double the number requested in 2008 (TimeBanks USA 2009). Yet as we will see in Chapter 2 and Chapter 7, sustaining Time Banks can be very challenging. In Chapter 2, we will describe our national survey of coordinators in detail. In our effort to produce a comprehensive list, we have identified 128 U.S. Time Banks in existence in late 2010. Timebanking UK, the umbrella organization in the United Kingdom, began in 1998 and had 224 programs by 2011 (Hopley and Mackey 2011).

In addition to LETS, Hours, and Time Banks, there are also hybrid models, as communities tend to tailor these networks for their own specific needs. For example, the large-scale barter networks of 2000-2003 in Argentina were a reaction to the extreme devaluation of the national currency (see North 2007, 2010). In the United States, the BerkShares project in Western Massachusetts has also received much publicity since it began in 2006 and has subsequently been replicated in several other U.S. communities. However, this model is quite different from the other types of local currencies since membership is limited to businesses. Instead of a neighbor-to-neighbor network, it is a printed discount scrip (see Solomon 1996) or “buy-local-and-get-a-discount” program. Yet it has many of the same goals of creating community through promoting interaction among residents of the area and with local businesses (Witt 2009). Rushkoff (2009) distinguishes these scrip programs with exchange rates for regular dollars from LETS, Hours,

and Time Banks. He argues that the latter are “even more promising” since they are “quite literally earned into existence” (Rushkoff 2009: 238).

Community Currencies as Social Movements

Although Time Banks and other community currencies are organized within and indeed restricted to specific local areas, nevertheless we argue here that collectively these exchange networks comprise a social movement and that individual systems are what scholars refer to as “social movement organizations” (SMOs). There are many definitions and theories concerning social movements.

Community currency can easily be considered a social movement under McCarthy and Zald’s (1977) belief-centered definition.

A social movement is a set of opinions and beliefs in a population which represents preferences for changing some elements of the social structure and/or reward distribution of a society ... we view social movements as nothing more than preference structures directed toward social change. (McCarthy and Zald 1977: 1217-18)

Participants in these systems most certainly have preferences for change. Indeed, they have *acted* on behalf of these preferences.

Yet community currency is a unique type of social movement. In Starr’s (2001) survey of anti-corporate movements, community currency is characterized as a “relocalization” movement. Hess (2009) considers it a localist movement along with community gardens and buy local campaigns. Seyfang (2009) ties it to local food and alternative housing, another form of sustainable consumption. Leyshon and Lee (2003) also see local currencies, “day-to-day experiments in performing the economy otherwise” (2003: 16), as part of the anti-globalization movement in terms of both their activists and their goals. Community currency has been an ongoing topic at the World Social Forum, a global network of individuals and organizations involved in the process of seeking and building alternatives (Leite 2005). Local currencies have been used at some of the annual gatherings and are part of their larger vision of a “solidarity economy.”

Not all social movement scholars would agree that such organizations may be considered as proper social movements. For example, Tarrow’s (1998) widely cited conception of social movements is quite stringent. He discusses four necessary elements which distinguish social movements from other social phenomena: a) disruptive, collective challenges, b) the existence of common claims and interests, c) the establishment of a collective identity, and d) sustained interaction with elites, opponents, and authorities. Community currency systems are not based upon nor do they normally involve any disruptive protest or sustained interaction with opponents. Participants in community currency systems have chosen to use their participation to supplement their interaction with the mainstream economy

or to minimize their participation in the formal economy, or in extreme cases, exit the mainstream economic system; however, they are not engaged in collective, contentious interaction with any other party.

McAdam and Snow (1997) provide a slightly different definition of movements that relaxes the disruptive and contentious tactics element somewhat. They see “social movements as collectivities working with some degree of organization and continuity to promote or resist change through a mixture of extrainstitutional and institutionalized means” (McAdam and Snow 1997: xxii). Thus, social movement tactics need not necessarily be disruptive, only “extrainstitutional.” The creation of alternative local economies appears to meet this criterion since community currencies usually operate outside of major social institutions, even if they are embedded in local organizations. Snow, Soule, and Kriesi (2004: 9; *italics in original*) have a similar conceptualization: “we argue that movements be considered as challengers to or defenders of existing *institutional authority* – whether it is located in the political, corporate, religious, or educational realm.” To a certain extent, community currency systems do challenge the institutional authority of the mainstream, capitalist economy.

If it is acceptable that community currency can be considered a movement, it is possible to be more specific and to characterize it as a particular type of social movement. The closest parallel to local currencies in the social movements literature seems to be with what have been called “communal” (Kanter 1972) or “communitarian” (Zablocki 1980) social movements. These movements seek “to establish small-scale social systems to remedy [the] ills of the larger society” (Kanter 1972: 62) and “to live according to their own value systems outside of established social institutions” (Appelbaum and Chambliss 1995: 544). The definitive characteristic of communal movements is that they build alternatives to mainstream social institutions. Therefore, such movements can also be labeled simply as “alternative” (Collom 2007a). As Rothschild-Whitt (1979: 510) states:

Alternative institutions may be defined in terms of their members’ resolve to build organizations which are parallel to, but outside of, established institutions and which fulfill social needs (for education, food, medical aid, etc.) without recourse to bureaucratic authority.

Unlike most movements that are studied in the literature, alternative social movements are not necessarily “oppositional.” They create their own social space to defy mainstream institutions (rather than engaging in sustained, disruptive interaction with them). Flacks (1974: 70, 1988) has argued that social movements and activists need “to find ways to make history through everyday activity. Such activity includes countless experiments to reconstitute patterns of everyday life ...” Using these words, community currency is an “everyday” social movement in which participants make history directly by influencing the conditions and terms of their everyday lives. Other notable alternative social movements include communal living (see Zablocki 1980), community supported agriculture or “box

schemes” (see Purdue et al. 1997), urban gardening (Cavanagh and Mander 2004), and the growing home schooling movement (see Collom and Mitchell 2005).

McCarthy and Zald’s (2002: 540) social movement organizations (SMO) framework is a useful one when considering the nuts and bolts of different local currency systems:

These main SMO demographic variables are: (1) the extent to which the leadership is volunteer or is paid; (2) the geographic scope of operations (local versus state and/or national); (3) whether the SMO has any members and if so whether the members are individuals or other organizations (or some combination of the two); and (4) whether the SMO is a stand alone or is affiliated in any way with a network of groups.

LETS, Time Banks, and Hours systems all share a focus on a local geographic scope of operations, though some are loosely tied into a national or international network such as TimeBanks USA. For the other three SMO variables, however, the different forms of local currencies vary.

A major difference between LETS and Hours systems versus Time Banks is that the former tend to be led by volunteers, whereas the latter more often have paid administrators. Previous research has shown that community currency networks, like many grassroots organizations, have difficulties maintaining administrators who are volunteering their labor (Aldridge and Patterson 2002, Collom 2005). Tremendous time and energy is required to launch and coordinate these systems. With volunteer leadership, the likelihood of “burnout” is high, and it is often difficult to recruit new leaders as people step aside. The Time Bank model (Cahn and Rowe 1996) is based on having a coordinator or staff, ideally working in an office. The availability of staff brings much greater stability to these formal organizations. Of course, this institutionalization comes at a cost, as Time Banks require much greater resources than LETS or Hours systems. As our cases will demonstrate, funding for Time Banks comes from a variety of sources and poses its own challenges.

Membership is the next variable in the McCarthy and Zald framework. While Hours systems do not require membership – anyone can acquire the currency in a local bank or business – most local currency groups have a membership enrollment process. Also, anyone in the community can apply to join in the majority of these networks. As we will see in Chapter 2, some Time Banks are restricted, as their programs target specific constituents. In addition to individual members, most local currency systems also have organizational members. These organizations tend to be small businesses, cooperatives, or nonprofit agencies. In addition to saving money and building community, organizational members can also recruit new customers by joining a local currency system. For example, a nonprofit community theater company has a lengthy mailing list and joined their local Time Bank to get help with the bulk mailing of their monthly newsletter. The Time Bank

recruited members and formed a bulk mailing team who get together on a monthly

basis to earn hours preparing the mailings. The communal work environment is also an excellent opportunity for socializing. In return, the theater company offers tickets to their performances to members of the Time Bank. The theater company becomes more visible to Time Bank members, and it gains new customers.

The final variable from McCarthy and Zald's (2002) SMO framework concerns whether the system is stand-alone or whether it is affiliated with other networks or organizations. Most LETS and Hours systems are stand-alone, grassroots organizations, while about half of U.S. Time Banks are housed in existing agencies or organizations, and others have strong collaborations with other organizations. As with the case of paid administrators, this is also a resource issue. Stand-alone systems usually incur greater operating expenses. Those with affiliations can often reduce their overhead expenses. As we illustrate below, this variable alone plays a large role in shaping Time Banks.

Another characteristic that distinguishes Time Banks from LETS and Hours is that Time Banking has been ruled as tax-exempt activity by the Internal Revenue Service. This is due to the fact that the currency of Time Banks is measured in hours rather than dollars and is considered volunteerism by the IRS. The electronic credits and debits within a Time Bank are all based on the amount of time that a member spends providing a service to another.

Despite the obvious value of the services and the extensive record keeping involved, the IRS nonetheless concluded that these credits "have no monetary value," and service recipients do not incur a "contractual liability." The agency saw that these Time Dollars are fundamentally different from money. They provide recognition and a form of bonding rather than a cash reward. "Credits posted to the volunteers' accounts serve merely as a means to motivate the volunteers," the IRS said. (Cahn and Rowe 1996: 78-79)

Following this close attention to legality in the Time Banking movement, volunteer insurance policies were strongly encouraged in the early days (Cahn and Rowe 1996). Today, the tracking software distributed by TimeBanks USA contains a disclaimer and requires that participants agree to not hold the organization liable for any harm or injury incurred during participation. In the U.K., the tax implications of Time Banking are more complex; goods that are exchanged for time credits are counted as taxable income while services are not. Moreover, at one point, the Department of Work and Pensions notified disabled Time Bank members that they may be disqualified from state disability allowances since Time Banking was interpreted as a form of work (see Seyfang and Smith 2002).

Most LETS and Hours systems, on the other hand (and ironically given the name of the latter), peg their local currency to the national one. Therefore, exchanges within these systems are treated as taxable income and the member is responsible for reporting it to the government (Glover 1995, Solomon 1996, Aldridge and Patterson 2002). This has been identified as a major limitation of LETS networks (nearly all of which have been started outside of the U.S.).

Since LETS activity is considered taxable income, this is a disincentive for all participants, but particularly those who are receiving welfare benefits or state aid (Williams 1996b, Fitzpatrick 2000).

Outcomes: The Many Possible Benefits of Time Banks

Advocates of community currency networks cite a myriad of goals and potential outcomes and view these systems as tools to combat several ongoing social problems. Outcomes are arguably the most important arena to investigate. They ultimately tell us what these networks do and if they work. In Chapters 6 and 7 we will discuss the outcomes and the policy implications of our results. There are three different levels at which local currencies can potentially produce positive effects: individual, organizational, and community. Individual-level outcomes are benefits to participants personally. Organizational outcomes are those that strengthen the organization administering the program. Community outcomes create positive benefits for the local region. The major types of outcomes include: economic, social, health, resources, ideological, and environmental.

Economic

Most Time Bank proponents stress the potential economic advantages to individuals participating in these networks. After all, these trading systems exist to facilitate non-cash exchanges of services and goods. This makes these currencies particularly relevant in tough economic times. The unemployed and underemployed are ideal candidates since they usually have needs and the time to participate. This framing has made these alternative markets appealing to many.

Organizations that participate in or administer local currency programs can also reap some economic benefits. For example, a small business member may be able to get some services through the local currency system (such as website design or bulk mailing) that they would have to pay cash for otherwise. Additionally, as networks grow, host or partnering organizations gain greater visibility in the community and may attract new customers or clients as a result. As previously mentioned, many Time Banks are housed in hospitals and social service agencies. These administering organizations can save money by having members assist one another – for example with appointment reminders – rather than having to pay people to perform those services.

On the community level, Time Banks and other community currencies can arguably help strengthen local economies. By supporting the talents of local residents and businesses, these networks encourage wealth to stay within a community rather than flowing out of it (Meeker-Lowry 1996, Bowring 1998, Shuman 1998). These “closed economies” prevent seepage, since the currency must be used within the system (Williams 1996c). Local money networks can *promote* the trading of goods and services, while national money often *restricts*

exchange because of its scarcity. As in the case of independent, local businesses, these networks keep resources local instead of losing them to distant shareholders of major corporations (Mitchell 2007, Hess 2009).

Social

Social scientists have long argued that individuals and societies benefit from the existence of strong social networks. Founding sociologist Emile Durkheim theorized that the division of labor in modern society is based on the principle of interdependence, in which individuals produce a small component of what society needs, and obtain what they need by exchanging their products for comparable goods or services. Social cohesion develops as skills become more specialized and people come to depend on each other (Collins 1994). Social psychologists, at least since Charles Horton Cooley and George Herbert Mead in the early 20th century, have addressed the centrality of social networks and groups to which an individual belongs and their role in the formation of individual identity. In this view, one's sense of self emerges largely through social interaction with others.

Community currency advocates regularly stress the social benefits of participation. By promoting interpersonal interaction through transactions and social events, new bonds are formed and existing ones are strengthened. These social effects may particularly benefit certain types of participants. For example, several studies indicate that older Americans have smaller social networks overall (Marsden 1987, Lin, Ye, and Ensel 1999, McPherson, Smith-Lovin, and Brashears 2006) and that the aged have less frequent contact with their network members (Morgan 1988, Antonucci and Akiyama 1987). For the elderly, community currencies may also facilitate interactions outside of one's age group. Since age homophily – the tendency to interact with people in the same age group – is quite strong in the United States (McPherson, Smith-Lovin, and Cook 2001), community currencies may serve a social integration function. Furthermore, new evidence shows that social isolation caused by language barriers and other challenges of immigration can be overcome by community currency networks (Stern, Cherry, and Oberlink 2009).

Communities can also gain some social benefits. In an era of declining social capital, local currencies have appealed to those stressing the importance of community (see Boyle 1999, Cahn 2000, Putnam and Feldstein 2003, Raddon 2003, Schor 2010). In decades past, family, friends, and neighbors served as informal support networks and accomplished many of the same exact tasks that community currencies do today. Yet for reasons outlined previously, social capital in our communities has eroded. A vibrant local currency system can generate greater trust within a neighborhood and may increase civic engagement as well.

Health

Participation in a local currency can produce individual health benefits. Health psychologists and medical sociologists have amassed a great deal of evidence documenting the correlation among social support, social networks, and individual well-being, both in general and in relation to specific illnesses such as diabetes. For example, Bailis and Chipperfield (2002) found that positive identification with a social group enhances a person's ability to adjust to negative health-related circumstances. McAvay, Seeman, and Rodin's (1996) review of the literature concludes that social integration, particularly when the quality of relationships is good, is related to reduced mortality and improved mental health, as well as recovery from illness, while social isolation and poor social relationships are associated with worse health outcomes. Similarly, Kawachi and Berkman (2001) concluded in their review that social ties are generally conducive to better mental health, and possibly to improved cognition among elderly people.

Another study evaluating social bonds, by researchers Ryff and Singer (2000), concluded that nurturing contact or interactions with others is linked to longer and happier life spans (see also Kenrick, Neuberg, and Cialdini 2002). Hence, research provides support for the notion that individuals who maintain strong social bonds employ superior coping skills when faced with stressful events and are more resistant to life threatening illness. Researchers have also suggested that social support plays an important role in self-efficacy, a person's level of confidence in his or her ability to perform specific behaviors. Higher levels of self-esteem, self-efficacy, and self-worth are thought to help people adapt to stressful life events and prevent depression.

Resources

In addition to economic, social, and health benefits, individual participants can gain a variety of resources by participating in a local currency system. Some argue that these networks can serve as bridges to formal employment as participants gain experience and expand their skill sets (Williams et al. 2001a). These networks can also promote the appreciation of skills which may not be deemed valuable by the traditional market economy (Seyfang 2004, Seyfang and Pearson 2000).

The premise of local currencies is that all people have skills and can make valuable contributions to society. The aging population presents unique opportunities for community currency advocates (see Collom 2008). The idea of "co-production" is particularly relevant here. The elderly often have needs for "friendly favors" that are not easily found in the formal economy. On the other hand, the elderly often have spare time to contribute to these networks. Community currency practitioners may have special tasks (such as telephone companionship) that the elderly can perform. In return, older participants may receive assistance (such as medication reminders) that allows them to "age in place," that is, stay living independently in the community, in their homes.

At the organizational level, participating organizations can gain greater visibility in the community and resources such as new customers or clients. Organizations that administer local currencies can also gain new resources by offering member-provided services that they were not able to offer without the program.

Community currency networks can also serve as resources for the community as a whole. Local officials can steer residents to successful systems. In 2009, New York City started its own Time Bank serving Manhattan, and while it is a stand-alone program, it maintains a formal collaboration with Time Banks serving other boroughs within the city and often refers residents to programs within their own neighborhoods (Blech 2009).

Ideological

There are a variety of ideological or values outcomes that individual participants in local currencies could gain. As Hess (2009) notes in his overview of localist movements, people from across the political spectrum may support such initiatives.

Localism can appeal to socialists who want to see more local government ownership, to communalists and decentralists who wish to see the growth of independent local economies, to neoliberals who support the small-business sector as a solution to social and environmental problems, and to liberals who seek greater regulation of local land use and federal legislation that ends corporate handouts. The bluest of Democrats may find themselves agreeing with the reddest of Republicans, at least on the strategy of local economic control as a means for improving the environmental, health, and quality of life of their shared, place-based communities (Hess 2009: 51).

The contemporary community currency movement has emerged in part as a response to global capitalism and its “race to the bottom.” Some Leftist activists envision local currencies as anti-capitalist, political projects (see Starr 2001, North 2006). In a world where global leaders say “there is no alternative” (TINA), radical do-it-yourselfers (DIY) are attempting to model an alternative to capitalism. Community currencies are seen as a potential mechanism for non-exploitative economic exchange in which labor is not commodified or treated unequally. In addition to Leftists, libertarians may also support these DIY systems. Those who seek to become more self-reliant are able to use these networks as a means of acting out on behalf of the variety of values they cherish.

Altruism is another set of values that participants can fulfill by participating in a local currency. Many volunteers seek to “give back” to their communities. Local currency participants are likely to gain some of this same satisfaction by assisting others with their needs.

Ecological

At the community level, the ecological benefits of local currencies have also been stressed by advocates (see Bowring 1998, Helleiner 2000, Seyfang 2001a, North 2006). At a time when buying and eating locally are becoming increasingly popular, community currencies fit right in. In one list of positive grassroots possibilities, they are included along with buy local campaigns, farmers' markets, local food co-ops, community banks and loan funds, and urban gardens (see Cavanagh and Mander 2004: 229). Community trading networks promote principles of egalitarianism, ecology, and sustenance through independence from the outside market economy (Lee 1996, Solomon 1996). Such local enterprise relies less on out-of-area products, decreasing the environmental externalities of long distance transportation and trade (Hawken 1993, Milani 2000).

Conclusion

Time Banks have become increasingly visible in the United States in the early twenty-first century, building on a history and tradition of informal exchange systems. An economic recession, declining social capital, and a healthcare system that inadequately serves an increasingly aging population have led more and more local activists to pursue these do-it-yourself projects. In this chapter we have described the basic concepts of Time Banking, contrasted them to other forms of alternative currency, and located them in the context of social movements. We believe them to be an important component of the growing movement to create local alternatives to the global and national economies; they may also serve significant goals of personal and community development.

Yet few empirical studies exist to assess these efforts. We know little about who joins these networks, why they join, what happens within them, and what impact they have on individuals, organizations, and communities. Our objective is to provide a thorough investigation of Time Banking – the most flexible, popular, and successful form of community currency in the United States. In the next chapter we report the results of our national survey of Time Bank coordinators and then describe our three cases, focusing on issues of founding, staffing, budget, organizational structure, membership, and challenges and opportunities. In subsequent chapters we present our results on motivations to join, demographics of members, the nature and intensity of exchanges, and the outcomes of participation. As more people around the world invest their energy and time in creating such alternative exchange networks, what can they expect to result from their efforts?

Chapter 2

Time Banks: Variety in Organization and Development

Introduction

Chapter 1 introduced the general concept of community currencies and the major types that have existed over the past three decades – LETS, Hours systems, and Time Banks. Our focus in this book is on Time Banks. The Time Banking model has been the most popular at the end of the 2000's and is arguably the most successful form of community currency in the United States. As indicated in the first chapter, the Time Bank model is very flexible and can be custom-tailored to the needs of particular constituencies. Time Banks have some major advantages over LETS and Hours: the services exchanged are tax-exempt, many have paid administrators, and many are embedded in existing organizations.

In this chapter we draw upon results from our national survey of coordinators and describe our three cases in detail. We provide an overview of the different types of Time Banks, the variety of ways in which Time Banks might be started, the organizational careers that they follow, and the challenges that they face in seeking to grow, achieve their missions, and survive.

As indicated in the first chapter, Time Banks come in a variety of forms (see Cahn and Rowe 1996). Our three cases, each well known in the larger movement, represent the major divisions in Time Bank organizations. First is the distinction between stand-alone (community-based) and embedded (based in an existing organization) forms. Additionally, the latter come in a variety, and we illustrate here two types of embedded Time Banks, one that is open to anyone, and one that is restricted only to clients or members of the agency or organization. We bring these cases together to reflect the diversity within this movement as well as the common challenges faced by Time Banks.

We describe for each of our three cases the history of its creation and its mission, the structure, staffing, and funding of the organization, how members are recruited, and what programs and services are offered. We consider the difficulties each has experienced in growing and surviving. The case studies are based on participant observation, archival analysis, and on interviews with stakeholders – present and former staff, funders, and others involved with each program. In the Methodological Appendix of this chapter, we provide an overview of the research we have conducted on members' motivations, involvement, and outcomes gained, describing the methods used and types of data collected. Findings from these research studies are analyzed in the remaining chapters.

National Survey of Coordinators

In studying these three well-known Time Banks with long histories, we wanted to know how they compare to Time Banking more generally in the United States. Newly started Time Banks may look different than the pioneers. Therefore, we carried out a survey of the coordinators (or primary administrators) of all of the active Time Banks in the U.S. in the latter half of 2010 (see Methodological Appendix). To begin this chapter, we present the findings regarding size, year of founding, and organizational/financial characteristics. We address a variety of research questions such as: How many Time Banks exist in the United States? When were they started? How many members do they tend to have? How are they managed and funded? In subsequent chapters we will return to the survey results on membership characteristics, recruitment, services exchanged, and overall challenges to organizational survival.

In preparation for the survey we were able to identify 128 existing Time Banks in the United States. Through this process we learned that many Time Banks have closed over the years. This is not surprising given that the movement has existed for more than 25 years in the U.S. By compiling various directories, we found around 100 listings of Time Banks for which the contact information was not valid and no evidence of their existence could be documented. Many of these may have never been started, but some of them did and no longer exist. We will address the question of challenges to the sustainability of Time Banks in the final chapter.

The coordinators who responded to our survey represent Time Banks that are located in thirty different states. The largest number responding are in California (15), followed by Minnesota (7), Pennsylvania (7), and Massachusetts (6). As seen in Figure 2.1, Time Banks are mostly concentrated on the West Coast, New England, and the Great Lakes area.

This geographical pattern of dispersion is very similar to what was found in an environmental analysis of Hours systems in 2004 (see Collom 2005: 1575). The characteristics of the cities in which Hours systems appear was also considered in this previous study. It was found that these cities have residents who are significantly younger and have greater educational attainment compared to the U.S. population as a whole. Places where Hours systems have been attempted were also found to have fewer married residents, fewer homeowners, and less residential stability on average. Finally, these cities tended to have larger self-employment sectors and residents with lower household incomes and higher poverty and unemployment rates. Figure 2.1 and the previous findings indicate that local currency systems are not randomly distributed; they tend to be launched by activists in particular types of places.

While Time Banking has been in existence since the 1980's in the United States, most of the participants in our national survey are from relatively new Time Banks. Just over half (54.5%) of the respondents represent Time Banks that were very new; they had started in 2009 and 2010. About one-third (31.8%) are



Positions extracted from
Tele Atlas North America and esri
U.S. and Canada Postal Points 2009;
State boundaries from
National Atlas of the United States®

Figure 2.1 Time Bank locations from national survey of coordinators

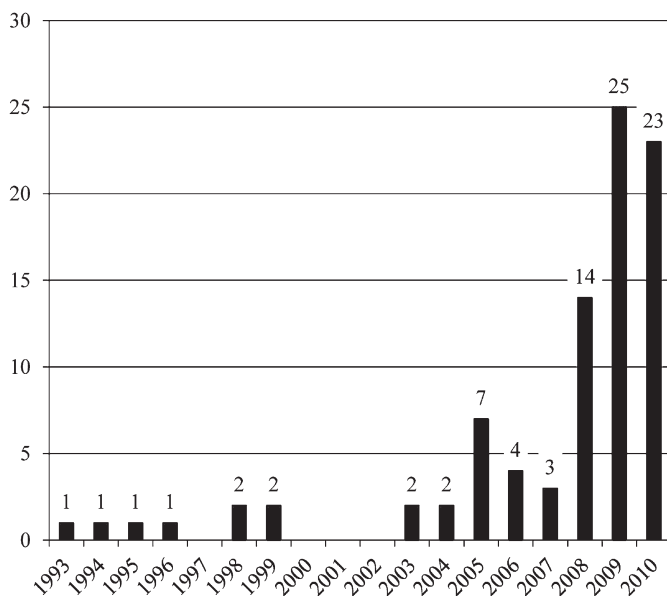


Figure 2.2 Distribution of Time Banks' year of founding, national survey of coordinators

from Time Banks launched between 2005 and 2008, while 13.6% represent Time Banks started before 2005 (see Figure 2.2).

The results from our survey indicate that there is a great deal of variation among the Time Banks that responded. They range in size from 3 to 2,400 members, with an average size of 203 (see Table A2.1 for descriptive statistics). When divided into three size categories, 38.6% have fewer than fifty members, 28.4% have between 50 and 149, and 33.0% have 150 or more. By summing all of the responses and extrapolating for those that did not take our survey, we estimate that there is a grand total of 23,481 Time Bank members in the U.S. in late 2010. In addition to total membership, we also asked the coordinators to estimate the size of the active membership, defined as those members having participated in exchanges in the past quarter. Active members range from 0 to 771 with an average of 60.

Since half of the responding Time Banks had been in existence for only two years or less, we compared them to the "older" ones on membership characteristics. Not surprisingly, the older ones are on average almost three times larger (average total membership of 312) than newer ones (average total membership of 106).

Another important feature is whether the Time Bank is stand-alone or embedded in an organization. The results show that slightly more than half (52.9%) are stand-alone. For the embedded ones, the institutions or organizations which host them vary widely. Respondents reported being part, most often, of a variety of community development organizations (such as neighborhood advocacy and

service organizations), and secondly with health and mental health organizations. A few are sponsored by cities and religious institutions.

In Chapter 1, we noted that embedded Time Bank organizations may be open to anyone who wants to join, but they may also be restricted in membership. One of our cases, Member to Member, was created by a social HMO and limited to subscribers of that HMO. There are other types of membership restrictions revealed in our research, and we mention a few such examples here. It appears that, like M2M, the most common type of such Time Banks are intended to involve older populations. For example, Tierrasanta Village in San Diego is one of 55 similar villages across the U.S designed for people fifty years of age and older. Its Time Bank is seen as contributing to its goal of helping older people stay in their homes as long as possible (Tierrasanta Village 2011). Another Time Bank in a California residential community is the Rossmoor Volunteer Exchange Program in Walnut Creek, CA. In Genola, UT, The Vital Age is a cooperative for people 40 years and above with a Time Bank restricted to its members.

In contrast, there are Time Banks whose memberships are limited to residents of city neighborhoods served by social service or community development agencies. For example, Walnut Hill Time Bank in Philadelphia is embedded in a neighborhood nonprofit, the Enterprise Center Community Development Corporation.

Our survey results suggest that embeddedness (being hosted vs. community-based) is not necessarily a permanent characteristic of Time Banks. We asked the coordinators if this status had changed since their Time Bank began and learned that some Time Banks have left their affiliated organization while others are seeking to find an organizational home. Three-quarters of the respondents indicated that there had been no change. Six did report a change (three from stand-alone to embedded and three in the opposite direction), and eleven were working on a change, six from stand-alone to embedded and five in the other direction. Of those Time Banks founded in 2008 or earlier, 13.5% had changed status; of the more recently founded, more than one in four (26.4%) were considering changes, a likely indicator of the difficulty experienced by some in launching and sustaining time banks. The fact that Time Banks are just about equally likely to be embedded or stand-alone and also equally likely to shift in one direction or another is a reflection of both the flexibility in the model and the importance of local circumstances.

We asked participants in the survey to explain if they noted a change in status. The major reasons cited for a switch from embedded to stand-alone include: the desire to apply for grants, a lack of funding, incongruence between the organization's and the Time Bank's mission, and a lack of leadership for the program. Some of the reasons for changing from stand-alone to embedded include: volunteer coordinators becoming overwhelmed and the desire to tap into the resources and infrastructure that a hosting agency can offer.

Apart from whether or not there is a primary affiliation with another organization, 61.0% of the coordinators responded affirmatively when asked, "Does your Time Bank partner with any businesses or nonprofit entities in your community? Responses did not tend to differ between the embedded and stand-

alone Time Banks. These collaborations are most often with non-profits, but some Time Banks have agreements with businesses as well. Some mention being members of a Chamber of Commerce or United Way, others have relationships with schools, including a university whose students comprise many of the members. Thus, most Time Banks see collaborations with non-profits and local businesses as being important to their success. The following examples from coordinators' comments illustrate the rich variety of activities that Time Banks engage in to foster productive connections within their communities.

We partner with the Senior Center where we have a "Time Station" set up – a place for seniors to have time bank orientations, access Community Weaver (hours-tracking software), and also use the internet for other purposes.

Service learning with high schools and community colleges; fundraising with local service organizations; service provider for county (department) of aging and local nonprofit.

We collaborate with the other United Way funded programs, churches, schools, local businesses and governmental entities throughout the year. We sponsor... community service days... community meetings on transportation, senior issues and disability awareness; and we develop initiatives such as intergeneration programs that benefit seniors and youth.

We work with the New American Center to invite recent immigrants to join the time bank. We partner with a day center for adults with developmental delays. We also work with a family service agency on developing our microenterprise component. That agency is currently donating office space and internet as well as supervision for our new Americorps VISTA member.

We have over 250 business partners providing discounts. We have partnered with business improvement districts as well.

We offer Sponsorships (\$100/year) to area businesses and nonprofits in order to request services from our Membership.

We offer time bank credits to other non-profit organizations that help us spread the word to their members and help us with outreach. Then they give time dollars to their volunteers.

We partner with dozens of local nonprofits, small business owners and collaboratives throughout our city. We work with the Arts and Cultural Alliance for our micro-enterprise activities; radio and TV stations for publicity, small business owners (approx. 25) for membership activities...

As can be seen in these examples, partnerships are fostered with other agencies as well as businesses with the multiple goals of promoting Time Bank membership, acquiring needed support for the Time Bank administration, and enhancing the mission of the other organizations by increasing their volunteers and customers.

When asked about paid staff, about three-fifths (61.7%) of coordinators reported that they have none. Embedded Time Banks are much more likely than stand-alone ones to have paid staff. The majority (61.5%) of the former reports having staff compared to only 17.1% of stand-alone Time Banks. Of those that do, most have one full-time staff person, and a few have one part-time staff person. The most common job title is “coordinator”; those Time Banks that have more than one staff person may have a second general coordinator, a membership or outreach coordinator, or a development director.

We also observed an association between the year the Time Bank was started and whether or not they had any paid staff. The association is not in a linear pattern; it fluctuates. However, the trend indicates that having a paid staff is less common for the newest Time Banks (less than one-quarter of those launched in 2009 or 2010 do).

When asked, “What type of leadership structure do you have? For example, who takes care of day-to-day operations, and who has ultimate responsibility for the organization’s policies?” there were many different responses. Almost all mentioned staffing by volunteers or paid coordinators who take care of day-to-day operations, while half (51.3%) have an advisory board or leadership group (referred to as a “kitchen cabinet” by several), a smaller number (17.5%) rely on administrative support from other organizations.

We also asked the Time Bank coordinators if they have a formal budget. Over half (57.5%) of those who responded indicated that they do not, while 42.5% do. For those that report having one, the total annual budget varies from \$60 to \$900,000, with a mean of slightly over \$67,000. The existence of a formal budget does not vary significantly between stand-alone and embedded Time Banks, but is strongly related to time of existence. We find that 91.7% of Time Banks founded between 1993 and 2004 have a budget, compared to 47.8% of those founded between 2005 and 2008, and 27.3% of the most recently-founded.

The major expenditures are, in order of importance, for staff salaries, expenses related to marketing services (e.g. printing, supplies), software support, and maintaining a website. Some of the Time Banks report expenses for rent or utilities, insurance or legal fees, and expenses related to hosting social events. Interestingly, one-third of Time Banks without formal budgets also reported having such expenses, most commonly for the hour-tracking software and for advertising, but several also cite coordinator salaries. Thus, while they may not have “formal” budgets, they do have to cover expenses.

How are these expenses paid for? When asked an open-ended question about how their Time Banks are funded, about one-third (34.8%) of coordinators referred first to donations and another one-fifth (21.7%) to dues. Less frequently mentioned were support from other organizations, grants, and government support. Source

of funding differs significantly between stand-alone and embedded Time Banks. Three-quarters (76.9%) of stand-alone ones rely on dues and donations compared to only 30.0% of embedded Time Banks (which are most likely to be supported by their host organizations). Of those that charge dues, rates range from \$5 to \$50 per person per year with \$25 being the most common.

This overview of Time Banks nationally indicates that at the end of 2010, there were 128 Time Banks with an estimated 23,481 members in the United States. As of July 2011, the United Kingdom had 224 Time Banks with “over 20,000 people” (Hopley and Mackie 2011: 4). The U.K. movement is considerably more widespread when contextualized: the population of the U.S. is roughly five times larger than that of the U.K.

Our coordinator survey findings suggest that Time Banks are quite varied in size and mission, but share a strong reliance on volunteers and community partners for sustaining their activities. There is a near even split between stand-alone and embedded versions. The majority of Time Banks are rather small (fewer than 150 members), recently founded, and have no staff or “formal” budget, but do have expenses that must be met. On the other hand, about 40% of those that responded are more established and have budgets and staff. Our three cases are more representative of this group, as they have been in existence for over a decade and have staff and budgets. It is very possible that these characteristics account for their “success” in terms of size and survival. Surely their ability to collaborate in long-term research projects is an indicator of stability and capacity. Therefore, we must consider how the three cases were able to flourish and whether they offer lessons to the many newer groups seeking to grow and succeed in their missions.

Three Time Bank Cases

Case #1: Stand-Alone, Community-Based: Hour Exchange Portland

As seen above, just over half of Time Banks are stand-alone, community-based networks. These are often referred to as “neighbor-to-neighbor” exchanges by advocates (see Cahn and Rowe 1996). Typically, a group of local activists come together and decide to start this type of Time Bank from scratch. According to movement founder Edgar Cahn (2005), Portland, Maine is home to the most successful neighbor-to-neighbor Time Bank in the United States.

History/Background Hour Exchange Portland (originally known as the Maine Time Dollar Network) was founded by Richard G. Rockefeller, MD. Dr. Rockefeller practiced and taught medicine in Portland, Maine from 1982-2000. Son of David Rockefeller Sr. and great-grandson of John D. Rockefeller, he is also a philanthropist and Trustee of the Rockefeller Brothers Fund. Through the 1990s, Dr. Rockefeller had primarily supported environmental and medical causes. In late 1995 he heard Dr. Edgar Cahn speak about Time Dollars:

After hearing Edgar speak, Richard says a light went on - a sudden realization that we can't expect people to take care of our environment, if we are not first taking care of each other. He felt compelled to bring the concept of Time Banking to Maine and began to share his vision in 1996. In 1997, Maine hosted an International Time Dollar Congress in cooperation with Dr. Edgar Cahn (Founder of Time Dollars), bringing together 40 Time Banks from all over the world. For many, it was the first opportunity to share their experiences about their programs and learn from others. (Hour Exchange Portland 2012)

The Maine Time Dollar Network was founded in 1997 as a 501(c)(3) nonprofit organization, and in early 1998 the neighbor-to-neighbor exchange was launched in Portland's East End. Up until 2011, Dr. Rockefeller, the various Board of Directors and Executive Directors all had broader objectives beyond the Portland network. In addition to fostering a successful local currency network, the organization had sought to grow the movement as a whole and has been a national resource for communities looking to start their own Time Banks. The exchange network has always been the foundation of the organization even as it has expanded into a variety of new ventures. Administratively, the organization has experienced many changes over the years, leading to redefinitions of its mission and therefore of its name. It has gone through numerous name changes, from the Maine Time Dollar Network, to Maine Time Banks, to New England Time Banks, to Portland Time Bank, to Hour Exchange Portland (HEP). It is currently in its seventh Portland location. At one point, the office of TimeBanks USA, the national umbrella organization headed by founder Edgar Cahn, was located in Portland, Maine and shared office space and staff with HEP.

Funding Dr. Rockefeller has been the primary funder of Hour Exchange Portland since he founded it. The organization entered a period of transition in 2011 in an attempt to become self-sufficient. Dr. Rockefeller left the Board of Directors in early 2012 after a strategic planning process and reorganization to make the organization more member-led. HEP's annual expenses from 2007 through 2010 averaged around \$300,000. Salary and benefit expenses for the paid employees (see below) comprised about 75%-80% of the budget in any given year. In 2011, the organization reduced its budget to around \$56,000 by employing only one full-time staff person. Other expenses for this stand-alone Time Bank include office rent, utilities, and equipment as well as insurance, accounting, and legal expenses.

An important source of revenue for HEP in the past was their AmeriCorps VISTA (Volunteers In Service To America) contract. For a number years, HEP recruited, interviewed, placed, and monitored VISTA workers at Time Bank sites across the country. HEP received an administrative grant from the federal government and charged placement fees to other Time Banks to do so. This contract ended in 2011 and was one of the factors leading to reorganization. HEP has had a history of applying for grants on a regular basis and has received funding

from community groups, banks, social service agencies, and private individuals over the years.

In addition to Dr. Rockefeller's contributions, the AmeriCorps VISTA contract, and various grants, HEP has also generated revenue by offering training to other Time Banks. In 2008, the organization began selling Time and Talents, its own Internet-based software package for administering a Time Bank. These national services were spun-off in 2011, resulting in an independent organization known as hOurworld. In the past, HEP has also received some revenue from microenterprises in which members make products that are sold for cash, with some of the proceeds going to the Time Bank. Finally, they have ongoing fundraising events, hold an annual auction, and accept donations from the membership.

Organizational Structure and Staff The number of full-time paid staff working at HEP has ranged between one and five across its existence. From 2008-2010, there were three paid staff in addition to the Executive Director. The Member Care Facilitator oversaw the day-to-day core operations of the member exchanges. This included processing applications, providing an orientation for new members, updating the directory, locating providers for requests received by phone and email, database maintenance, and coordinating events. The AmeriCorps VISTA Manager/Creative Director oversaw the VISTA program, was responsible for marketing, and assisted the Executive Director in providing training to other Time Banks. HEP also had a Weatherization Coordinator in charge of a unique program aiming to weatherize area homes (more on this below). The Executive Director oversaw all activities and was responsible for training and grant-writing. In addition to these four paid staff, HEP usually had multiple VISTA workers under contract (the peak was five in 2009) and gained further clerical support from members who earn Time Dollars by performing office tasks. Since 2011, HEP has been employing only a Coordinator who performs many of the duties of what was previously known as the Member Care Facilitator. Several committees were set up so that members can earn Time Dollars by helping administer the Time Bank.

Membership As a community-based Time Bank, HEP has an open membership. Its recruitment strategies are usually general and not targeted toward specific constituencies. Nonetheless, the membership is not representative of the city of Portland. As we will discuss in the next chapter, HEP's membership is largely female, low-income, and highly-educated. Membership size will be analyzed in detail in Chapter 4, but from 2009-2011 it was over 500 (including organizational members). As we learned from our coordinator's survey, this makes HEP much larger than most Time Banks.

Recruitment has resulted from a variety of activities and circumstances. At the time of its founding, HEP rented office space from a non-profit community action agency. This space connection served as an effective recruitment tool. Over the course of its history, the organization has had to move its office multiple times.

Two of the offices were highly-visible, stand-alone buildings in which HEP was

the only tenant. In 2010, it began renting space from a local nonprofit television network in downtown Portland. All of the locations have been in fairly densely-populated regions of the city and their recruitment has benefitted from curious passersby.

In addition, HEP has continually networked with local agencies and businesses to explore their potential participation in the exchange network or to at least help spread the word about the Time Bank to their clients and customers. The staff has regularly provided presentations and set up informational tables at area events. Press releases are often issued and HEP is occasionally featured in the major daily newspaper serving Southern Maine. As we will analyze later, word of mouth has been the most widespread form of recruitment. Our original survey data indicate that the majority of members report having first heard about the Time Bank from a personal tie.

Services and Programs HEP maintains a membership directory listing all of the services available within the Time Bank. The office used to provide each new member with a printed directory upon joining and would mail out updated directories to all members on an annual basis. Newsletter inserts would also alert the membership to new members and any changes to services. Since 2008, HEP has used an online software system where members can maintain their own accounts and access the directory. This online directory is more likely to be accurate and saves the office money by eliminating printing and mailing expenses.

One of the most popular and successful programs within HEP is its partnership with True North, a non-profit alternative healthcare organization focusing on alternative medicine and the healing arts. Since 2002, True North has allowed income-eligible HEP members (eligibility is based on family income at or below 225% of the federal poverty level guidelines) to pay for healthcare services with their Time Dollars. Access to the Arts is another popular program within HEP. Several Portland-area theaters, production agencies, and music venues are members of the Time Bank and make tickets available for purchase with Time Dollars. These organizations tend to spend their credits by having members assist with bulk mailing, ushering, and other special projects.

HEP also has had a partnership with an organic CSA (community supported agriculture) farm. CSA's are subscription farming programs in which members purchase a share of the farm's output and receive fresh produce (and sometimes meat and dairy) on a weekly basis. Ripping Waters Organic Farm has allowed HEP members who agree to work a certain number of hours on the farm to purchase their CSA shares using Time Dollars.

Various microenterprise efforts have been attempted at the Time Bank. The model was based on having members create products which are sold for cash with a portion of the proceeds going to the Time Bank. HEP provided advertising and a market (the membership usually) for these products. An entrepreneurial member could gain small business skills and a customer base without having to incur all of the overhead of an independent business. Greeting cards and jewelry had been

popular microenterprises. Time and Talents, the hour-tracking software that HEP uses and is now distributed by hOurworld, was also based on this model, as it was developed and supported by a member. HEP has also regularly participated in a monthly downtown Portland art event, the First Friday Art Walk. The Time Bank rents gallery space for Time Dollars from organizational members for the event. HEP artists can rent a portion of the space for Time Dollars to display their art which is offered for sale to the general public. HEP receives a portion of the proceeds from any art that is sold.

An experimental program that married the Time Banking concept with a cooperative model was run from 2008-2010. The Hour Weatherization Cooperative was staffed by a full-time HEP employee and provided weatherization services in Southern Maine. The Weatherization Coordinator supervised the weatherization crew (the “green team”), HEP members who had received special training and earned Time Dollars for the labor they performed in people’s homes. As part of the agreement, the cooperative paid HEP a portion of its profits in exchange for the labor power and the overhead (the Time Bank provided the cooperative with office space and services). HEP members could pay for a portion of the weatherization services in Time Dollars (materials had to be paid for in cash). The grant funding for this program ran out in 2010 and its future is uncertain.

In the past, HEP has also administered a youth computer program called Bridging the Gap. This was a collaboration with a local public school in which students earned Time Dollars by performing a variety of volunteer tasks around the school. In return, they were able to use their credits to buy refurbished computers that were donated to HEP. The Time Bank also once had a Time Dollar Taxi program. A grant allowed HEP to lease, maintain, and insure a vehicle which was driven by a few HEP members who received special training and met the insurance guidelines. Once the grant ran out, however, HEP had to discontinue the service given its operating costs.

Finally, HEP regularly hosts potlucks and also has several annual events that build social capital and raise some money. For example, there is a public event called Taste Around the World, for which people are charged an admission fee. Time Bank members earn Time Dollars by preparing and serving food at the event. At the Holiday Bizarre Bazaar, HEP rents space from a member church and offers table rentals to members who wish to sell things. All of the rentals and sales are paid using Time Dollars with the exception of a cash bake sale which is a fundraiser for HEP.

Challenges and Opportunities As of 2011, the biggest challenges to HEP surround funding and its initiative to become more member-led. In the past, it has been very fortunate to have the financial support of Dr. Rockefeller. However, the organization has reorganized and now has only one employee and expects members and the Board of Directors to take on a greater role in administration.

At times, HEP has struggled with its mission and staffing. At its core, it is a community-based Time Bank. However, as a leader in the movement, the various

Boards of Directors and Executive Directors have also seen value in training and the AmeriCorps VISTA program which provided other Time Banks with staff. With the move to the online Time and Talents software in 2008, HEP began seeking for members to be more self-sufficient by locating their own service providers and recording their own exchanges.

Being a stand-alone Time Bank is also a cost disadvantage for HEP. As will be illustrated by our other two cases, embedded Time Banks can have much lower overhead costs, since the host agency typically provides space, utilities, and staffing. HEP has sought out potential agencies for a partnership, but has never been unable to locate a host without compromising its mission of offering a community-wide, general service exchange. Having a publicly visible and accessible office has had its advantages. The fact that people can walk into an office and join or find a service provider adds credibility to the system. Time Banking is a social endeavor, and having space that is accessible to community members and that facilitates socializing is very important.

As one of the largest community-based Time Banks in the United States, HEP's size has posed advantages and disadvantages. On the one hand, with a large membership there is greater diversity in participants and the services that are offered in the network. On the other hand, HEP lacks some of the intimacy that smaller Time Banks might have. The majority of the members do not attend the social events and the membership is geographically dispersed. As the poster child for community-based Time Banks, HEP has received considerable media attention throughout its history. It is clearly a leader in this movement and is closely watched by many.

Case #2: Embedded with Open Membership: Community Exchange

The next form of Time Banks is housed in existing organizations, but has open membership; any community member can join. Typically, a community-based organization decides that establishing such a network would benefit its clientele, enable it to serve the community at large, while also serving as an effective recruiting and/or marketing strategy. As indicated earlier in the discussion of HEP, having an institutional base offers major advantages financially if it involves the provision of space and staff, saving significantly on overhead. On the other hand, the agency's priorities certainly shape the mission and activities of the Time Bank, as will be seen in the case study below.

History/Background The Lehigh Valley, a metropolitan area of over 600,000 people in Eastern Pennsylvania, is home to Community Exchange (CE), which was launched in late 1999 with the first exchanges occurring in early 2000. CE is housed in the Lehigh Valley Health Network, a large regional health and hospital network. Planning began initially in 1996 as an initiative of the Adult Collaborative of Measurable Enhancement of the Status of Health (MESH) in the Hospital's Department of Community Health and was funded by the Dorothy Rider Pool

Health Care Trust. The Trust, established by a founder of the hospital and designed to promote the hospital in its mission of providing superior regional health care, supported the convening of representatives of twelve community organizations, including the county council of churches and organizations in the arts and a variety of community services. Some of the goals of the Adult Collaborative of MESH in convening this planning group were to improve the health of adults in the community and reduce social isolation in the senior population. After studying a variety of options and with inspiration from the Ithaca Hours program, the group decided upon the Time Banking concept as the best way to meet the needs of their target population.

While initially focused on the needs of older residents of the region, CE has continuously sought to diversify membership and recruit younger people. Three part-time staff, all of them having been volunteers or part-time employees of partner organizations, began the work of building the program and recruiting members. Dedicated to principles of reciprocity, respect, and participation, CE seeks to reduce isolation and increase connections within the community, with a further emphasis on enhancing the mental and physical health and wellbeing of its members through empowerment.

As with HEP, CE has been involved in the national movement from the beginning. The first Program Manager was on the board of TimeBanks USA and the Membership Coordinator has worked with the national group that formulated and tested the Community Weaver hour-tracking software. CE staff have consulted regularly with other groups seeking help to start or sustain Time Banks and have participated regularly in TimeBanks USA conferences and activities.

The hospital's recruitment in 2003 of a family physician with a strong interest in Time Banking enhanced the integration of the organization into medical services and has led to research on the impact of CE on members. CE is increasingly involved with the operation of a hospital-sponsored community health clinic and with programs in other physicians' practices.

Funding CE has been very fortunate to have been supported continuously by the Dorothy Rider Pool Health Care Trust, with additional funding from Lehigh Valley Hospital. The offices are located in the Department of Community Health, Health Studies, and Education of the hospital, and the staff members are integrated into that department. Thus, costs such as overhead, insurance, salary and benefits do not have to be raised by the organization. Members do not pay any fees, and small grants obtained through the hospital have supported specific programs.

At several points over the course of the organization's existence, there have been concerns about whether the funding would continue, but this has not yet proved to be a problem. In recent years, staff members have become further integrated into Community Health and have been participating in other projects of that department. While this places additional demands on their time, it appears to ensure future stability and also provides opportunities to spread the word about

CE in new directions that are related to the health mission of the hospital. This

has been accomplished in part by involving members more directly in organizing specific programs that previously had been run by staff members. Another possible funding strategy being considered for the future is to ask members to pay dues.

Organizational Structure and Staff A Program Manager, a Membership Coordinator, and a Data Coordinator, supplemented by AmeriCorps VISTA volunteers, make it possible to recruit new members, maintain the database of individual exchanges, and create a wide variety of communal activities. Having moved from part-time at the beginning of CE's existence to full-time, they are now all part-time again, integrating their CE work with other projects for Community Health.

Membership The first Membership Coordinator, who was also an active volunteer in the community, began recruiting CE members from within her own personal network of friends and family members. She also handed out brochures and talked about CE wherever she went, whether in line at a supermarket or at voting locations. Referrals came from the Senior Center by way of a staff member who began working part-time at the Senior Center and part-time at CE. They attended health fairs and any events that included older people. The Council of Churches referred people through its Pathways Program for people with disabilities, and physicians also referred patients that they thought would benefit. As new members joined, they helped spread the word at neighborhood organizations and school-based meetings.

As membership began to grow, the program faced increasing challenges in trying to meet the needs of the members from within. The majority was elderly and/or disabled, and many needed physical labor for home repairs and moving. The Program Manager's husband and sons were often brought in to help, but this was not sufficient, and doubts about the future of CE became more prominent. Expansion of the staff to full-time made it possible to recruit more extensively in the community. A part-time staff member became Membership Director and made many contacts through the Society of Volunteer Administrators and through her own extensive personal networks, expanding the range of members to include younger people.

CE has been successful in increasing the number and diversity of membership through a variety of means. One factor is the increase in early retirements related to layoffs by large local companies, creating a pool of active people looking for ways to contribute in the community and become part of community-based organizations. Stories in the local newspaper and in the hospital newsletter, a program on public television, and more health fair appearances have been valuable sources of recruitment. The hospital has a central phone number for all calls, and the operators know that certain requests, such as for help upon returning home from a hospital stay or rides to physicians' offices, can be steered to CE.

Additionally, the hospital began a clinic in a center city social agency that is now a partner with CE and offers patients the opportunity to receive services in

Time Dollars. Neighborhood clusters were formed to recruit within specific areas of the region. Most importantly, members recruit others to join. By 2011 there were over 500 members, a steady increase over the last several years.

Services and Programs The CE directory, available in hard copy and also online, lists all members and the services they can provide. Members can then contact each other directly by phone or email; members can also send messages to each other through the Community Weaver online program. In addition to the thousands of individual exchanges that take place in this way, there are also many formal activities sponsored by CE or organized by CE members. Examples of these include potluck dinners, walking clubs, a basket-weaving group, and classes in tai chi and Spanish. Members receive Time Dollars for socializing with each other as well for participating in organizational events. Twice a year there is an “Abundance Day” to which members bring items they no longer want and take away whatever they do want from what others have contributed.

There are also affiliations with local non-profit organizations that result in activities such as ushering plays or giving museum tours in exchange for tickets or receiving medical care in exchange for helping in a clinic. In 2006, with the assistance of a small grant through the hospital and a graduate student from Lehigh University, CE launched a new program called Wheel Time. This program provides rides for people who need regular trips for medical services.

Challenges and Opportunities According to the Membership Coordinator, the biggest challenge is taking the organization to the next step – further recruiting of younger people to enhance the intergenerational contacts that are part of the organization’s goals. Additionally, CE is under increased pressure to show concrete evidence of its value in supporting the hospital’s mission, including evidence of a financial benefit from CE activity. This has led to the creation of specific programs such as Wheel Time, which aims to diminish hospital costs by reducing the incidence of no-shows as well as providing a valuable service to members. A medical interpreter program offers classes to Spanish-speaking patients in the clinic who exchange hours of interpreting work in the hospital for the class time. They may then have an opportunity for employment in the hospital, where Spanish interpreting is frequently needed. CE members staffing hospital booths at community fairs are also a cost-saving for the hospital. Another possible benefit to be demonstrated is the reduction of readmissions after discharge due to in-home support from members.

Several CE programs that specifically target people with severe chronic illnesses may also demonstrate the value of CE to the hospital system. For example, CE is partnering with several private practices to integrate self-management practices and social support services into the care of these patients. However, privacy regulations, organizational barriers to partnering, and the intensive staff commitment required to explain the model to physicians and patients alike has limited the scope of these activities to date.

CE will continue to be challenged to demonstrate its value to the hospital, at the same time that staff are being asked to contribute to other programs in the department. Staff have responded to this challenge with innovative programs as well as efforts to carry out research documenting the positive impact of membership on members' health and on the hospital system as well. According to the current Program Manager, hospital funding will increasingly focus on these types of programs, and the neighbor-to-neighbor aspect will have to be driven more by member initiative. CE also strives to make its mission and activities clearer to the hospital staff.

The challenge of explaining the Time Bank model to those who are not familiar with it is experienced by many other Time Banks. From the beginning, people have had to hear about the concept many times before they fully understand it. For people in the non-profit and hospital community who are steeped in a culture of volunteerism, as well as for the general public, the reciprocity principle that is central to Time Banking is not always easy to grasp. Yet for those who do join, research on CE has documented the very positive effects on members' well-being (Letcher and Perlow 2009; Lasker et al. 2011).

Case #3: Embedded with Restricted Membership: Member to Member

The earliest model of Time Banks are programs housed in existing agencies or organizations that are restricted to its members. Typically a social service or health care organization decides that establishing such a network would benefit their clientele by enabling them to enrich the existing service package and by connecting members to each other and thereby to the organization itself, a possible strategy for building community and maximizing retention to the organizational sponsor.

History/Background In 1987, Brooklyn-based Metropolitan Jewish Health System was one of six sites awarded a grant from the Robert Wood Johnson Foundation (RWJF) to develop a Time Bank model of service exchange. Metropolitan Jewish Health System provides a continuum of care to more than 20,000 persons in the Greater New York metropolitan area. The organization provides post-acute and long-term care with an extensive network of home care, rehabilitation, extended care, hospice, adult day health care, senior residences, community services, gerontological research, and Elderplan, a Social Health Maintenance Organization (Social HMO). Elderplan is a Medicare program that expands coverage for community-based long-term care and is designed to keep functionally impaired older people living at home as long as possible. The Social HMO program combines preventative, acute and long-term care benefits and offers "non-traditional" services such as respite care, homemaker services, transportation, meals-on-wheels, nursing home placement and preventative health screening. Essentially, the Social HMO merges the traditional HMO concepts of capitation, financing, and provider risk sharing with the case management and support services concepts of long term care providers.

With funding from RWJF, the Social HMO Elderplan (hereafter referred to only as Elderplan) created the Member to Member (M2M) Time Banking program, a natural extension to their already rich benefit package. Indeed, the founders of the M2M program refer to its beginning as “a demonstration within a demonstration.” Elderplan was itself a new approach to managing the overall health and long term care needs of well and frail elders. Through its chronic care benefit, Elderplan provides targeted long term care services to eligible (nursing home certifiable) members.

The early vision for the M2M program was to pilot an additional health plan resource to enhance and extend the formal benefit package. Relatively well members would provide additional unskilled but critically needed services to other members who were frail, alone or otherwise in need of support to continue living at home. The service providers would be able to accumulate Time Dollars based on their hours of service, which they in turn could “cash in” if and when their own needs for services arose. In essence, the Time Bank model was to be complementary to the health insurance provided by Elderplan. It would offer a limited, informal long-term care insurance benefit, essentially “rainy day” insurance, protecting against possible future declines in independence.

Stakeholders have observed in interviews, however, that over time, M2M became more than a service that filled in gaps and addressed shortages that were not met by the chronic care benefit and Elderplan in general. The volunteer program evolved into an extended family for many of its participants. Management and members alike came to understand that the indirect reciprocity inherent in Time Dollars created a currency of caring through which a community of well and frail elderly could give to each other and in the process benefit in a multitude of ways.

M2M has contributed to Elderplan’s mission to help its members remain at home in independent living situations for as long as possible, and to help all older adult members stay active and healthy. At the time our evaluation began, Elderplan had about 6,000 members. The M2M component averages about 15% of membership, with close to 10% categorized as casual participants (i.e., they attend one class or function, provide or receive one or two services in a year, not necessarily to or from the same person) and the other 5% are active participants (i.e., they engage in weekly, sometimes daily, one-on-one exchanges).

M2M is an integral part of Elderplan’s dual strategy to maximize all available resources, formal and informal, and to maximize opportunities for socialization for members. Both strategies were critical to Elderplan’s overall goal of providing comprehensive, community-based care for the elderly. Indeed, founders of the M2M program saw an opportunity: if the program could foster a sense of identity and community, members would become bound to Elderplan in a way that would distinguish the plan in the marketplace as a significant business product. At its inception, and still to this day, M2M is viewed as good business strategy and good social policy.

Funding M2M has been fully supported by Elderplan and the umbrella organization Metropolitan Jewish Health System since the RWJF grant ended in 1990. The annual budget, comprised primarily of personnel and benefit expenses for the few paid employees, has ranged over the years from approximately \$100,000 - \$300,000. Two things should be noted about this estimate. First, paid employees typically have other responsibilities within Elderplan, and therefore the budget for M2M is complemented by having part of the program staff salaries covered by other Elderplan departments. Second, other costs associated with space, utilities, overhead, printing, mailing and copying, insurance, accounting and legal expenses are not charged to the M2M budget but rather subsumed under other Elderplan or MJHS cost centers.

Organizational Structure and Staff During most of its years of operation, the M2M program functioned as a distinct program within Elderplan. In 2006, Elderplan was converted from a Social HMO to a Medicare Advantage program and in 2007 the program was moved into the Care Management Division, a division of Elderplan that serves the frailest members. The Director of the M2M program reports directly to Elderplan's Chief Operating Officer, and the program is housed in the main corporate headquarters in Southern Brooklyn. The number of full-time paid staff has ranged from three to eight over the past 25 years, although typically there are five full-time paid staff members: a Director, a Supervisor, two Program Coordinators and one part-time Administrative Assistant. All positions are typically shared with other Elderplan departments; indeed the Program Director has historically had significant responsibilities in other departments such as Health Education, Care Management, and Community Relations.

Together the Director and Supervisor share responsibility for the day-to-day operations of the M2M program. These activities include: developing and disseminating informational program materials to the Elderplan membership; designing and facilitating informational events for the Elderplan membership; surveying Elderplan staff in search of potential members; processing applications; providing orientation (and training where necessary) for new members; maintaining a M2M membership directory; logging requests for services; logging available skills, services and willing providers; creating matches of service need and availability; tracking transactions and credit redemption; creating new categories for credit redemption; tracking media exposure; reporting on program progress to both internal and external stakeholders; and, coordinating social events. The Program Coordinators are assigned to specific neighborhoods or specific boroughs in New York City, and deal with the day-to-day issues that arise. Additionally, during any given year, approximately ten M2M participants earn Time Dollars by assisting in the office with tasks such as making and returning phone calls; processing mailings; and coordinating social events.

Membership M2M was initially designed as a closed membership program and has primarily remained that way from 1987 until today. For very brief periods,

membership was opened to a few non-Elderplan members who either approached the program (e.g., spouses of Elderplan members) or who were approached by the program to fill specific gaps in needed services (e.g., transportation, home repair). For example, if the program saw a need for more drivers (a highly requested service) they would establish and sponsor safe driver classes in the community and recruit from those that attended. However, this type of “outside” recruiting was never aggressively pursued and at any given time only a very few non-Elderplan members were providing services. Furthermore, in most cases, non-Elderplan members had to donate their credits to others who were members, although this policy also fluctuated over time. In recent years, M2M has once again closed its membership to Elderplan enrollees only; those who were outside the plan have been grandfathered in. Thus, while M2M is a restricted model and has continued to be dominated by Elderplan members, it has sought to be flexible at times to respond to leadership’s perceived need for growth and success.

Over 100 members are typically active on a regular basis, contributing over 15,000 hours of service a year. Frail and homebound members are specifically encouraged to contribute. Some make telephone reassurance calls, others knit or crochet blankets for people in the nursing home or become pen pals. Stakeholders are excited that the program increasingly has become a service exchange of people helping people. Everyone is considered a giver and receiver, both well and frail. The motto “give what you can, get what you need” is practiced daily.

Services and Programs Services provided through the M2M program are typically those that are not covered by Medicare, Medicaid, or private insurance; however, they are critical to helping older adults maintain independence. While not all of the following services were available from the outset, over the years the range of services have included friendly visiting, telephone reassurance, transportation, minor home repair, bill paying, respite care, peer counseling, grief support, caregiver support, walking clubs, self-help classes and health promotion services.

A somewhat unexpected early observation was that M2M participants were rarely redeeming earned Time Dollars. Indeed, participants who received services could be easily distinguished from those who provided services because few engaged in both activities on a regular basis. In an attempt to foster a more active culture of reciprocity, the Credit Shop was introduced so that Time Dollars earned could be cashed in for goods or services. The Credit Shop shifted the emphasis from saving Time Dollars for future service use to redeeming them in the present for a variety of items, not necessarily related to health needs (e.g. attending luncheons or purchasing vouchers for transportation). There is a greater focus on well members by offering services and products of immediate value to them. The Credit Shop innovation also assists members to cash in their “savings” without having to confront health issues or potential negative feelings about becoming recipients of services.

Challenges and Opportunities A particular feature of the Time Bank model which sets it apart from traditional volunteer programs is the philosophy that all participants regardless of their physical or mental conditions should be encouraged to contribute. To function as a true Time Bank, M2M recruits frail members in need of assistance to provide assistance to other frail members in need. Since most of these members feel that their physical conditions make them unsuitable for contributing to their community, this has been, and continues to be, one of the program's greatest challenges.

Additionally, while there has been remarkable and fortunate continuity of leadership in the M2M program during what has been a tumultuous era for health care in general, frequent changes in Elderplan's senior executives affected the perceived stability of the Time Bank. At each transition, program staff were uncertain about whether the new leader would believe in the value of M2M and support it both financially and operationally. In interviews with the key stakeholders – the executive board and staff members both past and present, it was noted that staff invested significant time and effort organizing information that would substantiate and promote the program's value to each new Vice President or Chief Operating Officer. Staff members continuously feel the challenge of trying to substantiate the program's worth and prove its market value in order to assure its continued viability. Yet, at each juncture in the history of Elderplan, executive management ultimately has renewed its pledge of support, and the program's 25 year experience provides evidence for that sustained commitment.

Throughout M2M's existence, stakeholders have struggled to find a way to impart the concept of the Time Bank model with clarity and conviction. Stakeholders continue to feel that understanding the concept is a challenge for new members. When M2M began, there was no formal information available for dissemination and little contact among other sites using the model. Staff had to create a language and materials that made Time Banking easier to understand as well as to use. Some stakeholders report that a significant minority of members who have participated in the program for years do not really understand how Time Dollars work. One stakeholder admitted that she did not fully comprehend the concept and was not convinced of its value during the first five years that she worked for the health plan. She felt it was hard to explain, hard to understand, and basically unbalanced since only the frail elderly were receiving services. As the program became more reciprocal in recent years, her estimation of the value of Time Dollars has increased.

Despite the clear advantages the M2M program enjoys being housed in an existing agency (i.e., greater stability over time, less administrative complexity, an existing pool of potential members), there are a number of challenges that the program deals with on a daily basis, many of which are common to other Time Bank models: the labor intensive and delicate nature of matching participants; finding sufficient numbers and types of providers; the constant need for revising recruitment and training activities; finding ways to make new member training more efficient and less time consuming; the importance of vigilance in managing

the emerging needs of the recipient population; reducing the need for constant reevaluation of the recruitment process; reinventing the service exchange program to include all participants as givers and receivers; streamlining the rigorous oversight necessary for ongoing program management; expanding the program into new neighborhoods as the health plan expands and taking into account the cultural differences that exist. Many of these challenges will be discussed in greater detail later as we present our findings.

The Methodological Appendix describes in greater detail the nature of the data collected for the national survey and for each of the three cases, from which we draw the analyses in the next several chapters. Table 2.1 provides a summary of the data and the key contents for each of the three cases.

Conclusion

The national survey of coordinators and the three cases described here demonstrate some of the considerable organizational variability that exists in Time Banking in terms of history, goals, membership, funding, and logistical and financial challenges. They can be put on a continuum from the most restricted (M2M) to the most open (HEP) in terms of membership and programming. For example, compared to HEP, M2M and CE staff are involved in other activities for the host organization and must always keep the agency's health-focused priorities in the forefront. Thus they have less flexibility in mission and competing demands on staff time, but they also have greater stability and lower overhead than HEP. Compared to M2M, CE and HEP have a broader constituency in terms of range of ages and abilities, making it possible for them to incorporate a wider variety of services and programs.

The three cases also share some very important similarities that may be indicators of what is required to sustain these networks. We consider these three Time Banks to be successful, despite their ongoing struggles. They have all been in operation for well over a decade (more than two decades in the case of M2M), they all have hundreds of members, and they all have paid staff and budgets to cover costs. Each has also been eager to participate in scientific investigation to assess the impact of their programs and to document the value of what they do. We are not suggesting that in order to succeed a Time Bank must share in all of these characteristics. Yet it is the case that the Time Banks that were most recently started (in 2009 or 2010) are less likely to have paid staff and formal budgets. Of the respondents from the eight oldest Time Banks (founded before 2000), all have a formal budget and three-fourths have a paid staff. The differences may reflect changes in the nature of how Time Banks are founded. It is also possible that it is much harder to sustain any organization without funding and staff and that early stand-alone Time Banks had a higher mortality rate, but we do not have any data to support that. That some have succeeded in doing so, particularly without

Table 2.1 Summary of data collected at three Time Bank cases

Type of Time Bank: Cases	Types of Data Collected	Content of Data
Stand-Alone: Hour Exchange Portland (HEP) in Portland, ME	Member Survey (n=235)	Demographics, motivations, participation, outcomes
	Transaction Records (N=37,409)	Recorded credits and debits, participation length, some demographics
Embedded, Open Membership: Community Exchange (CE) in Allentown, PA	Member Survey (n=160)	Demographics, participation, outcomes
	Transaction Records (N=34,217)	Recorded credits and debits, participation length, some demographics
	Member Interviews (n=28)	Motivations
Embedded, Restricted Membership: Member to Member (M2M) in Brooklyn, NY	Retrospective Member Survey (n=167)	Demographics, motivations, participation, outcomes
	Prospective/Quasi- Experimental Survey (n=190)	Demographics, motivations, outcomes
	Stakeholder Interviews (n=10)	Outcomes
	Focus Groups (2; n=12)	Outcomes

any paid staff, is a remarkable testament to the commitment of members to sustain their Time Banks.

In the next four chapters, we report our results from research carried out with the coordinators nationally and in these three Time Banks, focusing on members’ motivations for joining, the nature of exchanges, and the outcomes of participation for members. In the last chapter we will return to the challenges of sustainability experienced by Time Banks and discuss possible scenarios for the future of this movement.

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Methodological Appendix

National Survey of Coordinators

In the summer of 2010 we invited 261 people whose email addresses we found as contacts for different Time Banks in the United States to participate in our coordinator's survey. We had created the list from many sources – the TimeBanks USA directory (<http://community.timebanks.org/>), lists compiled by others interested in Time Banks (e.g. <http://besttimebank.org/Links/ContactUs/TimeDollarDirectory.htm>), and extensive Internet searching using “time banks” and other related terms. We asked the recipients of the email to follow a link and respond to our online survey (administered through surveymonkey.com). Additionally, TimeBanks USA assisted us by contacting everyone on their list, asking current coordinators to fill out the survey. Thirty-three of our email invitations were undeliverable and seven of those who received them replied that their Time Bank was no longer in existence. Three subsequent email reminders went out over the next few months, after verifying email addresses on the Internet where possible. Follow-up phone calls were also attempted with those who had not responded.

In December 2010 we closed the survey. At that point, 116 coordinators had at least begun the survey by providing their names and the names of their Time Banks. One of these was outside the United States and therefore excluded. Nine Time Banks were represented in more than one response, and we selected the one that had the most complete information. Another respondent was still planning to launch the Time Bank in the following months and was also excluded. The data reported here represent 96 unique Time Banks.

Extensive research on the non-responders, including Internet and Facebook searches, revealed that many of them either never started, were no longer in existence, or were social service agencies and not Time Banks. Of the initial list of non-responders, only 32 could be confirmed as existing Time Banks. Thus the response rate of the survey is 96 out of 128, or 75%. And among those that responded, 23 indicated that they had only just launched during 2010. Of these, some indicated that they were not yet able to answer many of the questions. We have data on most questions from approximately 85 Time Banks.

Data Collected from HEP

A comprehensive, online membership survey (through surveymonkey.com) was fielded at HEP. Two focus groups were held in which all staff and members were invited to discuss the purposes and contribute ideas for the instrument. Members with email addresses received an email invitation to take the survey. Those without email received an invitation by mail. Members were encouraged to go to the Time Bank office or to visit a public library to take the survey if they lacked Internet access. A print version of the survey was also created and distributed to those who

Table A2.1 Descriptive statistics from national survey of coordinators

	Min	Max	Mean	Std Dev
No. of Total Members	3	2400	203.30	407.30
No. of Active Members	0	771	59.96	125.89
Male Members (%)	0	95	34.65	15.78
Female Members (%)	5	100	64.35	16.24
Members under 40 (%)	0	100	31.47	22.64
Members 41-60 Years (%)	1	100	44.93	20.76
Members 60+ Years (%)	0	99	26.52	20.37
Budget (\$)	60	900000	67133.79	177156.35
Weekly Volunteer Hours	0	85	14.37	21.36
Weekly Paid Staff Hours	1	283	40.48	64.91

preferred to complete the survey by hand. In addition to the invitations, the survey was advertised in the HEP office, in one of their newsletters, and in several of their weekly membership email messages. All respondents received a Time Dollar for completing the survey and two prize drawings were held for respondents as an additional incentive. A statement preceding the survey assured respondents that their responses would be confidential, but they could not be anonymous. The first question of the survey asked for their name so that they could be entered in the prize drawings, awarded a Time Dollar, and have their responses linked with their transaction data. After the survey was completed, the list of respondents was provided to the Time Bank so that they could award the Time Dollars and conduct the prize drawings. Summaries of the survey results were presented to the Time Bank in anonymous form. After the survey we linked the transaction records with the survey responses by their name. After the linking of the two datasets, all names were deleted and the identities of the respondents were protected.

The size of the total target population was 440 individual members (organizational members were not included). A total of 235 HEP members completed the survey, a response rate of 53%. Respondents are representative of the total membership population on the four indicators that were available from HEP's database (gender, age, participation length, and total transactions). It took respondents 26 minutes to complete the survey on average and half completed it in 23 minutes or less. The survey was divided into six sections: motivations, engagement, outcomes, satisfaction, community experience, and demographics. Most questions were closed-ended and had standardized response categories arranged in a tabular format to facilitate timely completion.

HEP granted the authors access to an electronic copy of the Time Bank's database containing membership and transaction records. Transactions within this particular system began in early 1998. Therefore, the exchange data analyzed in Chapters 4 and 5 covers 12.5 years of trading activity (up through mid-2010).

Data Collected from CE

Drawing on the participatory action research model (Greenwood, Whyte and Harkavy, 1993), CE staff and members were invited to participate in the design and implementation of a membership survey. Members were given the option of returning the survey by mail, responding online (through surveymonkey.com), being interviewed by phone, or completing the survey in person at the CE office. Respondents received two Time Dollars for completion of the survey. Identification codes were included so that the respondents' results could be later linked to organizational transaction data. The survey incorporated a combination of previously published instruments that had strong psychometric qualities and original questions created for the current study, both open- and close-ended. Questions focused on demographic information, members' experiences with transactions, attachment to and identification with the organization, and changes in health, mental health, civic engagement, social support, and self-efficacy.

The survey was sent to all 340 individual CE members and 160 (47%) responded. The sample was similar to the overall membership of CE (as collected in administrative records at the time of the study) with the exception of the sample having slightly more women and fewer people under 45 years of age. We tested for possible differences in the demographics of those who completed the survey online versus those who filled out a paper copy and none were found.

CE granted the authors access to an electronic copy of the Time Bank's database containing membership and transaction records. Transactions within this particular system began in early 2000. Therefore, the exchange data analyzed in Chapters 4 and 5 covers 10.5 years of trading activity (up through mid-2010).

In-depth, structured member interviews were also conducted at CE (see Letcher and Perlow 2009). Purposeful sampling was employed to assure that the 28 interviewees were representative of the membership. Transcripts of the interviews were analyzed for responses related to motivations (the opening question asked members how they heard about and became involved in CE). These findings are reported in Chapter 3.

Data Collected from M2M

The purpose of the M2M evaluation was three-fold. The first was to describe the M2M program and its participants. The second was to examine whether program participation resulted in improved emotional health and decreased levels of loneliness. The third was to further delineate the benefits of the program for participants, the sponsoring organization, and the community at large.

Our retrospective, membership survey was fielded in hard copy format. The survey was mailed with prepaid return postage to all 327 members and 167 (51%) responded. The second phase of the evaluation sought to examine the impact of program participation upon health-related outcomes, such as emotional health and feelings of loneliness. To ensure that all study participants were recruited, enrolled,

and integrated into the M2M program in similar ways, a quasi-experimental, prospective study was conducted with new Elderplan members (n=190). A baseline survey at the time of enrollment and three follow-up surveys through the first six months of one's membership were administered to new Elderplan members who agreed to participate in the study. Participants were recruited from each of the four possible groups: "well" M2M participants (who are primarily providers in the program), "frail" M2M participants (who are primarily receivers in the program), "well" Elderplan members who do not participate in M2M, and "frail" Elderplan members not in M2M. The final sample size for the prospective study was 190, which represents an overall response rate of 32%. Response rates varied across the groups as expected, with the M2M "well," provider group having the highest response rate of 69%, and the Elderplan "frail" group with the lowest at 27%. Dropouts over time did not differ significantly across the groups. In addition to the member surveys, two focus groups with select M2M members and ten interviews with program stakeholders were also conducted.

Other Data Collected from Time Bank Community

In addition to the national survey of coordinators and the extensive data collected at each of our three sites, we gathered a variety of information from members of the Time Banking community in the U.S. This includes a focus group conference call with seven former and present staff members and activists who were involved in the founding of the earliest Time Banks. We have also conducted numerous informal face-to-face, phone, and email interviews with a variety of stakeholders.

Chapter 3

Why and Who: Motivations for Joining Time Banks and a Profile of Participants

Introduction

In asking why people might join a Time Bank, we should first consider why people join any social movement or voluntary association. There is a long history in the U.S. of study of the phenomenon of voluntarily joining groups, starting at least since de Tocqueville's observations of the country in the 1830's as one where the conditions of democracy lead people to create voluntary associations (2003, see also Verba and Nie 1972). Putnam's claims, especially in *Bowling Alone* (2000), of a decline in many forms of civic engagement in the U.S. over the past half century or more have prompted considerable debate about whether this phenomenon still typifies American society, as well as serious consideration of both the facts and the effects of such a decline (e.g., Boggs 2001, Muntaner and Lynch 2002).

As we have seen, Time Banking is not solely an American phenomenon, but the concept did originate in the U.S. and is our focus here. In studying Time Banking, we see a movement that is growing in popularity. As indicated in the last chapter, by the end of 2010 there were 128 active Time Banks in the United States. The "Great Recession" that took hold in late 2007 spurred considerable interest in local currencies. This chapter explores three research questions: 1) Why do people join Time Banks? 2) Who is most likely to join? 3) Do motives for joining differ for various demographic groups in the population?

We address these questions by summarizing theory and previous findings from studies of motivations to join social movements and voluntary associations as well as from studies of community currencies. An in-depth survey of motivations from our stand-alone case, Hour Exchange Portland, resulted in the generation of seven overriding motivational factors. We then present what others have concluded about the demographic characteristics of people who join social movements and voluntary associations, followed by a comparison of the characteristics of members in our three case studies. Using quantitative data from two of our cases, we examine the extent to which different kinds of people (e.g. men vs. women, older vs. younger) have different motivations for joining Time Banks. Finally, we analyze qualitative data from one case about why certain types of participants come to join these networks. We conclude with some thoughts about how joining Time Banks is both similar to and different from other types of civic engagement.

Previous Research on Motivations

Other than scholarship by the authors, there has been little empirical analysis of the membership of community currency systems in the United States. Although there have been a variety of studies (see Feder, Howard, and Scanlon 1992, Ozawa and Morrow-Howell 1993, Jacob et al. 2004a, 2004b, Krohn and Snyder 2008, Soder 2008, Stern, Cherry, and Oberlink 2009), none of them employ membership databases or representative sampling to provide a demographic profile of participants or their motivations. There has been a fair amount of research on LETS networks and Time Banks outside of the U.S. This evidence will also be cited and indicates that there is considerable variation in the membership profiles across and within these systems. Where applicable, we also draw upon broader literatures to help explain the why and the who of Time Banking. We begin with some general theories on social movements.

Why Do People Join Social Movements?

Understanding what motivates individuals to join social movements and voluntary associations has been a key theoretical concern in Sociology. In their pioneering contribution, Knoke and Wright-Isak (1982) formulated a theory that posits that individuals choose their involvements in collective action organizations through three decision-making processes: rational cost-benefit calculations, affective ties to the collectivity, and desires to conform to social norms. The rationality argument surrounds the notion that individuals make choices among a set of known options based on their assessment of probable gains and losses. Affective ties are about the emotional, identification processes in which potential recruits feel a sense of belonging to the association. The hypothesis about desiring to conform to social norms is rooted in the expectation that behavior is shaped by internalized “oughts,” shared symbolic directives or “the right thing to do.”

Coinciding with these motivations, according to Knoke and Wright, organizations attract members by offering three types of incentives: utilitarian, social-recreational, and normative.

The parallel between association incentives and the member motivations... is evident and intended: utilitarian services appeal to rational choice motives, social-recreational activities elicit involvement on the basis of affective bonding, and normative incentives attract people with strong normative conformity predispositions. (Knoke 1990: 55)

More recent social movement scholarship suggests that Knoke’s model is still highly relevant. For example, Klandermans argues that participants are motivated by three fundamental reasons: “people may want to change their circumstances, they may want to act as members of their group, or they may want to give meaning to their world and express their views” (Klandermans 2004: 361). Klandermans’s

“instrumentality,” “identity,” and “ideology” are conceptual parallels to Knoke’s “utilitarian,” “social,” and “normative” motivations.

Instrumentality, identity, and ideology are not mutually exclusive motivating factors. There is certainly overlap and some argue that ideology and instrumentality often precede identification with the group. People are not very likely to participate in a social movement unless they believe in the vision of change that is advocated and in the efficacy of participation itself (for example, see Klandermans 1984, McAdam 1986, Passy and Giugni 2001).

Klandermans (2004) notes that there are few studies that attempt to systematically assess the relative importance of various motivating factors. This dearth is due somewhat to methodological issues. Ideally, one would need a sizeable longitudinal dataset that follows people prior to joining and that compares these participants to those who did not join the movement or protest event. As employed by Knoke (1988, 1990), cross-sectional (collected at one point in time) surveys of activist motivations after they have joined movements are more common (see Lowe and Ginsberg 2002, Collom and Mitchell 2005, Biggs 2006, Bramble 2006). Many have noted (i.e., Pierce and Converse 1990), that these “after” measures may be contaminated by the experience of participation. That is, activists may not recall their original motivations, being influenced by their experience in the movement. Nonetheless, such evidence still makes a contribution to solving the puzzle of why people join movements.

Another methodological challenge is the lack of generally agreed upon and well-developed measures of motivation. Knoke’s (1988, 1990) work appears to be the most advanced in this area. As part of his National Association Study, Knoke (1988) fielded 23 motivation items to over 8,000 members of 35 national associations. Six different broad sets of motivations were found after statistical (factor) analysis of the items. As he expected, one set represented normative motivations and another one social motivations. There were, in addition, four different types of utilitarian motivations: material, occupational, information, and lobbying.

There are three previous studies that are similar to Knoke’s attempt to thoroughly investigate motivations to participate. Barkan, Cohn, and Whitaker (1995) studied the motivations and participation of members in a national anti-hunger organization, Bread for the World, with a mailed questionnaire to a sample of members. Three different sets of motivations were derived: policy incentives, relief incentives, and social incentives.

Gross (1995) surveyed members of two abortion rights-related organizations, one pro-choice and one pro-life, in one U.S. state to determine their incentive preferences. Thirteen items were fielded that were intended to represent five categories of motivations: material/tangible incentives, solidarity incentives, norms of personal identity, norms of democratic citizenship, and norms of social justice. Statistical analyses produced only three scales (one combining material and solidarity incentives, one combining norms of personal identity and citizenship, and the norms of social justice one as expected).

In their analysis of panel data (collected in 1987-1988 and again in 1989-1990) from a randomly selected, representative survey of adults in West Germany, Finkel and Muller (1998) measured “seven selective incentives that individuals may perceive as material, social, or psychological ‘payoffs’ from collective political action” (1998: 42). Since respondents included both members and non-members, they were asked about their motivations for general, potential political action. Their 14 items resulted in the following motivation measures: financial gain, expectations of others, group encouragement, knowledge gain, beliefs, entertainment (i.e., an “enjoyable experience”) and internal behavioral norms.

These studies focused on a variety of populations and organizations; yet the findings indicate some commonalities. Knoke’s theory identifying categories of utilitarian, social, and ideological motivations has received considerable empirical support from the studies that have followed. While we have argued that Time Banking is a social movement, it also is a loose collection of local voluntary organizations. Many people are likely to join a local group without knowing very much about the movement as a whole. Thus it will be important to identify the various motives for joining Time Banks to see if they correspond to those derived from the general social movement literature.

Why Do People Join Community Currencies?

There are numerous studies, mostly of Local Exchange and Trading Systems (LETS), that have addressed the issue of motivations for joining local currency groups. These studies are summarized in Table 3.1. As indicated in the table, economic, altruistic, social, ideological, and community-building motives are consistently ranked highly in this previous research. Some of these are the same as found in social movement studies – the economic, ideological, and social motives specifically. But altruism and community building are not motives that are regularly identified as key to joining social movements. Such motivations are more likely to be found in studies of volunteerism. Thus, we turn our attention there next.

Why Do People Volunteer?

Motivation to volunteer is a well-researched topic with plenty of theoretical contributions as well as empirical evidence (Wilson 2000, Hustinx et al. 2010). Along with human capital (demographic characteristics of individuals, such as educational attainment, which can be seen as resources) and social capital (opportunities or circumstances gained through social ties), cultural capital (motives, values, and beliefs) is also seen as a main cause of volunteering (Wilson and Musick 1997, Shye 2010). There are several key studies of motivations to volunteer conducted by psychologists that have resulted in broad categories of motivations as well as specific survey items. These studies tend to employ functional theory “that people engage in volunteer work in order to achieve

Table 3.1 Summary of previous community currency research on motivations

Study	Population	Methods ^a	Motivating factors
Williams et al. (2001a, 2001b)	26 U.K. LETS	1999 Survey; n=810; RR=37%	Economic (42%); Ideological (25%); Social/Community (23%)
Birch and Liesch (1998)	50 Australian LETS	1995 Survey; n=371; RR=37%	Build community; Encourage local initiative
Gran (1998)	4 Norwegian LETS	1995 Survey; n=165; RR=64%	Short-term altruistic
Thorne (1996)	6 English & Scottish LETS	1993 Interviews; n=13	Community building; Social networking
Williams (1996b)	U.K. LETS Case Study	1995 Survey; n=63; RR=25%	Economic (52%); Social (31%); Ideological (31%)
Williams (1996c)	U.K. LETS Case Study	1994 Survey; n=46; RR=38%	Economic/Ideological (24%); Economic/Skills (24%); Economic/Social (22%)
Williams (1996a)	U.K. LETS Case Study	1995 Survey; n=109; RR=22%	Economic (82%); Community building (50%)
Pacione (1997)	Scottish LETS Case Study	1996 Survey; n=22; RR=63%	Economic (52%); Community solidarity (35%); Ideological (25%)
O'Doherty et al. (1999)	U.K. LETS Case Study	Survey; N=96; RR=32%	Attachment to Community (33%); Save cash (25%); Ideological (20%)
Caldwell (2000)	U.K. LETS Case Study	Survey; n=51; RR=54%	Ecological altruism (N=33); Ecological self-interest (N=25); Economic altruism (N=25); Economic self-interest (N=16)
Seyfang (2001a, 2001b)	U.K. LETS Case Study	1996 Survey; n=64; RR=60%	Economic (60%); Social/Community (40%)
Seyfang (2002, 2003)	U.K. Time Bank Case Study	2002 Survey; n=18; RR=28%	Help others (78%); Community involvement (72%); Improve neighborhood (56%)

^a n = Number of cases in sample; RR = Survey response rate

important psychological goals, and that different individuals will be seeking to satisfy different motivations through volunteer activity” (Clary, Snyder, and Stukas 1996: 486).

Cnaan and Goldberg-Glen (1991) studied volunteers from human service agencies in two large U.S. cities. They constructed and fielded an inventory of 28 motivations to volunteer reflecting altruistic, egoistic, social, and material-egoistic motivations. Their results indicate that the volunteers they studied were not distinguished by these four categories: “Volunteers act not from a single motive or a category of motives but from a combination of motives that can be described overall as ‘a rewarding experience’” (1991: 281).

In their study of AIDS volunteers, Omoto and Snyder (1995) generated a pool of seventy potential motivational items and fielded them to volunteers affiliated with an AIDS service organization. Using their results and previous research, they identified five general categories of motivations that were measured with five items each: values, understanding, personal development, community concern, and esteem enhancement reasons. These scales were validated with two additional samples: AIDS volunteers from 26 different organizations and hospice volunteers from a workshop gathering.

Clary et al. (1998) developed the Volunteer Functions Inventory containing six different sets of reasons: protective, values, career, social, understanding, and enhancement. Their thirty items were tested on volunteers from five health-related service organizations in the Minneapolis and St. Paul metropolitan areas. Their theoretical expectations were confirmed; the items did indeed fit with the categories expected in factor analysis, a statistical process identifying which individual survey items reflect similar broader themes. The Volunteer Functions Inventory was further validated in a sample of university students with volunteer experience.

In summary, a key goal of this chapter is to uncover the various motivations underlying an individual’s decision to join a Time Bank. In the social movements literature, where understanding motivations to participate has been a central puzzle, social, ideological, and utilitarian rationales have been repeatedly documented. In reviewing the community currency scholarship, which comes from cases outside of the United States, the additional motives of altruism and community-building were identified. The study of volunteering reflects many of the motives found in social movement and LETS members (social, community, values, and altruistic), but with more of an emphasis on personal fulfillment and less on utilitarian and ideological motivations. These literatures provided the basis for our own investigation of motives for joining Time Banks, which will be discussed next.

Applying Motivations Research to Time Banking

Hour Exchange Portland

Using the previous social movement, community currency and volunteering research as a basis, we compiled all of the motivation items from the relevant studies cited above to be fielded in a membership survey at HEP, our stand-alone, community-based case. The items not applicable to participation in a community currency system were deleted from the inventory. Items that were similar to each other were deleted or synthesized into new ones. After this process we generated and fielded 30 relevant motivational items representing the four broad categories suggested by the previous research: economic/instrumental, ideological/value (including community-building), social, and altruistic.

The statistical procedure factor analysis was used to analyze the results to determine if the 30 items do reflect the four broader categories. The findings confirmed our theoretical expectations, but also indicate that the economic/instrumental and ideological/value categories are more complex and have some additional differences within them. Three different themes emerged from the economic/instrumental motivation items (needs, wants, and instrumental motivations). Two factors were identified from the ideological/value motivations (values and independence). The social motivation items and the altruistic items each constitute one factor as expected. Table 3.2 lists the items by category and provides the mean scores which indicate how popular each item is among HEP respondents. Each of the seven sets of items derived from the factor analysis have high internal reliability (alpha values provided in Table 3.2), so multi-item additive scales were constructed.

As indicated by the item averages, the single most popular motivating factor for members joining HEP was to “expand your purchasing power through an alternative currency.” More than half (58.5%) replied “to a great extent” and another 29.3% responded “to some extent” (mean = 3.44). The next most popular item is: “act on your personal values, convictions, or beliefs.” Of all the motivation questions fielded, “Spend more time with acquaintances or friends who were already members” was the least cited reason for joining.

By creating scales of the items reflecting similar themes, we have more powerful measures to assess the relatively popularity of the various motivations. The mean scores of the scales (depicted in Figure 3.1) indicate that economic needs (3.41) and values (3.36) motivations are the most popular reasons for joining HEP. On the needs scale, 82.2% of respondents fall between the values 3 (“to some extent”) and 4 (“to a great extent”). Likewise, 82.5% of respondents fall on the high end (between 3 and 4) of the values motivations scale. The vast majority of members are motivated by their economic needs and also by a desire to act on their values and create a better society. The nearly identical, high ranking of these two different sets of motivations indicates that HEP members join for multiple reasons, but that these are the most important.

Table 3.2 Motivations for joining HEP (scales and items; range=1–4)

Economic/Instrumental Motivations	Mean	SD
<i>Needs Motivations Scale</i> ($\alpha = .79$)	3.41	0.70
Expand your purchasing power through an alternative currency	3.44	0.76
Obtain needed services that you could not perform yourself	3.41	0.86
Obtain needed services or goods that you could not afford	3.36	0.89
<i>Wants Motivations Scale</i> ($\alpha = .79$)	3.14	0.80
Obtain services or goods that you would rather not have to pay for	3.25	0.86
Obtain services or goods that you would not normally pay cash for	3.03	0.90
<i>Instrumental Motivations Scale</i> ($\alpha = .71$)	2.71	0.65
Improve the local economy	2.91	0.86
Help establish trust among people	2.87	0.92
Learn new skills from others	2.73	0.82
Use or improve skills that you did not get to use regularly	2.32	0.96
Ideological/Value Motivations		
<i>Values Motivations Scale</i> ($\alpha = .89$)	3.36	0.64
Act on your personal values, convictions, or beliefs	3.43	0.74
Create a better society	3.41	0.79
Help build community in our region	3.26	0.72
Contribute to the quality of life in our region	3.41	0.75
Be part of a larger movement for social change	3.30	0.81
<i>Independence Motivations Scale</i> ($\alpha = .84$)	2.65	0.99
Be more independent from large corporations	2.81	1.05
Be more independent from government	2.48	1.07
Social Motivations		
<i>Social Motivations Scale</i> ($\alpha = .88$)	2.32	0.66
Meet new people or make friends	2.73	0.89
Spend more time with like-minded people	2.62	0.93
Experience new activities in group settings	2.57	0.90
Feel better about yourself	2.34	0.96
Feel needed or useful	2.21	0.99
Have something worthwhile to do with your free time	2.14	1.00
Feel less lonely	1.86	0.91
Spend more time with acquaintances or friends who were already members	1.83	0.88
Have a good time doing things in a social setting	2.54	0.91

Altruistic Motivations	Mean	SD
Altruistic Motivations Scale ($\alpha = .79$)	3.15	0.60
Give back to the community	3.16	0.77
Help people in need	3.11	0.78
Gain satisfaction from helping others	3.02	0.81
Use your skills to do something for others	3.29	0.72

These two motivational scales are followed in popularity by the altruistic (3.15) and wants (3.14) motivations. Many members also want to give to others and obtain services that will improve their own quality of life. Social (2.32) reasons are the least popular motivating factor at this Time Bank. Only 15.7% of respondents fall between the high values of 3 (“to some extent”) and 4 (“to a great extent”) on this scale. The low ranking of social motivations is interesting given the social capital objectives of most community currency advocates. Apparently, not many members of HEP joined to alleviate any loneliness and meet new people. This may indicate that many members might have already known each other prior to joining, or that social goals are simply not the most salient for joining this Time Bank.

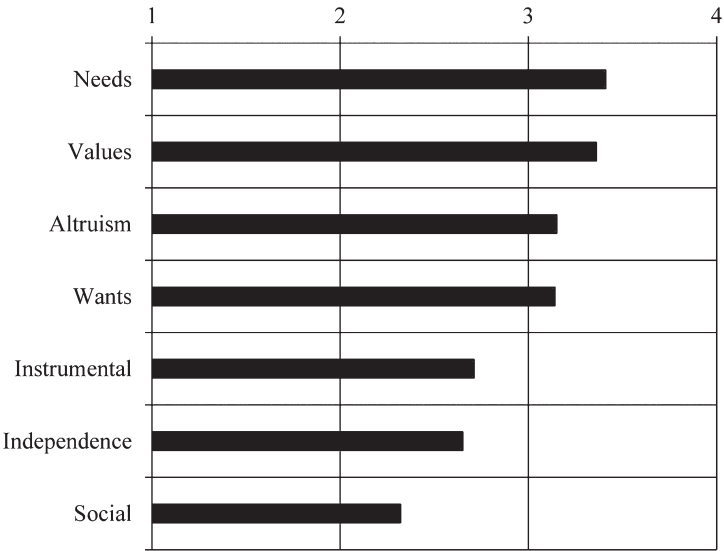


Figure 3.1 Seven scales from HEP motivations analysis

Community Exchange

In-depth interviews with CE members about their experiences with the organization also explored reasons for joining, though not in as systematic a way as reflected in the motivation instrument described above (see Letcher and Perlow 2009 and Chapter 2 Methodological Appendix). The following examples are drawn from the transcripts of the interviews. Quotes presented below are selected to illustrate the categories developed from the HEP study as well as the combination of motives that many members report.

Economic/Instrumental Motivations

No. 1, because I am not a plumber or an electrician or any of those qualities that are important. And because of our two sons living out of the area, Community Exchange has been a vital source for my husband, Jerry, of getting help and actually getting help for the needs that we have.

That I would get help. Help to do what I have around my house. And I have – the first girl I asked about out there – she came and did my basement for me which was great. She had my yarn – I got shelves put in – she had my yarn all lined up. I have my yarn all lined up now and I've got all the good yarn and a container that I put my material and stuff in.

I like to be as supportive as I can in any of the programs that make (my husband) feel comfortable and because of his problem of mobility it's important to give him a purpose in life and it also supports my being his wife, it also supports what you are doing here in Allentown with CE.

Ideological/Value Motivations

And I knew it was a new program and I love setting precedents. And that's another reason why I joined. And I joined because it was a program that... I have a thing about diversity and it was a diverse population... And I knew I wouldn't feel uncomfortable going by myself.

Social Motivations

I decided I wanna be part of it. It sounds so exciting – anything to get me out of the house. So I became a part of it. So that was a big thing – to get out of the house.

Altruistic Motivations

Margaret H. saw me volunteering at the senior center, I have lunch there and I like to wash the big pans that the food comes in and when she saw me doing that she said you need to be a member of Community Exchange... well it's just all about volunteering and helping other people and in a couple of days Rowena said the same thing to me. I know a way you can already earn some hours.

Multiple Motivations

I could see the advantages for me personally and for other people that I could help with my skills, and I knew that I could meet people. I just believed in the program.

I was working as a volunteer and mentioned to my mentor and teacher then, because I was new, that I needed a washer and dryer. I was spending a good deal of money, time and anxiety going to the laundromat. ... And she said funny you should mention that because I just today put a new washer and dryer in my laundry room and I moved the other to the garage. And she said find someone to pick it up and I'd be glad to give it to you. (The CE coordinator) showed up and said I heard you need the washer and dryer. And she said if you'd like to join Community Exchange, my husband, my son, and I will just pick up and deliver your washer and dryer. And I said Oh, fine, yes I do. I'm a joiner, in some ways. And I thought that way I'll get to know people and I'll have clean clothes and it won't cost a fortune. And then in about a week or so Don and Avery and Mike (I think) showed up with the washer and dryer. It was hooked up and it's still running. And, it was a great avenue for me, to reach me so that I would join Community Exchange.

Actually, I joined Community Exchange not even expecting to find a Scrabble partner. You know? And I was thinking of the practical things like help with being driven places and what have you. And, actually when we first started we were trading credits back and forth over the Scrabble games. And we just kind of gave up on that, you know it's a wash. I think I was attracted to it initially simply because I had heard of it from another part of the country. And other people were doing the same kind of time share exchange and I thought it was a great idea. And I, when I was able, before I got sick, I did a lot of work just hanging pictures and things like that.

These excerpts from the interviews illustrate the variety of factors that might lead people to join. Time Bank members are often motivated by a combination of practical considerations (I needed a washer and dryer, my mother/husband/I needed extra help in the house), ideological commitment (diversity, great idea), desire for social interaction (meeting people, getting out of the house), and altruism (helping other people). It is one of the attractions of Time Banking that it allows members to achieve such a variety of goals.

Member to Member

As part of our retrospective membership survey at M2M, participants who have provided services to other members were asked about their motivations for joining M2M. Table 3.3 presents the results of the five questions we fielded. Altruism ("to help others") is the highest ranked motivation with more than four out of five

Table 3.3 Motivations of M2M providers, retrospective survey

	%
To help others	83.6
To do something meaningful	73.8
To meet people	41.0
To earn Time Dollars for future needs	9.8
To earn Time Dollars for products I may want	6.6

respondents stating it as an important reason. Nearly three-quarters of respondents indicated that “to do something meaningful,” a values motive, was an important motivation. Social reasons (“to meet people”) were important for 41% and few respondents stated needs or wants motivations.

We also asked M2M members about their motivations for joining in our prospective, quasi-experimental survey. The baseline survey was administered at the time of enrollment to those who signed up primarily as providers, those who signed up primarily as receivers, as well as the two control groups (“well” and “frail” Elderplan members who do not participate in M2M). In Table 3.4 we present the motivation results by M2M participation status at the time of enrollment.

Table 3.4 Motivations of M2M members by status, prospective baseline survey

	Providers (%)	Receivers (%)
To help others	96.3	14.3
To do something meaningful	63.0	9.5
To meet people	59.3	28.6
To earn Time Dollars	37.0	4.8
To receive help	22.2	76.2

As expected, program status shapes motivations. M2M providers and receivers tend to join for very different reasons. Providers nearly unanimously join to help others. Doing something meaningful and meeting people are also important for the majority of providers. More than one-third join to earn Time Dollars and less than one-quarter to receive help themselves. Three-quarters (76.2%) of the receivers join M2M simply to receive help. Over one-quarter of those who join as receivers are also motivated by social reasons, the potential to meet people.

These findings are interesting compared to our HEP results. Altruism and social motivations are more important for M2M providers than they are for HEP members. Values are slightly less important at M2M and needs and wants are much less important for M2M providers than HEP members. Program and demographic differences are likely to explain much of these differences in the

motivational profile of participants in these two Time Banks. As described in the previous chapter, M2M is made up exclusively of older people and the program has been designed to provide participants with opportunities to help each other and decrease social isolation.

Who Joins Time Banks?

Now that we have an idea about why people join Time Banks, we move on to investigate who it exactly is that joins. Do the reasons people join such organizations make them more appealing for some populations than others? For example, would the utilitarian aspects (specifically needs) make it likely that they would attract people who have lower incomes? Would the social dimension appeal more to women? In this section we think about demographics and what may be expected as far as Time Bank memberships are concerned. The demographic variables that we investigate in this chapter are standard ones for describing membership in voluntary associations and social movement organizations: gender, age, race, household, education, employment, income, and health. We proceed by discussing the relevance of each variable, reviewing the pertinent previous research, and drawing from our national survey of coordinators when applicable. Then we present the results from our three cases. In the following section we statistically test for associations between these background characteristics and motivations to join Time Banks.

Gender

There are many reasons to expect a predominance of female members in community currencies, and this has been noted in prior studies. Both Seyfang (2001b) and Raddon (2003) argue that local currencies offer greater opportunities for women. The devaluation of women's work in the formal economy is well documented, and community currencies revalue work and labor. Time Banks, for example, are highly egalitarian. An hour is an hour regardless of the service provided or by whom. Moreover, women have historically provided the majority of informal, nonmarket labor. Local currencies create new markets with a form of remuneration for care work and friendly favors.

To the extent that participation in community currencies may parallel the dynamics surrounding volunteering, a gender disparity in membership may also be expected. In his review, Wilson (2000) notes that in the U.S., females are slightly more likely to volunteer than males. More relevant here is the type of volunteer work that women tend to engage in: "Women volunteers gravitate, or are steered, toward 'women's work,' more of the caring, person-to-person tasks and fewer of the public, political activities ..." (Wilson 2000: 227-8). Local currencies systems are highly personal, and care work is common.

Also, McPherson and Smith-Lovin (1987) note that homogeneity within voluntary organizations is not unusual. Friendship networks are often the basis for recruitment into voluntary organizations. Our social ties tend to be homogeneous by gender, so we are more likely to hear about voluntary associations from someone of the same gender as us. Indeed, as we will see below, “word of mouth” is by far the most effective recruitment tool identified by coordinators responding to our national survey. It appears that information about these organizations is primarily transmitted through existing social ties.

The research on LETS and Time Banks outside of the U.S. does provide evidence that women are overrepresented in both of these forms of community currencies. Case studies of LETS networks show that between 59% and 80% of members are female (Williams 1996c, Pacione 1997, Gran 1998, Caldwell 2001, Seyfang 2001a, Williams et al. 2001a) while studies of Time Banks in the U.K. indicate that between 52% and 71% of members are women (Seyfang and Smith 2002, Seyfang 2003, Seyfang 2004). It is also noteworthy that the founding directors of the earliest Time Banks in the U.S. are almost all women.

Our national survey of coordinators indicates a range of female participation from 5% to 100%, with the average Time Bank being 64% female. We investigated gender composition across time, focusing on the year in which the Time Banks in our survey were founded. There is no association between these variables, older and newer Time Banks are similar and women are overrepresented in three-quarters of them.

Age

The goals of some local currencies are likely to result in membership age distributions that are not reflective of their geographical area, but it is not immediately obvious how they would be different otherwise. Based on prior studies, one could expect either more or less involvement of elderly. For example, social and health outcomes are often stressed in these networks. Studies have found that older Americans have smaller social networks overall (Marsden 1987, Lin, Ye, and Ensel 1999, McPherson, Smith-Lovin, and Brashears 2006) and that the aged have less frequent contact with their network members (Morgan 1988, Antonucci and Akiyama 1987). Thus, these networks may attract older people seeking social ties. Additionally, given that health deteriorates with age, the direct and indirect health benefits (through social support as well as specific health care services that are frequently provided in these systems) may well attract older members. On the other hand, research on the demographic profile of volunteers has found that there is typically a curvilinear age effect, with people in their middle years more likely to volunteer than the young and the elderly (Wilson and Musick 1997, Wilson 2000, Prisuta 2004).

As noted in the first chapter, the earliest Time Banks catered exclusively to older populations, so a greater involvement of older people is rooted in the movement’s history. In their study of participants in the first six service credit

banks in the U.S., Feder, Howard, and Scanlon (1992) found that all were over age 56 with nearly half (47%) of those classified as service recipients aged 76 or older. In Ozawa and Morrow-Howell’s (1993) case study of the Older Volunteer Service Bank (OVSB) in Missouri, the average age of participants is, not surprisingly given the name, reported as 71.

Research on LETS indicates a very different age distribution of members. Three different studies report modal age categories of 31-40 years (Gran 1998), 30-44 years (Williams 1996c), and 40-49 years (Williams et al. 2001a). The percentage of members over the age of 60 ranges from only 3.2% up to 16.1%. Time Banks in the U.K., on the other hand, appear to attract more older participants. Two studies indicate that 30% (Seyfang 2003) and 42% (Seyfang and Smith 2002) of members are of “retirement age” or over. The age differences between these two different types of community currencies are somewhat expected. Many Time Banks that are housed in institutions or organizations may specifically target the elderly for participation (see Seyfang and Smith 2002). Moreover, whereas LETS and Hours have been seen more as political, anti-globalization projects, Time Banks are much more neutral and tend to frame their networks around building community. The latter message may be more appealing to older people. Thus, the age distribution would appear to depend on the type and location of the organization.

Our national survey of coordinators indicates that the range in percent of members over 60 is very wide, from 0% to 99% of the membership, with the average for all Time Banks responding being 25% in the 60 or older category. The U.S. Census Bureau (2011) found that people 60 years of age and older comprise 18.0% of the overall population and 23.5% of all adults over 18. Thus, our national coordinator data show that the percent of older people in Time Banks is roughly representative of the larger adult U.S. population in 2010. This suggests to us that Time Banking has changed across time. We tested and did find an association between Time Bank age composition and year founded as presented in Table 3.5.

Table 3.5 Average percent of Time Bank membership aged 60 or older by year of Time Bank founding, national survey of coordinators

	%
2007 or earlier	37.0
2008	25.4
2009	16.6
2010	16.9
Overall Average	24.8

These results indicate that Time Banks founded most recently are less likely to have members aged 60 or older. Indeed, those founded in 2009 or 2010 contain fewer members aged 60 or older than the larger adult population on average. While

older members are overrepresented in Time Banks founded in 2007 or earlier, they are underrepresented in those founded in 2009 or 2010. This suggests that newer Time Banks may have different missions and recruitment strategies, attracting a higher proportion of younger members. Some of the differences may also reflect members aging along with their Time Bank. We also find that embedded Time Banks are slightly more likely to have older members than stand-alone ones (an average of 27.8% of members in the former are 60 or older compared to an average of 21.2% of the members in the latter).

Race/Ethnicity

As scholars of race, class, and gender have argued, the bases of social inequality in contemporary American society are highly intertwined (see hooks 1984, King 1988, Collins 1990, McCall 2005). This makes it challenging to explain membership demographics one variable at a time. For example, we may expect people of color to join these networks in greater numbers since unemployment rates and poverty rates are higher for racial minorities on average. The literature that appears to be most relevant to race/ethnicity here is the informal economy one. The connection is somewhat tenuous however. Technically, local currencies are not part of the informal economy since they do not “bypass existing laws and the regulatory agencies of the state” (Portes 1994: 431). Still, community currencies are a form of community self-provisioning and have some similarities to informal market activity. That having been said, ethnic minorities (and particularly immigrants in some regions) are over-represented and more likely to participate in the informal economy in the U.S. than whites (Castells and Portes 1989). Therefore, we may expect minorities to be more likely to join. Moreover, to the extent that people of color have denser community networks that facilitate economic survival, such ties and the trust underlying them may make the decision to join a Time Bank easier (see Portes 1994, Abzug 1999).

Two previous studies of Time Banking in the U.K. report data on the race or ethnicity of participants. Seyfang and Smith’s (2002) report on 12 Time Banks in the U.K. indicates that 8% of members are from ethnic minorities (compared to 5% of Great Britain’s population). In a case study of one U.K. Time Bank, Seyfang (2003) finds that 53% of members are from ethnic minorities and that this percentage reflects the local population. So, the limited evidence from the U.K. indicates that Time Bank membership is roughly representative of population characteristics, and minorities are no more nor less likely to join.

Household Type

The volunteering and social movement literatures do not provide a consistent basis to make any predictions about how household type may influence the membership characteristics of Time Banks. Wilson (2000) reports that married people are more likely to volunteer than those who are not married. In social movement studies,

biographical availability is a concept which taps into the absence of personal constraints (see McAdam 1986). Here, married people are expected to be less likely to participate in social movements and protest. The empirical evidence on biographical availability has been mixed however. McAdam (1986), for example, found that married individuals were *more* likely to participate in a civil rights campaign while Schussman and Soule (2005) found that marital status is not a significant predictor of protest participation.

Since Time Banks seek to build social capital, it would be reasonable to expect that those who reside alone would be more likely to join Time Banks in an effort to gain new social ties. In the two studies of the early service credit banks, the authors report that 58.2% and 71.0% of participants live alone (see Feder, Howard, and Scanlon 1992; Ozawa and Morrow-Howell 1993). Household type has only been assessed in one other previous local currency study. In researching four Norwegian LETS, Gran (1998) reports that 64.4% of members are married or cohabitate with a partner. In these LETS cases at least, people who live alone do not appear to be overrepresented. Again, the differences between the membership characteristic of LETS and Time Banks may be expected given that some Time Banks explicitly seek to reduce social isolation.

Education

Educational attainment is a key variable in studies of volunteering, social movements, and civic engagement. It has been found to be the most consistent predictor of volunteering as it “heightens awareness of problems, increases empathy, and builds self-confidence” (Wilson 2000: 219-220). Education also increases civic skills and political interest (Brady, Verba, and Scholzman 1995) and increases the likelihood that one will be invited to participate in protest activities (Schussman and Soule 2005). This evidence suggests that members of local currency networks may be expected to be more educated than the average residents of their area.

Previous research indicates that the educational attainment of community currency members varies considerably. The vast majority (81.9%) of members of the four LETS studied by Gran (1998) held university degrees. Other U.K. LETS studies show considerable variance in education as the percentage of members with degree-level education ranges from 20% to 65% (Williams 1996b, Pacione 1997, Aldridge et al. 2001, Seyfang 2001a). However, most of these LETS studies do provide evidence that LETS participants are highly educated.

Employment

Advocates of community currencies often stress the potential for these systems to economically empower the unemployed and underemployed. If recruiters with these objectives are successful, we would expect to find these groups overrepresented in community currency networks.

In studies of LETS, there is high variability in employment characteristics. Between 34% and 69% of members across various systems have either part-time or full-time employment (Williams 1996c, Birch and Liesch 1998, Gran 1998, Caldwell 2000, Seyfang 2001a, Williams et al. 2001a). In their study of 12 Time Banks in the U.K., Seyfang and Smith (2002) find that 72% of members are not in formal employment. So, again, there appears to be differences among the different types of local currency groups. The differences in the age of participants are likely to explain some of this variability in employment rates. Unemployment is an additional variable to consider. Unemployment rates among LETS members are reported as ranging from 2% to 11.8% (Pacione 1997, Gran 1998, Caldwell 2000, Williams et al. 2001a). In her case study of a Scottish Time Bank, Seyfang (2004) reports that 20% of members are unemployed and looking for work. The available evidence, while limited, appears to suggest that Time Banks are attracting those who are lacking employment to a greater extent than LETS.

Income

Annual household income is another demographic variable that is useful for describing local currency participants. Again, the economic objectives of many of these networks imply that lower-income memberships can be expected.

In a survey of 26 LETS systems in the U.K., 51% of members were found to have household incomes of £14,299 or less (~\$20,734) (Williams et al. 2001a). Two case studies of U.K. LETS reported that 61.8% of members earned less than £10,000 a year (~\$14,500) (Williams 1996c) and 54% have incomes less than £9100 (~\$13,195) (Seyfang 2001a). In their survey of 50 Australian LETS, Birch and Liesch (1998) found that 31% of members had annual household incomes of less than 10,000 AUD (~\$8,200). In a study of 12 U.K. Time Banks, 58% of members report having household incomes that are less than £10,000 (~\$14,500) a year (Seyfang and Smith 2002). In an additional case study of Time Bank in the U.K., Seyfang (2003) reports that half of the membership had household incomes that are less than £12,999 (~\$18,849) a year (Seyfang 2003). Overall then, it appears evident that community currencies are, to a notable extent, being joined primarily by those with low incomes.

Health

The last variable that we will consider is health status. As discussed in the first chapter, local currencies may have direct and indirect health benefits. The extent to which they attract those in poorer health is not clear though. In their study of the earliest service credit banks, Feder, Howard, and Scanlon (1992) found that those who were primarily providers reported being healthier than those who were primarily recipients of services. Of the former, 28% reported having “fair” or “poor” health compared to 51% of the latter. More than two-thirds of both groups had difficulty performing heavy tasks and nearly half of the recipients struggled

with light tasks. In the Missouri case (OVSB), 30.1% of members reported having “fair” or “poor” health (Ozawa and Morrow-Howell 1993).

In the study of 26 U.K. LETS, 5% of members were registered as disabled with the government (Williams et al. 2001a). The research on 12 U.K. Time Banks indicates that 20% of members were disabled or had long-term limiting illnesses (Seyfang and Smith 2002). The other U.K. Time Bank case study shows that 48% of members were disabled or had long-term limiting illnesses (Seyfang 2003). These differences between LETS and Time Banks are, once again, likely to reflect the fact that many Time Banks are embedded in agencies or organizations and have memberships that are older. Overall, the available research does suggest that Time Banks are attracting more marginalized populations than LETS and that substantial percentages have health conditions.

Hour Exchange Portland, Community Exchange, and Member to Member

Now we can turn to the membership characteristics of our three cases. As indicated in Table 3.6, there is remarkable consistency in gender composition across the Time Banks we studied. Around four out of five members are female. With the exception of one LETS study, our cases have an even greater proportion of women than other community currencies studied. As noted earlier, Time Banks may offer more to women than men. Also, these organizations may have some of the same gender dynamics experienced with volunteering. In addition to the membership, we should also add that the staff at most Time Banks are predominantly female as well. Given its magnitude, this gender disparity will be further investigated in the analyses in each of our chapters.

There is considerable variance in the age distributions of the memberships of our three cases. HEP, the community-based network, has considerably younger members compared to CE and M2M, our embedded cases. Indeed, elderly members are underrepresented at HEP compared to the city of Portland, Maine, whereas they are overrepresented at CE (about one-third of the membership) and comprise the entire membership of M2M given the objectives and host agency of this program. With these age variations, it will be particularly interesting to see what the implications are for each of these Time Banks.

According to our results concerning racial composition, the Time Banks we studied are not attracting high proportions of minorities. According to the U.S. Census Bureau (2010), people of color are underrepresented at CE (in Lehigh County, Pennsylvania, where most CE members live, 79.1% of residents are white) and at M2M (in Brooklyn, New York where 41.2% of residents are white). HEP is very close to being representative of Portland, Maine where 91.3% of residents are white. Therefore, the implications from the informal economy literature do not appear very applicable here in our cases.

In regards to household characteristics, HEP and CE are more similar to each other than M2M. Nearly two-thirds of M2M members live alone, reflecting the objectives of the program to enable the frail and elderly to remain independent

Table 3.6 Demographic characteristics of individual members of three Time Banks

	HEP	CE	M2M
Gender (% Female)	82.6	83.1	79.0
Age (Mean)	46.6	59.0	80.3
Elderly (% 65 or older)	11.1	34.4	100.0
Race (% Minority)	7.3	10.0	37.0
Household (% Living with Spouse or Partner)	38.1	46.9	17.5
Household (% Living Alone)	46.0	43.8	64.6
Education (% with Bachelor's or higher)	72.1	52.1	—
Employed (% Part or Full-time)	75.4	42.5	4.2
Unemployed (% Seeking Work) ^a	23.8	5.0	—
Household Income (% Less than \$15,000)	23.6	30.5	—
Health (% "Fair" or "Poor")	16.7	24.4	48.8
Health (% with Disability) ^b	11.8	40.3	41.9

^{a, b} See Methodological Appendix

and in their own homes. HEP and CE are also attracting people who live alone, but much less so than M2M, at 46.0% and 43.8% of the memberships respectively. Below, the motivation analyses will shed further light on whether this reflects social motivations of those who live alone to meet others. This evidence does indicate, however, that Time Banks are successfully connecting with those in isolated living conditions.

Information on member's educational attainment was collected at both HEP and CE. Both Time Banks have memberships which are much more educated than their city's averages. This coincides mostly with the previous research on LETS and suggests that human capital is very important in local currencies. The greater confidence and civic engagement that results from higher education is likely to be useful in navigating these networks. As we have seen, the concept and operation of local currency systems are not easily explained to people.

Employment characteristics vary considerably across our three cases. Three-quarters of HEP members were employed at the time of the survey, compared to 42.5% at CE and less than five percent at M2M. Differences in age and disability prevalence between our stand-alone and embedded cases certainly explain some of this. The unemployment rates also reflect that few (5%) CE members are looking for work, whereas nearly one-quarter of HEP members have been unemployed at some point during the preceding six months. Our community-based case appears to be particularly successful in attracting the economically marginalized.

HEP and CE have fairly similar household income characteristics. As seen in the previous research on local currencies, both Time Banks are attracting lower-income members. This is sensible given that most community currency networks stress that people can increase their purchasing power by participating. It is interesting to consider that the HEP and CE cases are largely comprised of highly educated, yet lower-income members. It is possible that quality of life and community issues are more important to some of these members than material ones. But it is also the case that Time Banks in many places appeal to educated people who have retired or are disabled and therefore have lower incomes. While it was not included in the fieldwork at CE and M2M, it is also worth mentioning that HEP members are overwhelmingly liberal when it comes to political identification (see Methodological Appendix).

We also see considerable variation in the health status of members across the three Time Banks. Given its exclusively elderly clientele, the high rates of “fair” or “poor” health and disabilities at M2M is not surprising. CE, based in a hospital, has nearly as many members with disabilities, but only half the number of those rating themselves lower on self-reported health. Both of these embedded Time Banks do appear to be quite successful in attracting participants with health issues.

Overall, the demographic evidence from our cases indicates that, with the exception of gender, there is considerable variation in the composition of different types of Time Banks. Some of this variation is mission-related, as we have seen particularly in the M2M case. All three of our cases are serving marginalized populations to a considerable extent. Those who live alone, those with low incomes, and those with health issues are all overrepresented in our Time Banks. Critics who dismiss local currencies as “luxuries” in “progressive towns” (Wallace 2001) have little supporting evidence from our cases.

Are Motives Related to Demographic Characteristics?

We began this chapter by exploring the various motivations for joining local currency groups and our cases in particular. Next we investigated demographic characteristics to see who joins. Now, data from the HEP and M2M studies allow us to use statistical models to link demographic variables with motivations to determine who is most likely to hold which motivations. Do male and female members report different reasons for joining? Does age or income play a role in shaping motivations? These and related questions will be addressed next. The investigation of motivational differences among different demographic groups is not well established in the literature (see Clary, Snyder, and Stukas 1996, Hwang, Grabb, and Curtis 2005). Therefore, we treat these analyses as exploratory in the absence of theoretical guidance.

Hour Exchange Portland

Figure 3.2 summarizes the results of our statistical (multiple regression) models predicting the impact of all of the demographic variables upon each of the seven different motivational scales at HEP (details available in the Methodological Appendix). The independent (or causal) variables are on the left side of the diagram whereas the dependent (or effect) variables are on the right. The arrows indicate which associations within the sample survey at HEP are meaningful (statistically significant) and can be generalized to all of the members. The sign above each arrow indicates whether the association is positive or negative.

First, one may notice that neither the values nor the independence motivations are in the diagram. None of the demographic variables predict these types of motivations. That is, HEP members do not differ in these motivations according to their gender, income, age, etc. As reported earlier, the values motivations were ranked among the highest as far as reasons for joining. The HEP membership appears to be consistent and homogeneous in their desire to act on their values; it is not just specific types of members. The independence motivations (a subscale of the values types) were less popular overall and also did not differ by type of member. HEP members consistently ranked those lower and there are not identifiable subgroups who state that these reasons were more or less important for them joining.

At the top of Figure 3.2 we see that female HEP members are more likely to state that they joined HEP due to their desire to get services they want. Gender is important in the needs model too as women are also more likely to state that they joined HEP to help get services and goods that they need. By stating that they were motivated to join to get things that they need and want, female members appear to hold a more utilitarian view of HEP than males. The gender variable does not distinguish any of the other types of motivations; men and women have similar scores on all the rest. Why are women more likely to report that they joined to get goods and services they need and want? Perhaps it is because women tend to bear greater responsibility in household provisioning. With more experience as consumers, women may have a greater desire to save money and get some things that they could not afford otherwise.

Two other variables also identify who is motivated to join by economic needs. The income variable's negative association indicates that those with lower incomes are more likely to be motivated by their needs. The negative effect of the health variable indicates that those with poorer self-reported health are more likely to say that they joined to get things that they need. Both of these findings seem to make sense. Those with lower incomes are more likely to have economic needs and those in poorer health may have fewer economic resources as well as greater needs due to their health conditions.

Altruistic motivations are predicted by five independent variables, more than any of the other motivation scales. Who is more likely to report that they joined HEP in order to give to others? Members with higher household incomes, those

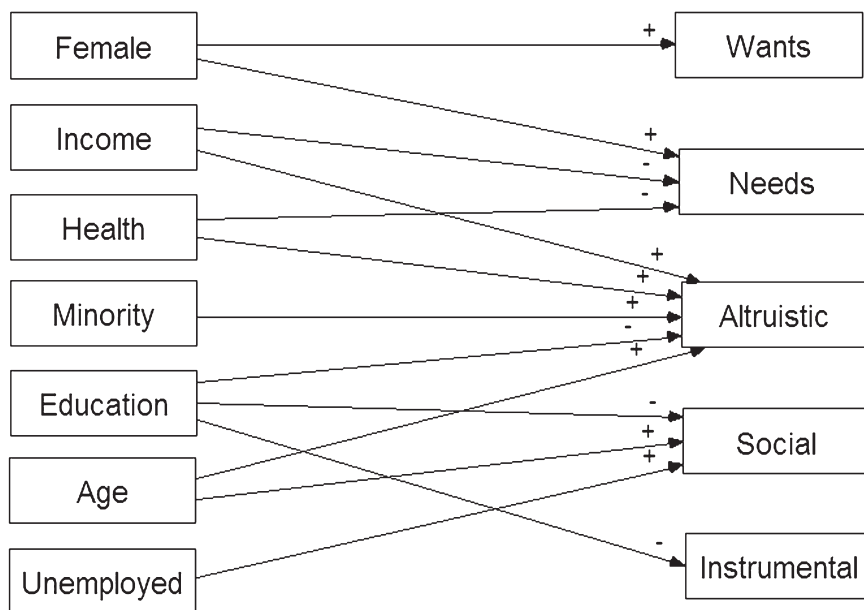


Figure 3.2 Summary of models of demographic variables predicting motivations at HEP

reporting better health, minority members, those with less education, and older members are all more likely to state that altruism brought them into HEP. The income and health effects seem reasonable as these members have more personal resources and appear to feel more compelled to “give back.” Also, the age effect makes sense and has been documented in the volunteering literature (see Gillespie and King 1985, Okun and Schultz 2003). Like volunteering, participation in a Time Bank may provide older people with an opportunity to achieve a sense of purpose and meaning and may help foster feelings of competence. Many elderly feel better about themselves by helping others (see Omoto, Snyder, and Martino 2000).

The race and education effects are less clear to us, but have been documented elsewhere. These motivations by members of minority groups may reflect “altruism born of suffering.” Vollhardt (2009) developed a model contending that those who have experienced collective suffering (intentionally or unintentionally caused) will engage in altruistic actions “ranging from short-term interpersonal helping of ingroup members experiencing the same fate to long-term, collective prosocial behavior benefiting outgroup members” (2009: 65). In their study of the determinants of reasons for volunteering, Hwang, Grabb, and Curtis (2005) also find that minorities and those with lower education are more likely to state that they volunteer for altruistic reasons. They argue that people of color may “simply have a stronger sense of and experience with the unmet needs of people in their communities” (1995: 400). While these studies also find a negative association

between education and altruism, no interpretation or possible explanation for the finding is provided. This association has not been found in other studies (i.e., Clary, Snyder, and Stukas 1996). Therefore, we can only speculate as to why those without college degrees are more likely to join HEP for altruistic reasons than those with degrees. As we have previously discussed, local currency systems are not easily explained. The concept of a cashless economy often raises skepticism and a lot of questions. It may be that those with less education are more likely to see Time Banking through the lens of volunteering and giving.

Figure 3.2 also indicates that there are three predictors of social motivations. Those with less education, those who are older, and those who have recently been unemployed are all more likely to state that they joined HEP for social reasons. Those with less education do tend to have smaller social networks and less social capital (Marsden 1987, McPherson, Smith-Lovin, and Brashears 2006), so it seems reasonable that they would be attracted to these social opportunities. As we have discussed earlier, older people are more likely to be isolated, and Time Banking has been advocated as a means of building connections and reducing isolation. Therefore, the positive effect of age on social motivations suggests that HEP is successfully appealing to the right people for the right reasons. Along with their jobs, those who are unemployed lose their day-to-day work networks. Such isolation is one of many negative consequences of unemployment. Those who have experienced job loss are apparently seeking new ties through HEP.

The last association in Figure 3.2 is the negative effect that educational attainment has upon instrumental motivations. As the reader may recall, these motivations are about seeing local currencies as a means to an end (improving the economy, building trust, and using/learning new skills). Those with less education are more likely to be motivated to join HEP for these reasons. Since education is generally correlated with resources, the less educated may be attracted to HEP as a means for generating these resources.

Overall, we see a fair amount of differences in the HEP membership when it comes to motivations. Different types of HEP members are motivated by different reasons to some extent. Such heterogeneity would appear to be a positive thing for a Time Bank. Differences in the membership are likely to result in more diverse offerings. It is certainly advantageous if members can access a wide variety of services in their Time Bank.

Member to Member

Now we can investigate the impact that demographic variables have upon motivations to join M2M. Using the retrospective survey, we tested for demographic differences in providers' motivations (see Methodological Appendix). As seen in Figure 3.3, four of the five motivation items are predicted by one or more independent variables. Age has a negative association with altruism, indicating that the oldest providers are not as likely to have joined to give back. Those who are relatively younger in M2M are more likely to be altruistic. Those without

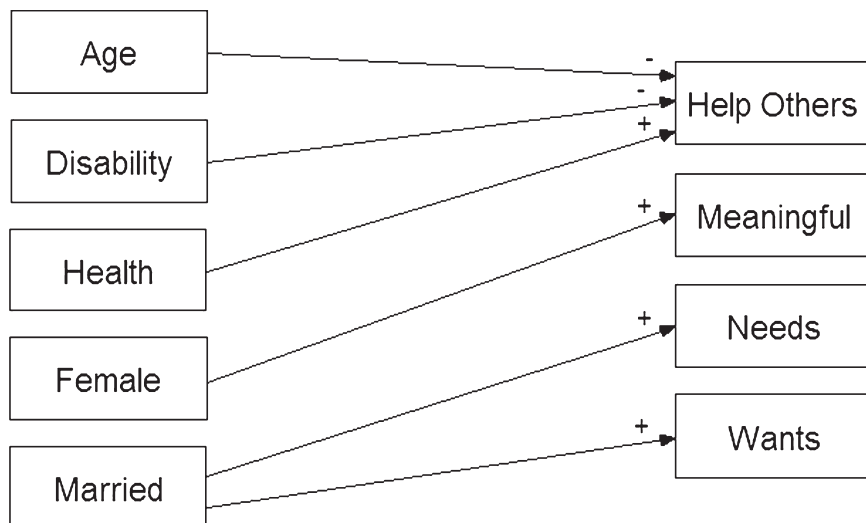


Figure 3.3 Summary of models of demographic variables predicting motivations at M2M, retrospective survey

disabilities and those in better health are also more likely to report joining for altruistic reasons. All three of these suggest that those who are most able to help others are more likely to join as providers to do so. The health effect was also observed in the HEP case. Age, however, had a positive effect on altruism there. This could, again, reflect the different populations served in these two programs.

Female providers at M2M are more likely than males to have joined for values (“do something meaningful”) reasons. There are no other gender differences in motivations, so males are no more likely than females to have other motivations at M2M. Moreover, we did not find this effect in our HEP models. Finally, married providers are more likely to state that they joined to help meet their needs and wants. Married members are likely to have greater household needs and wants than those who are not married and live alone. That is, the needs of two older people are likely to exceed those of one. These married M2M providers may also be thinking ahead and saving the Time Dollars for the future needs of their household. Marital status was not a significant predictor in any of the motivation models at HEP.

As we mentioned earlier, these demographic differences in motivational patterns are interesting, particularly among a rather homogeneous membership at M2M. Different types of people are joining Time Banks for different reasons. One model does not appear to fit all. Local currency coordinators should be aware of the variety of motivations that different participants hold and administer their organizations in a fashion that promotes inclusivity and diversity.

Now that we know something about why people join Time Banks, who joins them, and who joins them for which reasons, we present one final analysis in this chapter. This surrounds the question of how members learned about their

Time Banks. This data on recruitment should be informative as we think about implications of our findings and how they may be useful for those interested in local currencies.

How Do Potential Members Find Out About Time Banks?

We asked the following question in our national survey of coordinators, “What are your organization’s most effective recruitment tools for increasing membership?” A list of ten possibilities (including an open-ended “other”) was provided and respondents were asked to choose the top two most effective means. The results in Table 3.7 show that members are recruited primarily by word of mouth: 88.4% of the coordinators identified it as either the first or second most effective method. The other major sources for recruitment are news stories, presence at community events, and the Internet, but none of these compare to the power of word of mouth; we can see that this movement is largely dependent on existing social network ties for recruiting new members.

Table 3.7 Most effective Time Bank recruitment methods, national survey of coordinators

	First Most (%)	Second Most (%)	1st + 2nd (%)
Word of Mouth	74.4	14.0	88.4
Newspapers	9.3	14.0	23.3
Community Events	2.3	12.8	15.1
Website	1.2	14.0	15.2
Email	3.5	9.3	12.8
Fliers	2.3	7.0	9.3
Other	2.3	12.8	15.1

Of the nineteen coordinators who listed “other” methods, 10 referred to community events hosted by the Time Bank such as potluck dinners, five mentioned tabling or making presentations at events sponsored by other organizations, two rely on their organizational partners for recruitment, and two on the Internet (specifically the TBUSA website and Facebook).

We can also confirm the importance of word of mouth recruitment from the member side in our cases. In our membership survey at HEP, participants were asked how they first heard about the Time Bank. Nearly half (47.1%) heard about it “from a family member or friend” and 21.1% heard about it “from a neighbor, co-worker, or acquaintance.” So, two-thirds of HEP members heard about the organization through an existing social tie.

At CE, existing social ties is also the single most important way that members learned of the organization, but the magnitude is less. Nearly half (45.9%) of our

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CE respondents specified word of mouth or friends, relatives, physician, etc. On the other hand, nearly one-third (31.5%) reported that they first heard about CE through an advertisement or newspaper article.

Recruitment at M2M works quite differently. Since its membership is restricted to members of the Elderplan HMO, M2M recruits internally. Thus, it is not surprising that three-quarters (75.8%) of respondents to our retrospective survey indicated that they first became aware of M2M through Elderplan literature, their orientation, care manager, or doctor. Twenty percent of respondents report that they became aware of the program through family, friends, or other M2M members.

These findings from our national survey of coordinators as well as from HEP and CE clearly emphasize the importance of existing social ties for Time Bank recruitment. Even with M2M's restricted membership, 20% of members there first heard about the program through an existing tie. Implications surrounding the reliance upon word of mouth recruitment will be discussed several times here. Although it is free and easy for Time Banks to use, it also has some limitations as we shall see.

Conclusion

We began this chapter by investigating the motivations underlying Time Bank participation. At HEP we learned that economic needs and ideological values are the most important reasons why people join. Qualitative evidence from CE suggests that social reasons are more important for members of the Allentown, PA Time Bank than those in Portland's HEP. At Brooklyn's M2M, altruism and values reasons are the most salient. People join Time Banks for a number of reasons and this diversity is represented in our three cases.

Based on our empirical findings, the social movement literature and the volunteering literature both appear to be highly applicable in studying why people join Time Banks. The focus on instrumentality (utilitarian reasons), identity (social reasons), and ideology (values reasons) in the movements literature corresponds strongly with the results from our analysis of the thirty motivations items fielded at HEP (see Table 3.2). The salience of needs and values motivations there also support our argument in the first chapter about Time Banks being social movement organizations. Needs motivations reflect the fact that participants are attracted by selective incentives while the values motivations tap into the collective incentives (public goods) that participants also seek. Time Banks appear to have a recruitment advantage over movements providing only public goods in that the selective incentives they offer members may decrease the likelihood of any "freeriding" of potential public goods such as stronger local economies and greater social capital. The important role of altruistic motivations in our cases also point to the utility of the volunteering literature in determining why people join. Nevertheless, as we saw in the first chapter, there is a definite conceptual tension as Time Banking

is fundamentally different from volunteering. The potential purchasing power of Time Dollars makes this a unique form of civic engagement.

In our demographic analysis we found that with the exception of gender, a variety of people join Time Banks. All three of our cases are predominantly female. Otherwise, there is substantial variation in demographic characteristics. Some of this variation is mission-related, as we have seen particularly in the M2M case. All three of our cases are serving marginalized populations to a considerable extent. Those who live alone, those with low incomes, and those with health issues are all overrepresented in our Time Banks. We also reported that nationally, our evidence indicates that Time Bank members are younger now than in the past. Intentionally or not, more recently started Time Banks are attracting fewer older people on average. In the most recent cases, the average new Time Bank has a lower proportion of members aged 60 or older than the larger U.S. adult population. These newer Time Banks would be well-advised to focus recruitment energy upon the older residents of their communities. Greater potential exists in more diverse networks.

In testing the impact of demographic factors upon motivations, we also learned here that different types of people tend to join Time Banks for different reasons. Again, we see such diversity as a potential strength for these organizations. More diverse memberships are likely to offer more diverse services, expanding the scope of the service exchange network. Most of the associations that we found between demographics and motivations were sensible. However, we are uncertain about the explanation underlying some of them. Among the more intriguing findings is our documentation of more utilitarian motivations among female HEP and married M2M members. Also, the greater altruism among minority HEP members and salience of values reasons among female M2M members are worth repeating.

The results from our investigation into recruitment methods highlight the important role of word of mouth, existing social ties. Our national and HEP surveys point to the dominance of this form and it is also the single most important at CE. As we will discuss in greater detail in the next chapter, the limitations of word of mouth recruitment include the fact that most individuals have a limited number of social ties, and those ties tend to be homogeneous, with others who are similar to ourselves. Before we get too concerned with this, we need to determine the extent and nature of participation in Time Banks. The results from this chapter surrounding motivations, demographics, and recruitment will be engaged in our investigation of participation. That is where our attention is focused in the next two chapters.

Methodological Appendix

Motivation Analysis at HEP (Table 3.2)

The thirty motivation items were fielded as following: “We would like to begin by learning what *originally* motivated you to join this Time Bank. Please think about which of the following reasons caused you to join. To what extent did you hope to:” Responses were coded as following: “not at all” (1), “very little” (2), “to some extent” (3), “to a great extent” (4). The factor analysis (varimax rotation was used, contact the authors for a copy of the matrix) indicates that one item, “promote a more equal society,” did not load highly on any one factor and therefore it was excluded from the scales.

Demographic Analysis of Three Cases (Table 3.6)

Data come from the HEP membership survey, CE membership survey, and M2M retrospective membership survey. Of our 12 demographic indicators, three were not collected during our fieldwork at the M2M program. Note A: The HEP percent refers to those unemployed at some point during the preceding six months. The CE percent identifies those who were unemployed at the time of the survey. Note B: The question from the HEP survey refers to the presence of a disability or health condition that keeps the respondent from being totally independent. The CE percent refers to those who report having at least one of the following: chronic physical illness, mental illness, or permanent physical handicap. The M2M percent refers to those who report that they find one or more of the following activities tiring, difficult or unsafe: getting around the house or in and out of bed, taking medications or making doctor’s appointments, bathing or dressing, and shopping or housework.

Political Identification at HEP

Respondents were asked a traditional political identification question: “We hear talk these days about liberals and conservatives. How would you consider yourself?” The respondents are overwhelmingly liberal: 30.9% identify as “very liberal,” 37.2% are “liberal,” and 8.7% are “somewhat liberal.” Only 11.6% identify as “moderate,” 7.7% as “somewhat conservative,” and 3.9% as “conservative.” Not a single respondent identified as “very conservative.”

Models of Demographic Variables Predicting Motivations at HEP (Figure 3.2)

This figure is a summary of the seven multiple regression models estimated to predict the impact of the demographic variables upon each of the motivational scales. Ten independent variables were entered in the models: female, age, minority, living alone, education, employed, unemployed, household income, general

health, and disability. All of the model assumptions of multiple regression were met and multicollinearity did not pose a problem. All of the associations depicted are statistically significant at $p < .05$ with the exception of the female variable in the wants model ($p = .069$). Additionally, the strength of all of the associations are “moderate/worth noting” (see Healey et al. 1999) as the beta-weights range from .10 to .29.

Models of Demographic Variables Predicting Motivations at M2M (Figure 3.3)

Multivariate (testing for the impact of multiple predictors simultaneously) models were not possible given the relatively low sample size of our retrospective membership survey at M2M ($n = 167$ and only providers were asked about their motivations). Figure 3.3 is a summary of the statistically significant bivariate crosstabulations. A total of 30 crosstabulations were computed, testing for the association between our six demographic variables (gender, age, marital status, living situation, health status, and disability status) and the five motivation variables. Four of the six associations are statistically significant at $p < .05$. The association between health and helping motivations was significant at $p = .094$ and the association between gender and meaning motivations was significant at $p = .088$. These higher probability values were reported as significant due to the chi-square test statistic’s sensitivity to smaller sample sizes. The resulting sample size of the motivation questions from our prospective, baseline membership survey was only 48 cases, also making multivariate testing problematic. Since program status (provider versus receiver) is the major determinant of motivations, we were not able to test the impact of any demographic variables using this other survey data.

Chapter 4

Time Bank Organizations: Membership Size and Services Exchanged

Introduction

Now that we have a good idea about why and what kinds of people join Time Banks, we look at what they do once they join. People who first hear about Time Banks often react with puzzlement. How does it work? Is it similar to bartering? What could I possibly have to offer? What can I get? How often would I have to exchange services? In this chapter and in the next one, we explore all of the major aspects of participation and the exchanges that occur within Time Banks. The research questions that we explore in this chapter concern the organizational level, focusing on the “big picture” of Time Banking. 1) How many members are regularly active? 2) How does the size of Time Bank organizations vary across time? 3) What types of services and goods do members exchange? We draw from our national survey of coordinators to summarize the movement as a whole, and then get into the specifics at Hour Exchange Portland and Community Exchange by analyzing their official databases of recorded transactions. Our membership surveys at Member to Member also allow us to summarize the top services exchanges within that network.

The vast majority of our analyses here are novel, never attempted in the previously published research on local currencies. Therefore, they are necessarily treated as exploratory. That is, theoretical literatures are engaged, but we do not attempt to formulate any hypotheses given the originality of our investigation. We believe that this chapter will shed great light on what actually happens within Time Banks. In the next chapter, we continue the participation theme, examining individual-level data on the quantity and quality of participation and how it varies according to demographic factors and motivations.

Participation in Hour Exchange Portland and Community Exchange

Membership Size

We begin here by exploring the membership size of the HEP and CE networks across time. Participation in most voluntary organizations tends to vary tremendously among organizational members. This is what social movement scholars refer to as differential participation. Some people join groups and never actually participate,

others are only occasionally active, and then there are those who are highly engaged (see Knoke 1988, Wiltfang and McAdam 1991, Passy and Giugni 2001, Collom 2011). Thus, basic membership numbers cannot capture variation in participation and therefore can be highly misleading. As we will see in the next chapter, there is great variation in the participation of members in our cases.

Transaction records from HEP and CE allow us to identify the *active* membership of these Time Banks based on recorded activities. By investigating the transactions that are recorded (the Time Dollars exchanged), we are able to determine the exact number of active members who are providing and/or receiving services and how often these members are exchanging (see Methodological Appendix for details on data construction and coding). The limitation on these data, as discussed later, is that not all transactions are reported by members.

We determined that quarters (three month intervals) are the most appropriate timeframe to use, given the volume of data that we are analyzing. HEP transactions span a 12.5 year period (from its inception in the first quarter of 1998 through the second quarter of 2010 when we halted data collection). CE was launched in the first quarter of 2000, so we will be analyzing 10.5 years of transactions in this case. Table 4.1, which will be referenced several times in this chapter, summarizes ten key indicators derived from the HEP and CE transaction records (see also Collom 2012).

Table 4.1 Summary of membership and exchanges, HEP and CE transaction records

	HEP (1998–2010)	CE (2000–2010)
Total Members	1,631 Individuals 176 Organizations = 1,807	933 Individuals 77 Organizations = 1,010
Total Number of Transactions	37,409	34,217
Total Hours Provided	101,595.3	83,209.4
Average Number of Active Members per Quarter	210	157
Most Active Members in Quarter	402 (Oct-Dec 2006)	241 (Jan-Mar 2006)
Average Number of Hours per Quarter	1,935 (21 per day)	1,981 (22 per day)
Most Hours Exchanged in Quarter	3,831, Oct-Dec 2005 (42 per day)	4,431, Oct-Dec 2007 (48 per day)
Average Number of Hours per Active Member per Quarter	8.9	11.2
Average Number of New Members per Quarter	36	24
Most New Members in Quarter	76 (Apr-Jun 2006)	44 (Oct-Dec 2002 and Apr-Jun 2003)

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Across these periods, HEP has had a total of 1,807 members exchange 101,595.3 hours (Time Dollars) in 37,409 transactions. CE has had a total of 1,010 members who have traded 83,209.4 hours in 34,217 transactions.

To illustrate how the size of the active memberships of HEP and CE have fluctuated over time, we created line graphs. Figures 4.1 and 4.2 display the number of active HEP and CE members by quarter. Both started with a small number of active members (16 and 15) who provided and/or received services in the first quarter of operation.

These two organizations have had a very similar growth trajectory across their histories. They grew steadily across time and then evened out with more fluctuation. For HEP, the growth from Q1 to Q24 is nearly linear, a straight line would summarize the trend well. For CE, the growth from Q1 to Q16 is also very linear. Growth at CE occurred at a slightly faster rate, as they had 194 active members by Q14 while HEP only had 133 in their 14th quarter of operation. Interestingly, the busiest quarter (active member-wise) for each organization was in the year 2006. HEP had its largest number of active members (402) in Oct.-Dec. 2006 (Q36) while CE had its largest (241) in Jan.-Mar. 2006 (Q25). Overall, HEP has had a larger number of active members, with an overall quarterly average of 210 compared to 157 for CE (see Table 4.1).

So what do all these statistics mean? To begin, we see that these are not particularly large organizations. The total membership of HEP and of CE in mid-2010 was approximately 500 each. The number of active members in the most recent quarters is roughly one-half of that at HEP and around 40% of CE members have been active in the past few quarters. In the busiest quarters, there are a few hundred active members in each of these Time Banks. As we reported in the first chapter, according to our national survey of coordinators, the average Time Bank in the United States has around 200 total members, of whom 60 (30%), are considered active, having exchanged services in the previous 90 days (according to the coordinator). Thus, by comparison to the national average, both HEP and CE are larger and also have a higher percentage of active members.

We know from research on LETS, that these types of local currency organizations are even smaller; Williams et al. (2001a) reported that the average size of a LETS system in the U.K. was 72. Birch and Liesch (1998) report that the average Australian LETS has 145 members, but over 70% of the systems have fewer than 50. In their study of Time Banks in the U.K., Seyfang and Smith (2002) report an average of 61 total members per network. Along with this previous research on membership size, we can conclude that community currency systems are typically not large networks with thousands of participants.

The fact that these are smaller organizations (compared to the number of business listings in one's yellow pages for example) brings both advantages and disadvantages. Smaller networks have the advantage of remaining personal and intimate, helping to foster deeper, lasting bonds. Participants are more likely to feel that they are part of the community surrounding the local currency since they will be more likely to know many other participants. So, small seems to imply

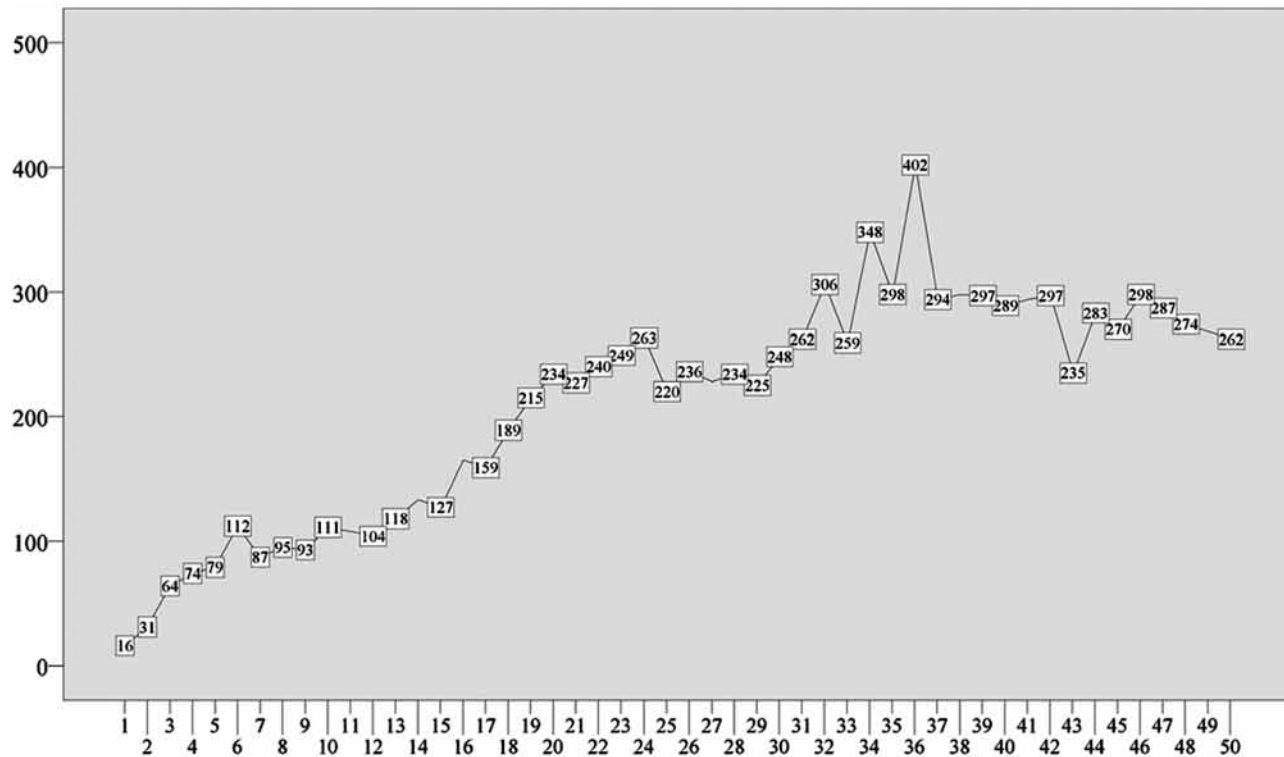


Figure 4.1 Number of active HEP members by quarter

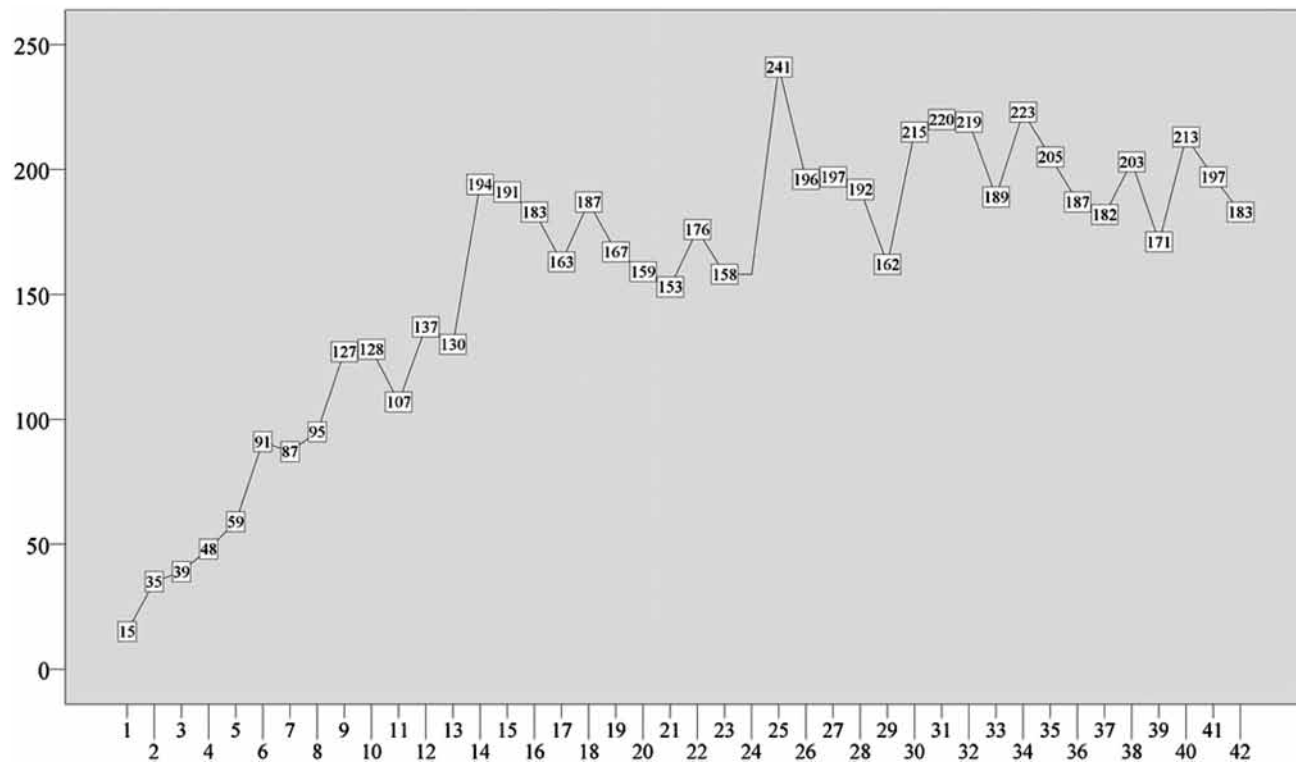


Figure 4.2 Number of active CE members by quarter

some social advantages. A sense of trust is also crucial within these networks. Time Dollars have no monetary value. Participants are simply trusting that if they provide their time to others, they can then redeem those credits in the future when they need or desire things. They must trust that others will follow through on future promised services, and ideally, that they can permit members who they do not know in their personal space such as homes and cars. This sense of trust may be more easily fostered in smaller local currency networks where people are more likely to know one another (see Blau and Schwartz 1984, Friedkin 1981, Lin 2001).

Larger networks would have the advantage of having a greater variety of services being offered by a greater variety and number of people. The more people who join, the larger the directory becomes, and more services should become more readily available. So, larger networks would potentially offer greater economic or utilitarian advantages. Larger organizations are also more likely to be more diverse demographically (McPherson and Smith-Lovin 1982, McPherson, Smith-Lovin, and Cook 2001). Diversity in local currency systems is not only desirable because of a broader array of services; it is also more likely to be representative of the larger community and offers the opportunity to build connections among different types of people. As many have argued (see Granovetter 1973, Putnam 2000 for example), this “bridging” social capital is particularly valuable as it can generate new resources for individuals and promote tolerance in communities.

Larger systems may also be more likely to have greater legitimacy in their communities as they are more likely to be known entities. To the extent that this is true, trust in the systems may also increase. Unlike in smaller networks where trust would be likely to come from personal connections, this trust would be rooted in the legitimacy that the organization has gained by being widely known in its community.

Perhaps the most important advantage of having a large network is sustainability. In his research on LETS, Williams (1996c) has suggested that these systems need a critical mass of at least 50 active participants to remain viable. If they are any smaller, the systems usually fall apart due to inactivity and the lack of many services, or to the undue burden on a few people to keep the organization going.

As far as the active membership growth pattern we reported, it is interesting that both HEP and CE had linear growth that then evened out with greater fluctuation. It may very well be that these organizations spend more time serving their existing members than recruiting more new ones once they reach a certain size. When there are a couple hundred members exchanging each quarter, it is possible that staff would have less time to recruit new members. This will be investigated further below when we look at new member growth across time.

That leaves us with two more findings to interpret from Figures 4.1 and 4.2. The CE case experienced faster growth in its active membership than HEP. It is possible that embedded Time Banks, such as CE, have a recruitment advantage. That is, the clients of the larger organization in which the Time Bank is housed are likely to be more easily recruitable. Stand-alone Time Banks, such as HEP,

do not have that organizational basis from which to recruit. They must pull from

the community at large. We can investigate this further once we look at new membership growth.

Finally, is it just a coincidence that the busiest quarter for both HEP and CE occurred in the year 2006? Social movement scholars have coined the term “cycles of protest” (see Tarrow 1998) to identify periods in which there are larger, environmental (macro-level) factors which facilitate social movement activism. For example, opportunities for social movements open up and increase in election years as candidates and parties want to appear to be responsive to all constituents. Was there something happening in the U.S. in 2006 that encouraged more people to be active in their Time Banks? We are not sure and it would be pure speculation given the data we have collected. A quick glance at unemployment statistics for Portland, Maine and Allentown, Pennsylvania indicate that unemployment rates were not significantly higher in 2006 than other years in these organization’s histories. So, we are best to leave this one unanswered. However, as we will discuss below, we do not see any increased HEP or CE activity from 2008-2009, the “Great Recession” era.

New Members

The dynamics of these organizations across time can be further investigated by considering new membership growth. Figures 4.3 and 4.4 illustrate the number of new members by quarter for both HEP and CE. These are plots of the quarter of the first transaction for every active member across the history of each network. As indicated earlier, HEP has had a total of 1,807 active members and CE has had 1,010. HEP started out with 16 members and CE began with 15 members in their first quarter. In every subsequent quarter, HEP has had more new members join than what it began with. This is not the case with CE as there are several quarters in which fewer than 15 new members joined. At HEP, Q34 (Apr.-Jun. 2006) is the high point in which 76 new members engaged in their first transaction. At CE, the peak came earlier, in Q12 (Oct.-Dec. 2002) and Q14 (Apr.-June 2003) with 44 new members each. On average, HEP has had 36 new members per quarter while CE has had 24 new members per quarter (see Table 4.1). HEP’s new member rates have been higher than their average for most of the past several years. CE’s new member rates have been slightly lower than their average for the past several years.

Overall, the new membership trends show considerable variability, particularly at CE. This variance at CE has at least one pattern. This Time Bank is most likely to get new members in the Apr.-Jun. period (overall second quarter average=26.9) and least likely to get new members in the Jul.-Sep. period (overall third quarter average=21.4).

We had speculated earlier that CE may have a recruitment advantage since it is embedded in an agency from which it could draw participants. Looking at the new member data, this does not appear to be the case. New membership growth is rather sporadic at CE, varying a lot. If these new member growth patterns continue

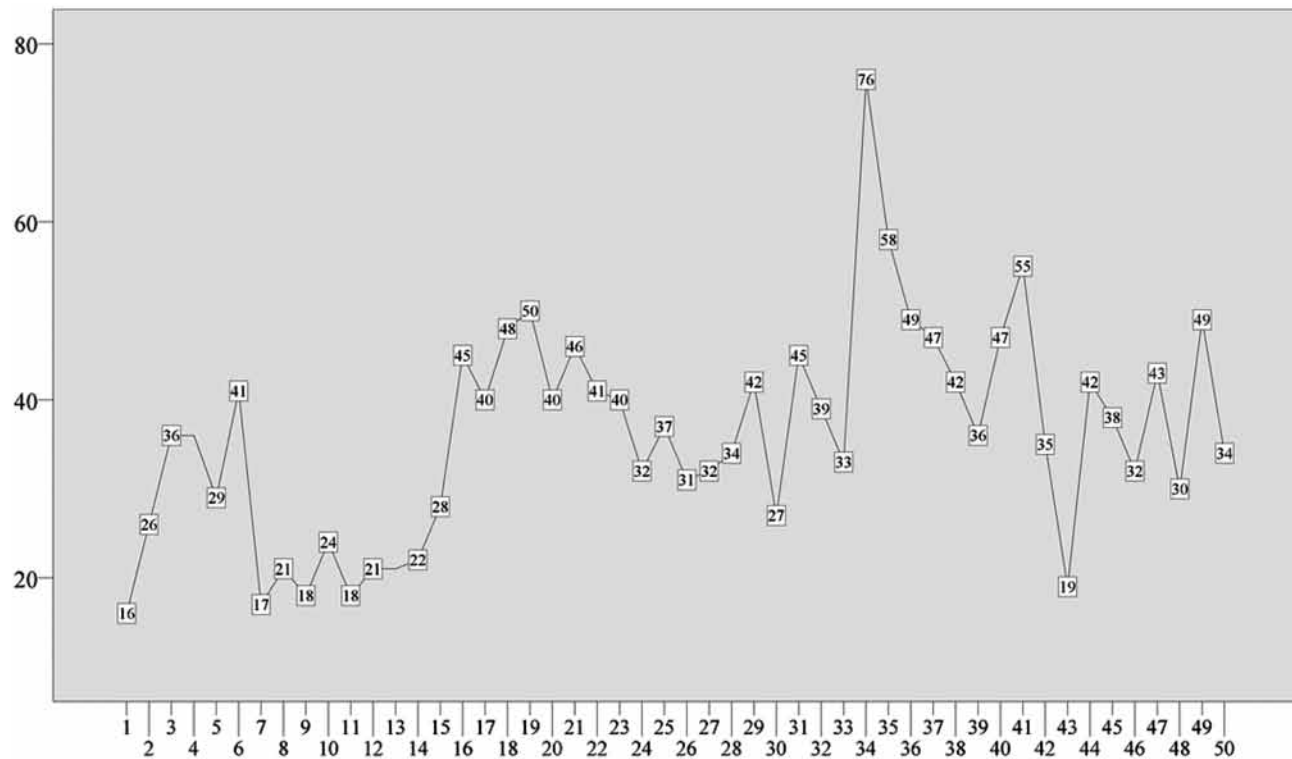


Figure 4.3 Number of new HEP members by quarter

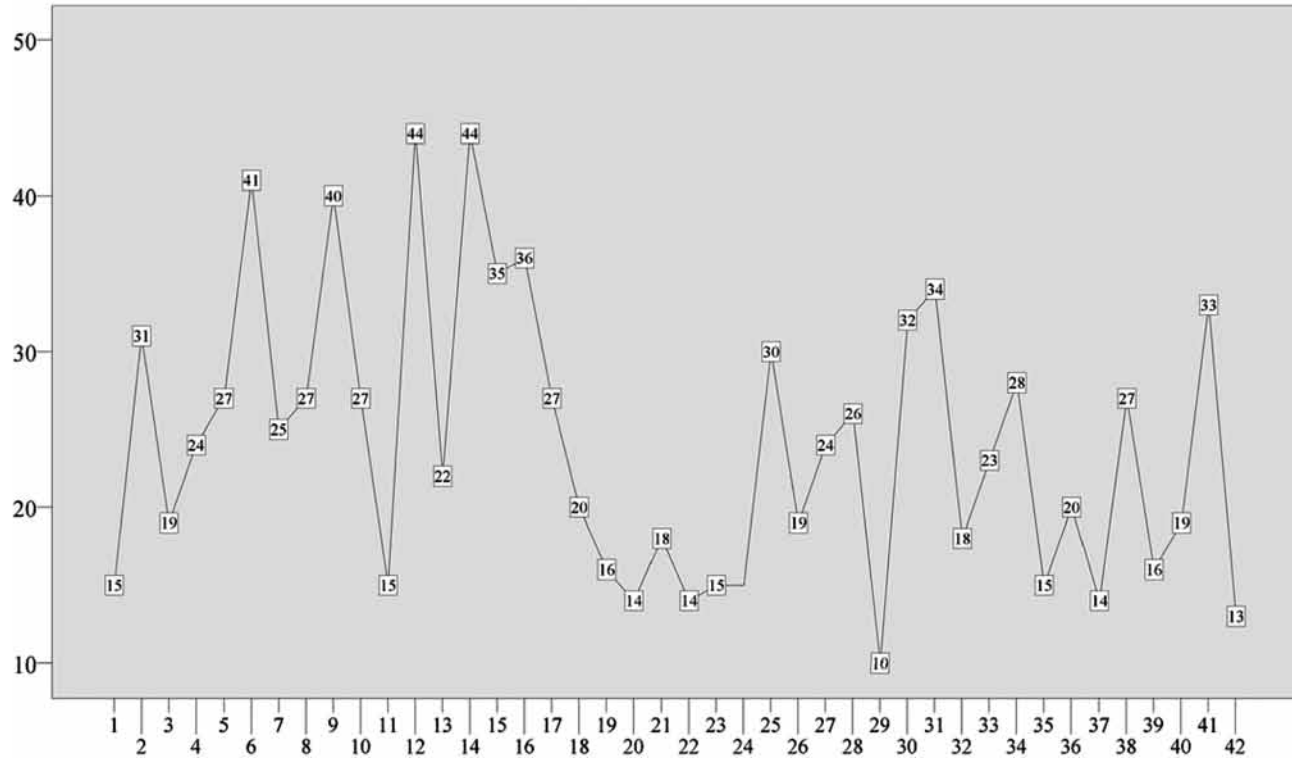


Figure 4.4 Number of new CE members by quarter

as they have over the past few years, we would expect HEP's active membership to remain fairly steady while CE's will slowly decline.

Why don't the new member rates show more of a positive growth pattern? What keeps these organizations from becoming larger? As in the case of all voluntary organizations, community currency networks lose members over time. Every quarter, some members cease participating. This is due to a variety of reasons such as lack of time, lack of need, dissatisfaction with the system or services, moving out of the area, or death. Most of these are obviously out of the control of the Time Bank. In the final chapter we will discuss our findings on the limitations to participation. For now, our results clearly suggest that Time Banks need to simultaneously maximize engagement of their existing members and recruit new ones. These "servicing" versus "organizing" functions are major dilemmas for some organizations (labor unions are a key example). With limited resources, balancing these two competing demands can be challenging. Presumably, Time Banks would get better at recruitment over time. As staff gain experience, they would have mastered the pitch and know the best ways to explain the concept. Again, staff turnover, if high, could pose a problem here. Yet we suspect that there is another factor at work here.

As we learned in the previous chapter, word of mouth was the single most frequent way members had heard about HEP and CE. Thus, existing members are largely responsible for bringing in new members. Organizations that recruit mostly by word of mouth run into a potential problem over time. That is, existing members have only so many friends, family, and acquaintances. Over time, these social network ties are exhausted as members are likely to have already discussed the Time Bank within their personal network. So, there are diminishing returns to word of mouth recruitment. This suggests, ironically perhaps, that Time Banks need to increase their larger recruitment efforts as the organization ages. Both HEP and CE appear to have tapped the easier, word of mouth market. In the future, it seems that they will need to depend on broader recruitment strategies. The recent popular media attention on local currencies is definitely a bright spot here, and is most likely reflected in the 70% of coordinators who responded to our national survey reporting an increase in membership in the 90 days prior to the survey.

Number of Hours

Our next task is to examine the amount of time that is logged by Time Bank participants. Since time is the currency of Time Banks, it is important to consider the number of hours that members participate in these networks. Figures 4.5 and 4.6 illustrate the total number of transaction hours (or Time Dollars earned) by quarter for HEP and CE. In the first quarter of HEP's existence (Jan.-Mar. 1998), 34 hours of transactions were logged, while 45 hours were recorded in CE's first quarter (Jan.-Mar. 2000). Incorporating data from Figures 4.1 and 4.2, we see that HEP's 34 hours of transactions involved 16 members while CE's 45 hours occurred between 15 members.

Interestingly, the quarter of operation in which the largest number of transaction hours occurred is the 32nd, the end of the eighth year of operation, for both Time Banks. At HEP, 3,831 hours were logged in Oct.-Dec. 2005. At CE, 4,431 hours were recorded in Oct.-Dec. 2007. While HEP has consistently had a higher number of active members than CE, we can see that the total number of transaction hours is higher at CE in some quarters. The average number of transaction hours per quarter across these Time Bank's histories is remarkably similar. In the average quarter at HEP, 1,935 hours were recorded (see Table 4.1). In the average quarter at CE, it is 1,981. So, it appears that the average number of transaction hours per quarter per active member is higher at CE. As Table 4.1 demonstrates, this is the case. In the average quarter at HEP, the average active member is involved in 8.9 hours of transactions. In the average quarter at CE, the average active member is involved in 11.2 hours of transactions. All of this indicates that active CE members tend to exchange more than active HEP members.

If we continue to think at the organizational level, we see that the total transaction hours across time take on a somewhat linear pattern of positive growth at both Time Banks. The plateau effect that we saw earlier in Figures 4.1 and 4.2 with active members is not as pronounced here. There is still considerable variability though, particularly in more recent quarters. It is also important to note that total transaction hours peaked several years ago for both Time Banks.

There is an additional dynamic within each Time Bank that can be considered. It would be expected that the higher number of active members a Time Bank has, the larger the number of transaction hours that will occur (a "more is more" assumption). This is indeed the case as active membership size per quarter and total hours per quarter are highly correlated (see Methodological Appendix for more details).

So, what is to be learned from Figures 4.5 and 4.6 and our related calculations? Across their existence, within both HEP and CE networks, there is an average of 21 hours of transactions occurring daily (see Table 4.1 and Methodological Appendix for computations). In the busiest quarter (Q32 for both), there was an average of 42 hours of transactions per day at HEP and an average of 48 hours of transactions per day at CE. In the last year of this analysis, HEP has averaged 26 hours of transactions per day while CE has averaged 30 hours per day. These numbers appear impressive to us, and they must be understood to be less what is occurring since we know that some members do not report all of their actual hours (more on this in the next chapter).

Those who analyze the voluntary sector often cite the dollar equivalent of volunteering time. In 2010, the estimated dollar value of volunteer time was \$21.36 per hour (Independent Sector 2010). If we use this metric for these Time Banking numbers, we can see that in the last year of the data collection period, HEP generated the equivalent of \$202,200 (\$554 per day) and CE, the equivalent of \$230,140 (\$631 per day). These are not trivial amounts. While these networks tend to be rather small, with a couple of hundred active members per quarter,

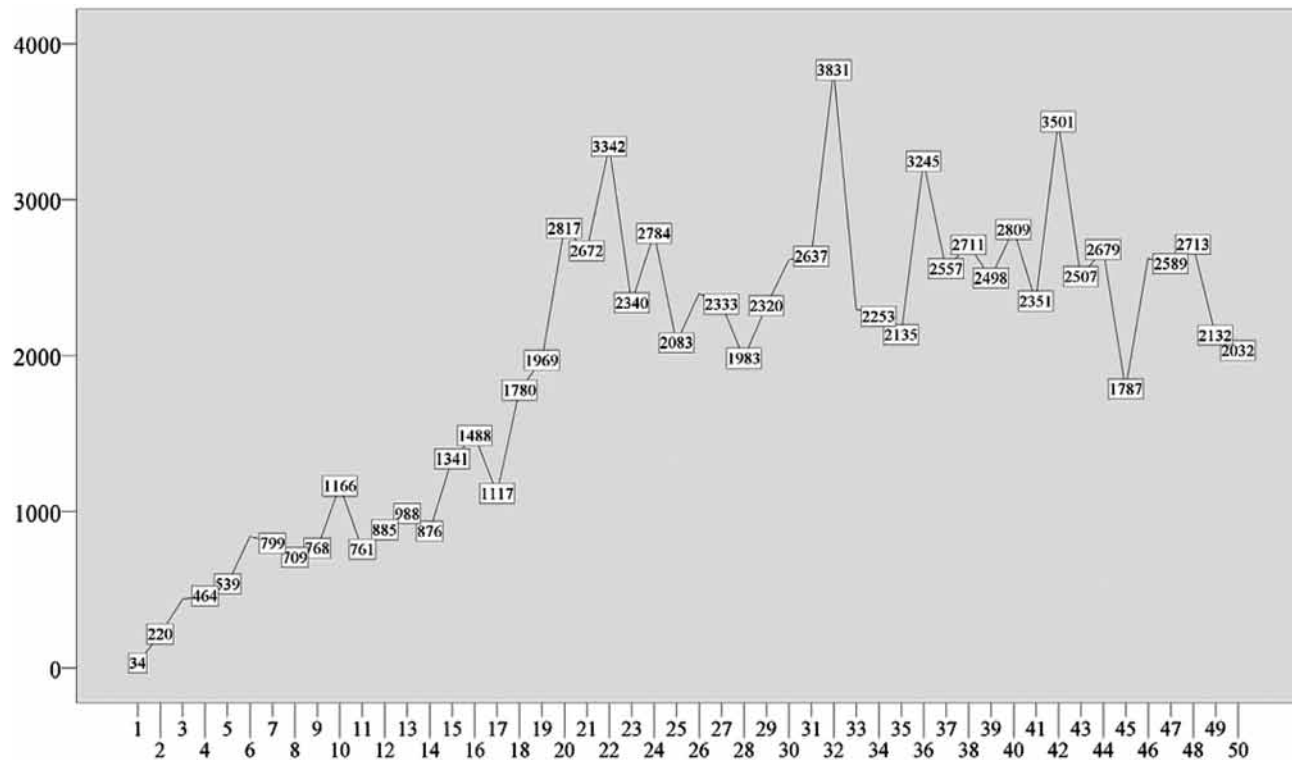


Figure 4.5 Total number of time dollars earned per quarter at HEP

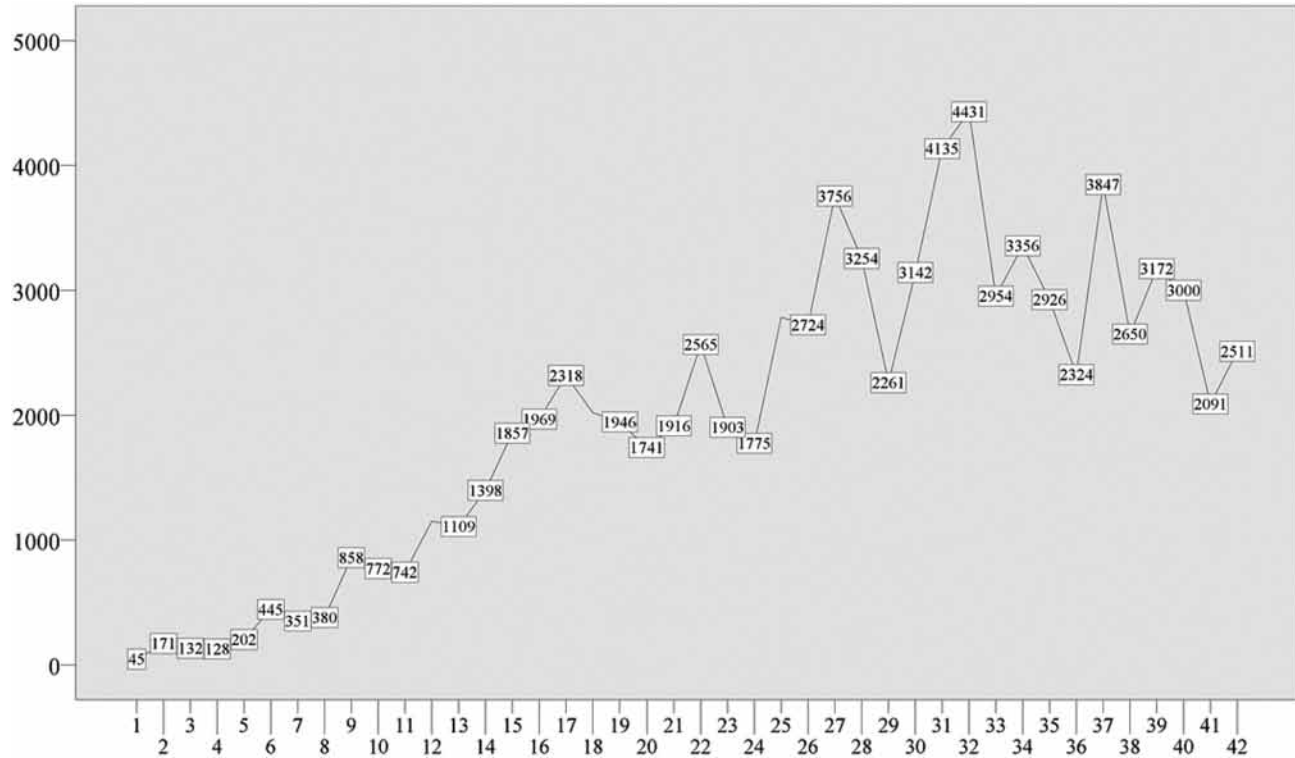


Figure 4.6 Total number of time dollars earned per quarter at CE

the quantity of transaction hours is particularly noteworthy, indicating that Time Banks produce a substantial amount of “work,” adding value to the community.

The fact that total transaction hours peaked at the end of the eighth year of existence for both Time Banks seems to be coincidental. Given the differences between these two programs (and Time Banks in general), we seriously doubt that there is some mechanism in play at the 8-year point. That peak occurred in 2005 for HEP and 2007 for CE, and may be related to organizational and leadership changes that occurred around those times. This also suggests that there is little to no correlation between total transaction hours in our Time Banks and unemployment rates. While the current economic downturn has generated tremendous interest in Time Banking in general, it has not increased activity within these two particular Time Banks. Our data indicate that neither the number of active members, the number of new members, nor the total transaction hours have increased during the Great Recession era (Q1 of 2008 through Q2 of 2009) or after.

Types of Services Exchanged

So what is it that is being exchanged within these Time Bank organizations? How are Time Dollars being earned and spent? Prospective members who wonder what they could possibly offer or receive may find it difficult to imagine the great diversity of services that actually are regularly exchanged. Our research suggests that this diversity exists both within and between Time Banks. To investigate the types of services exchanged, we developed thirteen different service categories. No such categories exist in previous research, so we constructed our own based upon the recorded transaction data at HEP and CE (see Methodological Appendix).

In our national survey of coordinators, we asked respondents to identify the three most frequently exchanged services in their Time Banks. We coded these open-ended responses into our thirteen categories. The frequency distributions are reported in Table 4.2.

From these results we note both the wide variety in what different Time Banks report as frequent types of exchanged services, as well as some patterns indicating the most common services. The two categories mentioned by the highest percentage of Time Banks were “Construction, Installation, and Maintenance, and Repair” (53.5%) and “Transportation and Moving” (49.1%); this latter category was also listed by 19.7% as the first most frequently provided service. Next in importance were “Tutoring, Consultation, and Personal Services” and “Cleaning, Light Tasks, and Errands.” These categories were mentioned among the top three by nearly 40% of coordinators.

“Events and Program Support” was cited as the number one service by 19.7% of coordinators. Many Time Banks rely heavily on members to carry out the organization’s administrative duties and to create group events that also sustain the organization. “Helping the Time Bank” is how many coordinators responded to this question, and more than one-third of all coordinators listed this activity among the top three most frequently exchanged services. Yet nearly two-thirds did

Table 4.2 **Top three services most frequently exchanged in U.S. Time Banks, national survey of coordinators**

	First Most (%)	Second Most (%)	Third Most (%)	1st+2nd+3rd (%)
Construction, Installation, Maintenance, and Repair	16.9	27.7	8.9	53.5
Transportation and Moving	19.7	6.2	23.2	49.1
Tutoring, Consultation, and Personal Services	12.7	13.8	12.5	39.0
Cleaning, Light Tasks, and Errands	5.6	20.0	12.5	38.1
Events and Program Support	19.7	3.1	12.5	35.3
Food Preparation and Service	2.8	12.3	8.9	24.0
Health and Wellness	11.3	4.6	5.4	21.3
Entertainment and Social Contact	1.4	3.1	8.9	13.4
Beauty and Spa	4.2	4.6	0	8.8
Computers and Technology	4.2	0	1.8	6.0
Arts and Crafts Production	0	1.5	3.6	5.1
Office and Administrative Support	0	3.1	1.8	4.9
Sales and Rentals of Items	1.4	0	0	1.4
Total	100.0	100.0	100.0	

not mention it at all, suggesting a significant variation in the way that Time Banks are administered.

We considered the possibility that this service category would be more likely to be mentioned by smaller Time Banks, or those that do not have full time staff, yet the opposite proved to be the case. Nearly a third (29.6%) of organizations with more than 150 members listed this as the first service, compared to 14.3% of those with 50-149 members, and 13.6% of those with less than 50 members; 25.9% of Time Banks with paid staff listed it as first, compared to 15.9% of those without paid staff. It may well be that larger Time Banks with staff are able to organize more events that need member assistance and are also better able to mobilize members to provide help.

If we can summarize these findings with one theme, it appears that the predominant contribution of Time Banking to its members is to provide help in the home and mobility in and out of the home. Now, how do these distributions compare to the data from our Time Bank cases? It is important to note that the national survey depends on coordinators' *estimates* of the top three types of services *at the time of the survey*; what follows is based on the transaction records for HEP and CE *over the course of more than ten years*. Thus, they are not strictly

comparable either in method of reporting or in time frame. However, the same coding system was used for all sets of data, and thus we are able to see the ways in which our cases are roughly comparable to current national trends and the ways in which they diverge from them.

Figure 4.7 illustrates the distribution of service types into our 13 broad service categories for HEP and CE. Across HEP's history, the most popular service category is Sales and Rentals of Items in exchange for Time Dollars. As seen on the graph, slightly less than one-quarter (22.6%) of all hours exchanged at HEP involve sales and rentals. At CE, item sales and rentals are much less popular, as this category makes up only 4.2% of all hours exchanged.

More details on the types of services exchanged (including the top three specific services, total number of exchange hours, total transactions, and average hours per transaction within each category) are provided for HEP (Table A4.1) and CE (Table A4.2) in the Methodological Appendix. There, we can see that HEP members often buy and sell goods from one another with Time Dollars, buy event tickets from entertainment organizations that are members, and offer and use various types of rental space for Time Dollars. CE has the same top three services within this category.

According to Figure 4.7, Events and Program Support is the most popular service category at CE, comprising more than one-third of all hours exchanged (36.5%). Table A4.2 indicates that Special Event and Project Assistance is top in this category. Many CE members provide a variety of assistance for events and projects to the Time Bank itself as well as other organizational members. The next top service, Event Attendance, is used to track the hours that members are at some CE-organized events. These are not actually service exchanges and Time Dollars are not normally spent or earned at such events. Two transactions are entered into the database to track individual member's attendance: one with CE as the provider and the member as the receiver and another with the member as the provider and CE as the receiver. These transactions cancel each other out and this allows the Time Bank to track who attends without actually providing them with Time Dollars for doing so. Leadership and committee work for CE is the next top service in the Events and Program Support category. At HEP, 20.7% of all hours exchanged fall in Events and Program Support. The top three specific services (see Table A4.1) are identical to what we saw at CE and HEP has tracked Event Attendance in the same fashion in the past.

Despite the fact that CE is based in a hospital, Health and Wellness services are exchanged more often at HEP. According to Figure 4.7, such services comprise 12.7% of the hours exchanged at HEP and only 3.9% of CE's hours. As discussed in Chapter 2, HEP has an agreement with a local area nonprofit healthcare organization in which members can receive healthcare services for Time Dollars. Such services are reported by True North (the health care provider) as "General Health Services" to protect patient confidentiality. Acupuncture and Women's Health Services are the next most commonly traded in this category. At CE, Yoga,

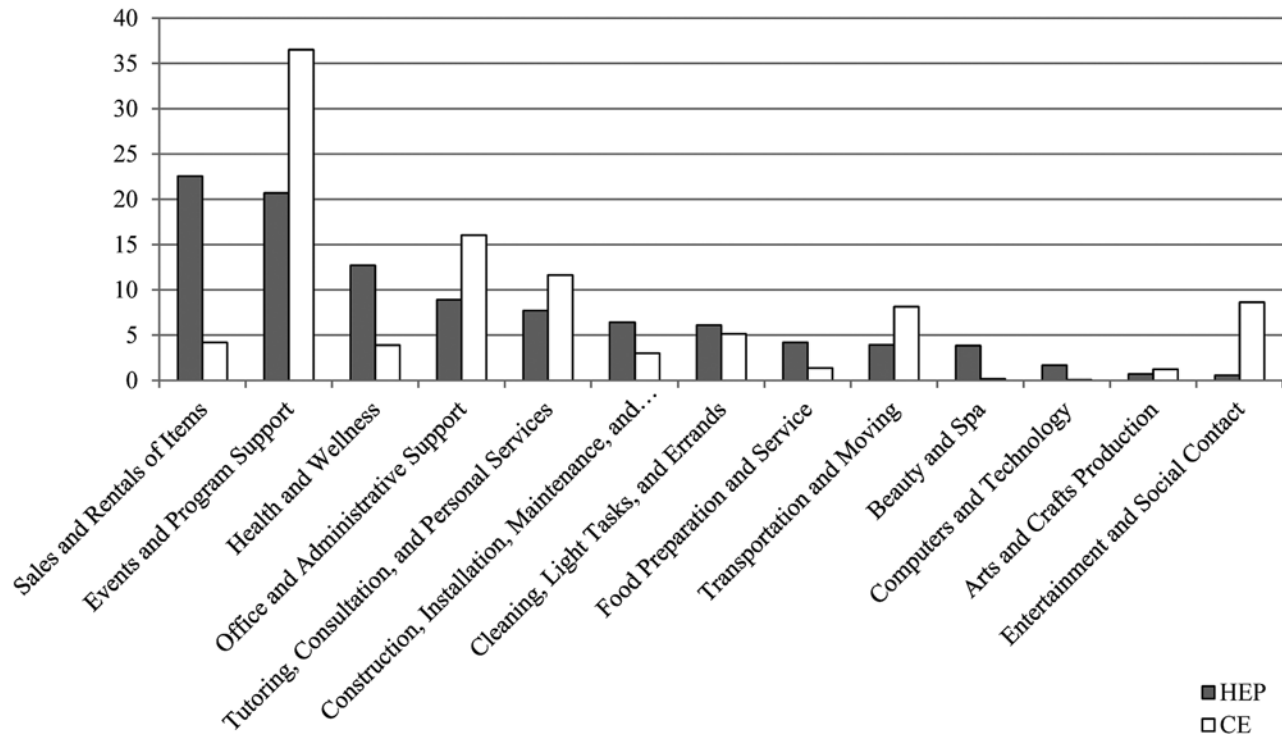


Figure 4.7 Percentage of total hours of services by category, HEP versus CE

Meditation, and Complementary Therapies are the most frequently exchanged Health and Wellness services.

Office and Administrative Support comprises 16% of CE's total hours exchanged and 8.9% of HEP's. Clerical Help and Bulk Mailing (usually provided to organizational members) are the two top-rated office services at both Time Banks. Tutoring, Consultation, and Personal Services is the next service category. These services, in which members use their skills to directly educate and care for others, make up 11.6% and 7.7% of CE and HEP's hours exchanged respectively.

These first five general service categories in Figure 4.7 account for nearly three-quarters of all of the hours exchanged across the histories of these organizations (72.6% at HEP and 72.3% at CE). Other frequently exchanged services at CE include Transportation as well as Companionship (found under Entertainment and Social Contact in Table A4.2). At HEP, Handy Person services (under Construction, Installation, Maintenance, and Repair in Table A4.1) and Cleaning are also popular.

These results indicate that there are some substantial differences between these two Time Banks. HEP members are much more likely to buy and sell goods in the network and to exchange healthcare services. CE members are more likely to provide program and event support, attend events, spend time with one another (companionship), and exchange clerical and transportation services. There are also some notable differences with our national findings presented in Table 4.2 as well. Nationally, coordinators are more likely to report the exchange of "Construction, Installation, Maintenance, and Repair" and "Transportation and Moving" services than what we observed in the recorded transactions of HEP and CE.

At M2M, our embedded case with a restricted membership, transaction records were not available. We did ask M2M service providers which types of services they perform in the network in our retrospective survey. Table 4.3 provides the results. Nearly three-quarters report providing friendly visiting. More than half also report providing assistance with shopping to frail M2M members in need of services. One-half of providers report that they have escorted other members to appointments and on errands. More than one-third have provided transportation services.

What do M2M providers spend their Time Dollars on? Table 4.4 provides the results from our retrospective survey on how providers spend their credits. Over 60% of providers reported that they had already spent some Time Dollars. As we mentioned in Chapter 2, the Credit Shop at M2M was introduced in an effort to encourage providers to spend the Time Dollars they have earned on services and goods instead of saving them exclusively for future needs. Other than the Credit Shop, we see that providers spend their Time Dollars on the very same types of services that they provide in the network.

These distributions of services provided and purchased at M2M look quite different than our other two cases and the national scene. This is not surprising given M2M's mission to help keep Elderplan members living independently. Notice the prevalence of companionship services and assistance with everyday, necessary tasks.

Table 4.3 Top ten services provided at M2M, retrospective survey

	%
Friendly Visiting	74
Assistance with Shopping	56
Escort Services	50
Transportation	36
Telephone Reassurance	28
Minor Home Repairs	21
Reading Mail/Assistance with Paying Bills	20
Respite	10
Peer Counseling	10
Hospital and Nursing Home Visiting	8

Table 4.4 Top ten purchases by M2M providers, retrospective survey

	%
Credit Shop	39
Assistance with Shopping	20
Friendly Visiting	18
Escort Services	15
Transportation	12
Minor Home Repairs	10
Telephone Reassurance	8
Donation	7
Hospital and Nursing Home Visiting	4
Peer Counseling and Reading Mail	2

Such detailed reporting of the services exchanged in Time Bank networks has never been provided in previous research. Our reporting from the actual transaction data of two Time Banks sheds considerable light on what happens within these systems. The membership demographics at any given Time Bank will shape the services that are exchanged to some (and possibly a large) extent. Given the gendered division of labor in the formal economy, we would expect that men and women may be likely to offer and seek out different types of services. As we learned in Chapter 3, both HEP and CE are about 83% female and M2M is 79%, so we should keep this in mind.

The age profile of the membership is likely to influence the types of service exchanged as well. The average age of members at CE is 59 and one-third of the membership is 65 or older. Also, 40% report having some form of disability. At HEP, the average age is 46.6 and only 11% are 65 or older (and about 12% report

having some type of disability).¹ At M2M, all members are 65 or older and about 42% report having some form of disability. One might expect, therefore, that CE and M2M members would be more likely than HEP members to use Health and Wellness services. Despite the fact that CE is sponsored by a hospital and M2M is based in a social HMO, this is not the case. The host agencies of our embedded cases see their Time Banks as ancillary programs and have not focused on offering their agency's healthcare services for Time Dollars.

Household characteristics, educational attainment, employment status, and income may also influence the types of exchanges that occur within Time Banks. While this was not one of our primary goals, future researchers may wish to give extra attention to the way in which membership demographics influence the types of services exchanged.

Discussion and Conclusion

In looking first at HEP and CE as a whole, we learned that these are not particularly large systems; in the busiest quarters there are a few hundred active members in these Time Banks. Trends in new membership in these organizations vary considerably by year and even by season; they suggest that HEP's active membership has remained fairly steady while CE's has fluctuated more over time. Although the recession of the late 2000's appears to have generated a great number of new Time Banks across the country, it is not reflected in a surge in new membership or participation in these long-standing organizations.

HEP, in particular, has experienced significant organizational instability as noted in Chapter 2. The organization has gone through numerous name and location changes as well as key staff changes. CE, on the other hand, has been much more stable but has also experienced leadership changes and challenges from organizational and policy shifts in the hospital that is its home.

The members of our three cases offer each other a wide variety of different types of services, and each one has a different mix of such services. In the case of HEP and CE, the organizations themselves also generate much activity in support of their administration and events. One might conclude that the organizations absorb too much of member effort, reducing the individual-to-individual service exchanges. Yet these activities also create community, as members come together to organize events and carry out duties that sustain and expand the organizations.

What are the implications of these findings regarding service types? First, the extent to which HEP members are buying and selling goods with Time Dollars is notable. The Time Banking concept is primarily about exchanging services, people giving their time to help others in return for Time Dollars that they can use in the future. The availability of goods is an additional bonus for members. There

1 As noted in Chapter 3, the disability variable is measured differently across our three

Time Banks and this is likely to explain some of the discrepancy between HEP and CE.

Collom, E., Lasker, J. N., & Lasker, D. J. N. (2012). *Equal time, equal value : Community currencies and time banking in the us*. Taylor & Francis Group.

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tend to be three different ways in which this happens. Members often advertise used goods that they are willing to sell for Time Dollars. Most of these used items are priced for just a few Time Dollars, and in our experience, these tend to be things that people might otherwise sell cheaply or donate if they were not Time Bank members. As one can imagine, given that the currency is based on time, it can be difficult to price items. Moreover, as mentioned in Chapter 1, the Internal Revenue Service granted tax-exempt status to Time Banking specifically because the credits have no monetary value. Therefore, HEP staff members have been cautious over the years and do not try to equate hours with dollars in any fashion.

Other common exchanges of goods for Time Dollars are cases where entrepreneurial members produce goods and sell them for Time Dollars. At HEP, some have used the Time Bank as a test market to get feedback and generate interest around goods that they hope to sell at retail outlets (see North 2010 too on this). The limitation here is that producers usually have to pay cash for raw materials and thus invest both time and money into their product while receiving only Time Dollars in exchange. The last major form of buying and selling goods occurs when entertainment organizations join the network and offer event tickets for sale for Time Dollars. While it is not possible for us to determine the extent to which goods availability at HEP helps to meet members' needs, it is definitely an instance of Time Dollars increasing their purchasing power. As the Average Hours per Transaction column in Table A4.1 indicates, Sales and Rentals of Items have the highest average of any other service category at HEP. Nearly four Time Dollars are exchanged in the average transaction here.

The high rate of exchange of Health and Wellness services at HEP deserves great attention as well. The healthcare crisis in the United States has been well documented. Under and uninsured members of HEP are likely to find the availability of health-related services particularly valuable. Many of the services available are alternative ones, reflecting the fact that many HEP members are progressive people and interested in alternatives. Acupuncture, energy therapy, bodywork, and reflexology all have high exchange rates. The popularity of Health and Wellness services at HEP also reminds us of a dilemma noted by Hess (2009) in his work on localist movements. He warns that local, DIY efforts could be seen as a "neoliberal's dream." If communities can provide things for themselves that government has helped provide in the past, social conservatives could have further ammunition to argue for eradication of governmental social services. We'll revisit this notion in the concluding chapter.

The distribution of service types at CE lead us to believe that this Time Bank has been very successful in building community among its membership. Members provide a large amount of program support, attend events together, and provide companionship to one another. The opportunity for social engagement among CE members appears high. This offers particular advantages for CE's older members. The popularity of transportation services also points to the fact that member needs are also being met. Many older and disabled members require transportation on a regular basis.

At M2M we learned that companionship and assistance with everyday needed tasks are the most commonly provided services. This leads us to expect that social outcomes will be quite pronounced at M2M, something we will investigate in Chapter 6. M2M's model of "elderly helping elderly" demonstrates the flexibility of Time Banking. While the range of services being provided is much narrower at M2M, they are likely to have great meaning and potential benefit to the members.

Another observation of ours is the fact that relatively few hours are exchanged within the Construction, Installation, Maintenance, and Repair category in our cases. The gender composition of these Time Banks is likely to be a factor here, both for understanding our cases and the differences between them and the national survey, which ranks these services much higher. To the extent that these types of tasks are more likely to be performed by men, their smaller presence in these organizations would reduce the availability of these types of services. Additionally, these trades services are usually always in very high demand. HEP learned a lesson early on and has since worked closely with any plumbers, electricians, handy people, and automobile mechanics who join. The problem is that there are few people with these skills who join, and when they do, they are quickly overwhelmed with requests. A solution that HEP has used is to have members contact the office for these services and work with the providers to establish a reasonable limit on the amount of time they provide to the Time Bank.

This raises the general issue of supply and demand within these networks. Since local currencies are complementary to the formal economy, the need for what economists call "equilibrium," a basic balance between supply and demand, is not as pressing in these networks. If there is greater demand for home repair services by members than what is available, they will be forced to rely on the formal economy. If we apply this concept to the individual level, it will be more relevant however. If individual members have too many credits in their account, this could serve as a disincentive for some to provide future services as they would not need the Time Dollars. If individual members have too much debt on the other hand, Time Bank coordinators can work with them to assist them in earning credits to balance their accounts.

Overall, the distribution of services exchanged at our sites and across the U.S., illustrates variety. There are many different types of services that are provided within Time Banks. Some of these are technical and/or specialized, able to be provided only by those with skills and experience. Others require few skills and can be provided by most people. Given the mix of services exchanged, we can also assume that there is great variety including both necessities and luxuries.

Now that we have summarized what happens within Time Banking organizations as a whole, we move down to the individual level in the next chapter. There, we develop multiple indicators of participation to describe the varying degrees to which individuals involve themselves in Time Banks. This enables us to test for the potential impact that demographic characteristics and member motivations have upon participation in these networks.

Methodological Appendix

Transaction Records

Both HEP and CE originally used a software program called TimeKeeper (Gordon 1995) when they were founded. TimeKeeper is a database that was designed for use by Time Bank coordinators to record member's hours of exchanges. In the early era of Time Banking, providers of services were instructed to contact the office (via phone, mail, or email) whenever they provided a service to someone. The coordinator would then enter the transaction (including provider, recipient, date of exchange, number of hours, and type of service) into the TimeKeeper database. Today, most Time Banks have more efficient Internet-based databases that allow members to search for services and record their own hours. These systems offer numerous advantages over printed service directories which are expensive to print and distribute and become outdated very quickly. With online databases, members can easily post what services they are providing and/or seeking, search the listings, have instant access to their balance, and report their own time when they provide a service to a member. This shift also reflects the move to a more DIY ("do-it-yourself") culture in an attempt to minimize the administrative costs of running a Time Bank.

In 2007, CE switched to the online software package that is distributed by TimeBanks USA, Community Weaver. In 2008, HEP switched to Time and Talents, an online database developed and distributed by hOurworld, a group of Time Bank consultants. Both Time Banks have worked with their memberships in transitioning to these DIY systems. Members who do not have Internet access or lack computer skills can still call their Time Bank office and the coordinator will enter their time for them.

When HEP made the transition to Time and Talents, all of the old transactions from TimeKeeper were imported. Transactions from the old and new software are in the same format and are not distinguishable in the copy of the transaction database that we received in late 2010. At CE, the old TimeKeeper transactions were not imported into the new Community Weaver database. Instead, for each active member, one transaction indicating that member's account balance from TimeKeeper was entered into Community Weaver. Therefore, at CE, we had to merge the two databases and remove the balance transfer entries. At both Time Banks, coordinators close inactive member accounts. When a member leaves the network, their credits or debits are transferred to a "close-out" account. We removed all of these entries since they are not member transactions and result in zero balances for all inactive members.

For each transaction, these records provide the date of the exchange, the provider, the recipient, the number of credits earned (the Time Dollars which are based on the number of hours the transaction took), and the service that was provided. Several thousand transaction entries were removed from the HEP and CE databases during the data cleaning process. Not all Time Dollar credits are from exchanges. Referring others to the program, donations among members, and

transfers that occur when members leave the system are the most common types of non-exchanges that were omitted from the analyses. All data entry errors were also corrected (the original entry was fixed and the “correction” entry was deleted).

Number of Active Members

Figures 4.1 and 4.2 identify the number of Time Bank members (individuals or organizations) who participated in any transaction (providing and/or receiving) within that particular quarter.

Correlation between Membership Size and Total Hours

The active membership size per quarter and total hours per quarter are highly, positively correlated at both Time Banks (Pearson’s r correlation coefficient is $+0.91$ for HEP and $+0.88$ for CE).

Average Hours of Transactions

For the overall average hours at HEP, the computation is $1935.2/91.25=21.2$. At CE it is $1981.2/91.25=21.4$. The average hours during the busiest quarter (Q32 for both) was determined as follows: $3831/92=41.6$ (HEP); $4431/92=48.2$ (CE). The computation for the average hours over the last one-year period of data collection (July 1, 2009-June 30, 2010) is $9466.3/365=25.9$ at HEP and $10774.35/365=29.5$ at CE.

Service Categories

We developed a coding system of thirteen major categories of services. This system emerged from a review of the actual transaction data at HEP and CE. As mentioned above, both organizations have used multiple software packages and both began with staff entering the transactions and then transitioned to a more DIY, member-inputted model. The result was that there were thousands of different types of transactions listed in the databases. Over the years some staff members would create new categories for services that were very similar to previously provided ones. Once the organizations became more member-led, we noticed that many members do not use the predefined service categories in the software, instead choosing “other” and describing the transaction in the text box.

Given the volume of transactions (over 70,000 in the end) and variety in how they had been coded, we developed our own categories by synthesizing those that existed in the software with elements of occupational classification schemes. We went through multiple iterations, combining categories that represented similar types of work. In some cases we separated out similar types of tasks depending on the nature of the actual transaction. For example, Events and Program Support primarily involves organizing Time Bank events or helping run the Time Bank,

whereas Office and Administrative Support is clerical help provided to individual or organizational members, not the Time Bank. If one member teaches another how to use a computer, that was coded as Tutoring, Consultation, and Personal Services. If a member fixes a computer hardware problem or rids another member's computer of a virus, that is coded under Computers and Technology. We defined this latter category as more technical and potentially performed independently while the former service category was defined as teaching or directly helping another member.

Table A4.1 Frequency of services exchanged by type at HEP, 1998-2010

Service Category (showing top three services)	Hours (N)	Transactions (N)	Hours per Trans. (Avg.)
<i>Sales and Rentals of Items</i>	21207.75	5480	3.87
Item Exchange			
Event Tickets			
Space Rental			
<i>Events and Program Support</i>	19455.50	7406	2.63
Special Event and Project Assistance			
Event Attendance			
Board and Committee Meetings			
<i>Health and Wellness</i>	11941.50	6375	1.87
General Health Services			
Acupuncture			
Women's Health Services			
<i>Office and Administrative Support</i>	8383.25	2519	3.33
Clerical Help			
Bulk Mailing			
Grant Writing			
<i>Tutoring, Consultation, and Personal Services</i>	7252.00	2774	2.61
Computer Assistance and Advice			
Tutoring			
Classes and Lessons			
<i>Construction, Installation, Maintenance, and Repair</i>	6030.50	1787	3.37
Handy Person			
Painting			
Yard and Garden Maintenance			

continued

Table A4.1 *concluded*

Service Category (showing top three services)	Hours (N)	Transactions (N)	Hours per Trans. (Avg.)
<i>Cleaning, Light Tasks, and Errands</i> Cleaning Gift Wrapping Mending and Alterations	5740.25	2244	2.56
<i>Food Preparation and Service</i> Cooking Catering	3958.75	2384	1.66
<i>Transportation and Moving</i> Transportation Moving Assistance Hauling	3698.25	2124	1.74
<i>Beauty and Spa</i> Massage Hair Cuts Facials	3615.30	2509	1.44
<i>Computers and Technology</i> Website Design and Development Audio and Video Taping Computer Repair	1582.25	463	3.42
<i>Arts and Crafts Production</i> Arts and Crafts Artwork Furniture	665.25	175	3.80
<i>Entertainment and Social Contact</i> Performances Activity Partner	532.00	202	2.63

Table A4.2 Frequency of services exchanged by type at CE, 2000-2010

Service Category (showing top three services)	Hours (N)	Transactions (N)	Hours per Trans. (Avg.)
<i>Events and Program Support</i> Special Event and Project Assistance Event Attendance Leadership/Committees	30306.65	11855	2.56
<i>Office and Administrative Support</i> Clerical Bulk Mailings Medical Interpreting	13307.00	3723	3.57
<i>Tutoring, Consultation, and Personal Services</i> Classes, Workshops, and Lessons Computer Assistance and Advice Languages and Translation	9652.50	3928	2.46
<i>Entertainment and Social Contact</i> Companionship Telephone Assurance Home and Hospital Visits	7158.75	3980	1.80
Transportation and Moving Transportation Moving Assistance Hauling	6756.05	3762	1.80
<i>Cleaning, Light Tasks, and Errands</i> Cleaning Organizing Errands	4263.15	1761	2.42
<i>Sales and Rentals of Items</i> Space Rentals Item Exchange Event Tickets	3467.50	1393	2.49
<i>Health and Wellness</i> Yoga Meditation	3234.05	1705	1.90

continued

Table A4.2 concluded

Service Category (showing top three services)	Hours (N)	Transactions (N)	Hours per Trans. (Avg.)
Complementary Therapies			
Construction, Installation, Maintenance, and Repair	2486.75	934	2.66
Yard and Garden Maintenance			
Carpentry			
Painting			
Food Preparation and Service	1133.00	498	2.28
Cooking			
Catering			
Arts and Crafts Production	1018.25	308	3.31
Crochet/Knitting			
Crafts			
Painting			
Beauty and Spa	145.00	118	1.23
Haircut			
Massage			
Manicure			
Computers and Technology	49.50	27	1.83
TV, VCR, Stereo Hookups			
Computer Repair			
Photo and Video Editing			

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Chapter 5

Time Bank Members: Participation and its Determinants

Introduction

In the previous chapter we focused on the organizational level, analyzing overall participation in Time Banks nationally and in our cases. Now we move down to the individual participant level, engaging transaction data from HEP and CE as well as our surveys from M2M. How often are these exchange networks used by members? Do participants maintain balanced accounts? Do they tend to exchange with many different members or just a few? Do they exchange a variety of different services or just a couple? Do members tend to be located in dense or sparse trading networks?

After reporting on our key indicators of participation, we test for statistical associations in an effort to determine what causes various forms and levels of participation. Do demographic variables impact member's participation? Does motive for joining affect the type or level of participation? Finally, we analyze the social networks that are created by Time Bank exchanges, focusing on the connections between members: Who exchanges with whom? To what extent do members trade with others who are different than themselves? The findings from our three long-standing Time Banks will give us valuable insights into what members actually do when they become Time Bankers.

Key Indicators of Time Bank Participation: HEP and CE

Total Hours

The first variable that we investigate here is HEP and CE members' total hours of participation. This is the total amount of time that members have provided services and received services in these organizations. In other words, it is the sum of Time Dollars earned and Time Dollars spent for each member. Descriptive statistics are provided as Table A5.1 in the Methodological Appendix for interested readers. Given the large variation in participation time, we constructed a categorical variable to highlight different levels of engagement in these Time Banks. Figure 5.1 illustrates members' total hours in five categories. At HEP, one-quarter of all members have been involved in only one hour's worth of service exchanges. At CE, this is much less frequent, with only 4% of members having exchanged only

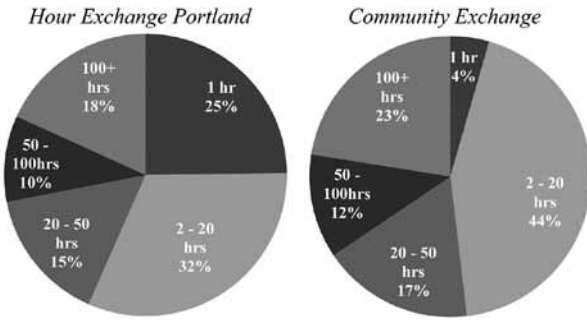


Figure 5.1 Members' total hours of participation in categories

one hour. The modal category at both Time Banks (32% of HEP members and 44% of CE members) is 2 through 20 hours of participation. The remaining categories are remarkably similar at both Time Banks: 15% and 17% in the 20-50 range, 10% and 12% in the 50-100 range, and 18% and 23% in the 100 or more hours range.

These computations are totals for all HEP and CE members across time and do not control for membership length. Some members had recently joined when we stopped our data collection (on June 30, 2010) whereas others have been members since their Time Banks launched. Thus, the total hours of participation variables suffers from a time bias. Those who have joined more recently are very likely to have fewer hours of exchanges than those who joined long ago. Therefore, we have also calculated the average hours of exchanges per quarter of participation. This calculation controls for membership length (see Methodological Appendix).

Average Hours

Figure 5.2 illustrates the distributions of the average hours per quarter variable for HEP and CE members. Nearly one-third (32%) of HEP members average one hour per quarter or less, compared to 17% of CE members. Nearly one in five (19%) of HEP members and more than one-quarter (27%) of CE members average 2 to 3 hours of participation time per quarter. As in the previous figure, the values are very similar for the remaining categories with about one in five (19% at HEP and 21% at CE) averaging between 10 and 40 hours of exchanges per quarter.

While HEP has tended to have a larger number of active members than CE (see Figures 4.1 and 4.2), HEP members spend less time participating than CE members. On average, CE members have 121.0 total hours and 11.5 average hours per quarter compared to HEP members' 85.6 total hours and 7.7 quarterly hours (see Table A5.1). Figures 5.1 and 5.2 illustrate that Time Bank participation varies tremendously in these two cases. At HEP, one-quarter of the membership has only exchanged only one hour worth of services and nearly one-third average an hour or less per quarter. So, a substantial percentage of HEP members join and do not engage in hardly any transactions. There are a variety of potential reasons for this.

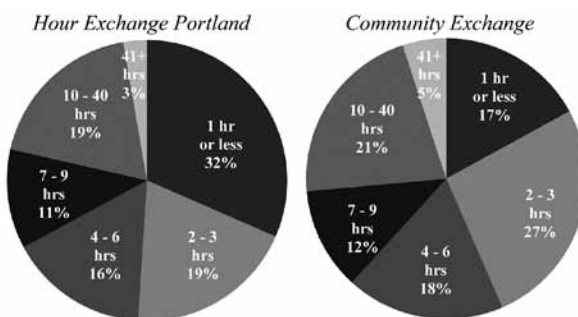


Figure 5.2 Members' average hours per quarter of participation in categories

Some are too busy to participate, some join just to support the principles of an alternative economy, some are not in need of services, some move out of the area shortly after joining, some die, and some are new members as mentioned above. We explore such limitations to participation in the final chapter. On the higher end of participation, we see 18% of HEP members and 23% of CE members have 100 or more total transaction hours. The highest category in average hours per quarter is 41 or more; at HEP we find 3% and at CE 5% of the membership are these heavy users.

Account Balance

Next we consider the account balance variable. This is perhaps *the* central question surrounding Time Banking for some people. What percentage of members spend more than they earn? Do any take advantage of their Time Bank and go on a spending spree, accumulating massive Time Dollar debt? As we have discussed, debt is tolerated and in some cases encouraged in Time Banking. One of the advantages of Time Banking over other forms of local currencies is that participants can receive services without having any Time Dollars or even if they have a negative balance. Debt is often framed as an incentive for providing services and seen as a future obligation to the system. If members get into too much debt the Time Bank usually intervenes, and in rare cases, can close a member's account. Account balance has not been investigated in previous Time Bank research, so little is known about it.

We created a categorical variable to study account balance. Figure 5.3 provides the distribution of members' account balances (as of June 30, 2010) in nine categories for HEP and CE. We defined accounts as "balanced" if the member had somewhere between 2 debits and 2 credits. The balanced category is the modal one at HEP with 38% of members. The "3 - 20 Credits" category is the most common one at CE with 34% of members. Debt, particularly high levels of it (51 or more hours in deficit), is found for only 3% of members at HEP and CE. The "3 - 20 Hours Debits" category contains 11% of HEP members and 10% of CE

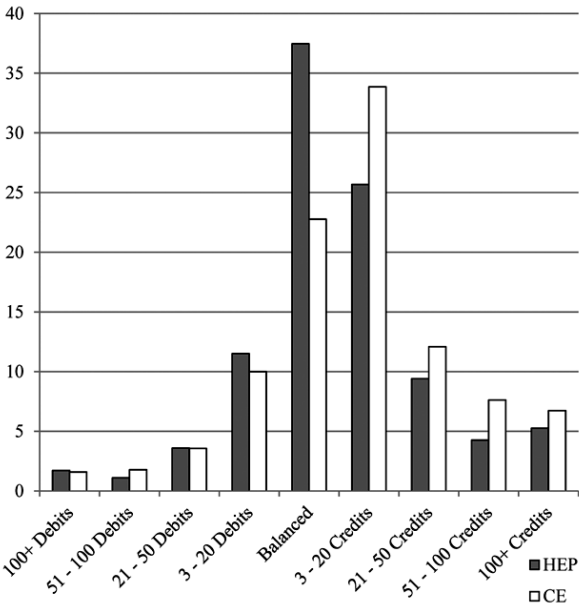


Figure 5.3 Percentage of members in Time Bank account balance categories

members. All together, 18% of HEP members and 17% of CE members hold some amount of debt in their Time Bank. Thus, more than four out of five members at each Time Bank have balanced accounts or credits. About 5% of HEP members and 7% of CE members have more than 100 Time Dollars in their accounts.

In both of our cases, the Time Bank’s account is by far the largest debtor. This is because members provide many services to their Time Bank (such as program assistance and clerical work), but the Time Bank itself offers few services for Time Dollars to members. So, the Time Bank’s account tends to be a “sink” with many debits coming in and few credits being earned. HEP’s account balance is -26,889 and CE’s is -10,088. Yet unlike the federal budget deficit, this debt is not problematic. Indeed, it helps to keep the service exchange network functioning. To the extent that Time Banks provide Time Dollars to members who assist their organization, it can help spur further activity as those members have more incentive to go and spend those credits. This begins to reveal one of secrets of Time Banking. The currency itself, Time Dollars or credits, are somewhat meaningless. They are simply a mechanism to encourage people to help one another.

By definition, the overall balance of Time Dollars at any Time Bank is zero. All of the credits and debits will balance each other out when you sum member balances with the Time Bank’s own account. This is part of the explanation for why there are many more members with positive balances than negative balances. At both Time Banks, organizational members (usually nonprofits or small businesses) are more likely to be in debt. At HEP, 26% of organizational members are in some

amount of debt compared to 17% of individual members. At CE the difference is more pronounced: 49% of organizational members are in debt compared to 14% of individual members. As in the Time Bank itself, organizational members are more likely to receive member services than provide them. For example, a local theater company may use Time Bank members to do bulk mailing, work their box office, and usher the events. However, they may only provide one service to members: event tickets. It is usually the case that limits on the number of tickets sold for Time Dollars must be established as nearly all companies have operating expenses which require the revenue from tickets sold for cash. These types of imbalances are not uncommon. Most Time Banks would tolerate this situation. After all, the organization does offer a valuable new service to members (event tickets) and those that provide services to the organization also reap rewards. Bulk mailing meetings, event ushering, and box office staffing all provide opportunity for social interaction and community building. There is much more to Time Banking than just the exchange of services.

These account balance results are a strong counter to skeptics of Time Banking. Movement practitioners often face questions from people expressing quite a bit of concern over the potential “free rider” problem and people “ripping off” others in the network. What we have found here is that debt in these systems is relatively rare. We also suspect that few of those in debt have nefarious intentions. As noted above, some organizational members are in debt because they do not have many services or have limits to what they can offer. Also, some individual members offer services that are not in high demand. Others have disabilities or other constraints that limit their participation. Later on in the chapter we will test for a variety of factors to determine who is most likely to be in debt and who is most likely to have many credits.

Number of Contacts

Next we will consider the size of members’ exchange networks within their Time Bank, their number of contacts. Some people exchange with a lot of different members whereas others do so only with a few. The average HEP member has traded with 8.5 members and the average CE member has traded with 7.4 members. At the upper end, one member at HEP has exchanged with 195 different members and one CE member has a network size of 188 (see Table A5.1). More than one-third (36%) of HEP members have exchanged with only one other member while slightly less than one-quarter (23%) of CE members have a network size of 1. One-fifth of HEP members and a bit more than one-quarter of CE members have 2 to 3 contacts in their Time Bank. Slightly more than one-fifth of the members of each Time Bank have exchanged with 10 or more members.

Overall, more than two-thirds of all members of these Time Banks have exchanged with six or fewer members. Time Banks are not the source for large numbers of trading partners for most members. While these networks are not producing large quantities of contacts for most, those that exist may be quality

ones. The bonds that are formed among members are likely to be deeper than those gained from the average transaction in the formal economy. Most Time Bank exchanges are highly personal, while most formal economy transactions are very impersonal (see North 2010). Think about the difference between the Time Banker who calls up another member for a ride to a doctor's appointment versus making a call to a taxi service. The two Time Bank members share an organizational affiliation, are more likely to have similar values, and are likely to have a substantive social interaction during the ride.

Reciprocated Contacts

The next measure we consider is the number of reciprocated contacts, two-way exchange partners. Reciprocation is one indicator of "bonding" social capital. Bonding ties tend to be strong and exclusive, creating social solidarity (Putnam 2000, Halpern 2005). These tend to be deeper connections among people who are rather similar to one another. When a member provides a service to one from whom they have previously received a service, they make the relationship reciprocal. Reciprocation is potentially significant – it further develops a social relationship, it represents "success" as these two participants have chosen to transact again, and the relationship becomes more egalitarian as both parties will have provided and received in the relationship. Reciprocity in social networks has not been studied that often (see Brody et al. 1983 and Lee 1985 for examples on elderly populations).

It is important to keep in mind that reciprocity of exchange is not necessarily a goal within Time Banks. Indeed, the advantage of Time Banking over bartering is that a member is not restricted to a relationship in which both people have something that the other one wants. By providing to one person but receiving from another in the organization, one maintains a sense of more generalized reciprocity while greatly expanding the opportunities for exchange. Thus reciprocated contacts, as measured here, is only one indicator of the patterns of exchange that occur within Time Banks.

Our results indicate two-way exchanges are more common at CE (see means scores in Table A5.1). Two-thirds of HEP members have not had any reciprocated ties. At CE, the majority of members have had at least one and 29% have had two or more. There appear to be two possible explanations here. First, HEP has more members who barely participate in their Time Bank (see Figures 5.1 and 5.2 above). These are people who are largely members "in name only." Those who have barely participated are not likely to have any reciprocated contacts and this would cause the lower reciprocation rate. The second possibility is that there is something unique about CE that fosters greater reciprocation. Perhaps members have deeper social ties with one another in this Time Bank. As we learned earlier, HEP has tended to be a larger Time Bank than CE throughout their histories. Since CE is smaller, its intimacy may contribute to reciprocal relationships.

Ego-Network Density

Our next variable concerning participation in Time Banking is a measure of social network density. In contrast to network size (number of contacts), the density of one's exchange network measures the extent to which the members with whom one trades are engaging in transactions with one another. Network size and ego-network density are variables that are regularly used in many studies. Some of the most well-known examples in Sociology employ General Social Survey data (see Marsden 1987, Moore 1990, McPherson, Smith-Lovin, and Brashears 2006).

We computed ego-network density for each individual member's "neighborhood" (see Scott 2000). Density is expressed as a percentage. If a member's trading partners (known as "alters") have never exchanged with one another, that member's ego-network density is zero. If all of one's alters have transacted with each other, density is 100%. For this computation we ignore the direction of the tie between members (providing versus receiving) and look only to see if a tie exists. Some participants are located in highly connected regions of the overall network while others are in sparse areas (where one's alters are not exchanging with one another). Dense networks are generally good for producing bonding social capital. Information is likely to flow faster through denser networks as well (see Barabasi 2003). In Time Banking, referrals are an important way of learning about services. Time Bank members often talk about the network and their exchanges within it during their transactions. Thus, those who are in well-connected regions of the network may be likely to have greater resources (in the form of information about other members and services) and therefore, may be more likely to be more active. If one's trading partners are well-connected and talk about some great services they have received or some members who are really in need of particular things, that information may spur greater activity.

Figure 5.4 provides two social network diagrams ("sociograms") of one HEP and one CE member's ego-networks. In each diagram, the members or "nodes" are shown as circles. Ego (the member we are focusing on) is represented by a white circle while their alters (the contacts that ego has transacted with) are symbolized with black circles. The lines (technically referred to as "ties" or "arcs" or "edges") indicate that at least one transaction has occurred between these two members. The arrowheads on the lines point to the recipient of the service. Lines with double arrowheads illustrate reciprocal relationships in which both members have provided and received services. As we will see later, sociograms can be made more detailed by adding values to the ties (the number of hours of services exchanged) as well as characteristics of the nodes (gender, age, etc.). For the purposes of this analysis, we chose to keep the sociograms relatively simple.

Figure 5.4 shows the social networks of two people, chosen because they come closest in their own exchanges to the average network size (contacts) and ego-network density in HEP and CE (see Table A5.1). At HEP, we feature a member who has traded with 9 others. By definition, there is a tie between the member and each person he or she has either provided a service to or received one from.

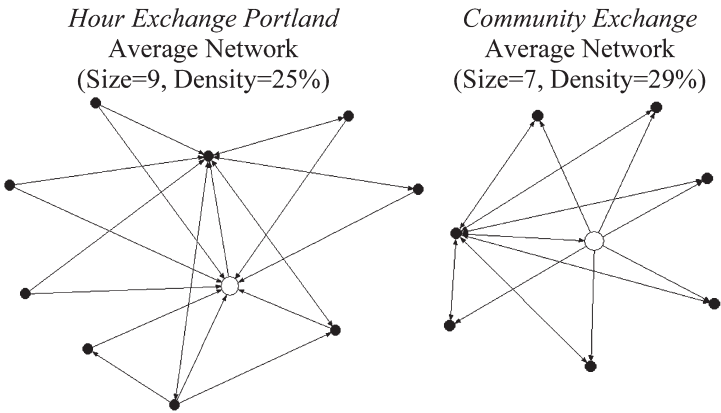


Figure 5.4 Sociograms of average ego-network size and density, HEP and CE

The computation of ego-network density only concerns the ties among the other members in the participant’s network. That is, to what extent are the members that one trades with exchanging with one another? There are a total of 9 ties among the member’s 9 exchange partners here (remember that we are ignoring the direction of the tie in this calculation of density and are interested in only whether any tie, provide or receive, exists). If each of the other members (“alters”) exchanged with all of the others, there would be 36 ties. With 9 nodes, 36 undirected ties are possible.¹ Therefore, this average HEP member’s ego-network density is 25%. One-quarter of the possible ties among their alters are present.

For CE, we see a member who has traded with 7 others. There are 6 ties out of the 21 possible ties among alters, resulting in an ego-network density of 29% for this member. Notice that all of the ties among alters involve the node positioned at “9 o’clock” in the diagram. That member has traded with all of ego’s alters. Overall, the average ego-network density at CE is slightly higher than that at HEP (29.5% vs. 25.6%; see Table A5.1). At HEP, 43% of members have ego-network densities of 0% in which none of their alters have traded with one another. There are fewer of these poorly connected members at CE (30%). High network density is not common as only 15% of members in both Time Banks have densities of 67% or higher.

Figures 5.5 and 5.6 provide four sample sociograms from HEP and CE to illustrate the variability in network size and density in these two Time Banks. The top of Figure 5.5 provides the ego-network for a HEP member with a moderately sized network (13 alters) with rather high density (59%). That is, 46 of the possible 78 ties among alters are present. Here, most of the members that this person

1 The number of possible undirected ties is found by the following formula: (Number of alters) x (Number of alters - 1) with the result divided by 2.

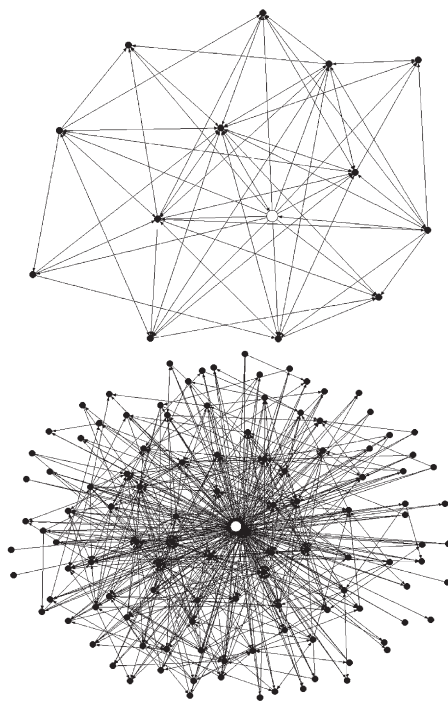


Figure 5.5 Sample HEP and CE sociograms illustrating density variation in larger networks

exchanges with are connected and therefore know one another. Information about members and services are likely to travel quickly through these densely networked channels.

The bottom of Figure 5.5 illustrates the ego-network of a CE member with a large network (113 alters) with low density. Despite how busy the diagram looks, there are actually relatively few ties among the member's alters. Only 329 of 6,328 possible ties exist, resulting in a low density of 5%. As evident, there are challenges to visualizing large networks. One option is to exclude ego (and therefore their ties to alters) so that the sociogram only portrays the ties among alters (this is also a better depiction of the density measurement).

This also provides a good opportunity to discuss the association between network size and density. These two variables tend not to be totally independent of one another. That is, large networks often have lower density than smaller networks. In our Time Banks, density varies tremendously in ego-networks containing 20 or fewer alters. As members accumulate more contacts, density becomes lower on average. In general, it is more difficult for people to maintain ties with the same proportion of alters as a network grows. There are constraints to the number of social relations that people can feasibly maintain (see Friedkin 1981, Scott 2000).

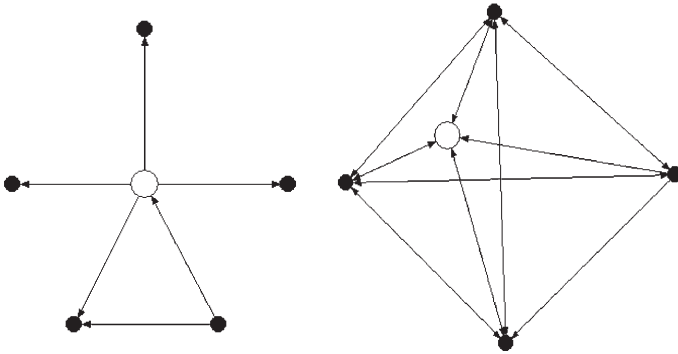


Figure 5.6 Sample HEP and CE sociograms illustrating density variation in small networks

The left side of Figure 5.6 shows a HEP member with a small network with low density. This member has exchanged with five others. Notice that ego has provided services to four alters and received services from one (the node at “5 o’clock”). There is only one tie of ten possible among alters. The right side provides an ego-network of a CE member with a small network size (4) and perfect density of 100%. All four alters have ties with one another.

What have we learned from these density statistics and sociograms? Most members do not have highly-connected ego-networks in these Time Banks. This suggests that Time Bank coordinators should encourage their members to talk about their experience in the organization and refer members to one another. New members would be better integrated into their Time Banks if they exchange with members who are well-connected. Time Banks are organizations full of resources (their members who provide services) and information flows faster through denser networks, increasing access to these resources. Later in this chapter we will investigate the determinants of network density to see who is most likely to have denser Time Banking networks. Denser networks may be more likely to produce more transactions as members have the opportunity to learn more about other providers.

Diversity of Services Exchanged

The last measurement that we present in this section of the chapter concerns service types. In Chapter 4 we discussed the types of services exchanged in these Time Banks as a whole. Now we want to take it down to the individual level to determine the diversity of the types of services that members exchange. Do members tend to exchange a variety of different services or just a few? In the formal economy most people tend to consume a variety of goods and services. It will be interesting to determine the extent to which Time Bankers exchange a range of services as well.

As reported in Chapter 4, we coded all of the transactions into thirteen categories

of service types. The appropriate statistic to measure diversity here is the Index of Qualitative Variation (IQV), with the value “0” indicating transactions within only one service category and “1” indicating equal amounts of transactions across the thirteen categories.²

The average IQV score for HEP members is .40; it is .48 for CE members (see Table A5.1). On average, CE members have slightly greater diversity in the types of services they exchange. More than one-third of HEP members (36%) have an IQV of 0, trading within only one service type. At CE, this is true for about one-quarter of the members (24%). Thirty percent of CE members have moderately high diversity (.61 - .80) in the services they exchange compared to 21% of HEP members. Both Time banks have similar levels of high service diversity (.81 or greater) with 14% and 13% of HEP and CE members in the top category.

Overall, there is quite a bit of variability in the diversity of service types exchanged in these Time Banks. It is likely that this variable will be correlated with others we have covered earlier in this chapter. For example, those who engage in few transactions will be more likely to have no or little diversity in the types of services they exchange. We will explore the connections among the various key indicators of participation variables below. Since HEP is more likely to have members who barely participate, this may be part of the explanation for why CE members have slightly greater diversity in the services they exchange on average. However, it is not entirely clear to us why CE members would have greater service diversity than HEP members. HEP is a larger network which would suggest that a greater variety of services are available. CE members are more active on average though. So, again, it could be that greater activity brings greater diversity. Alternately, it could be that CE members are just more likely to seek out a variety of services. We will explore this in more detail later in the chapter.

Associations among Participation Variables

As we discussed above, it is likely that our participation variables are not independent of one another. In this section we explore the potential statistical associations among our seven key indicators of participation measured at the member-level: total hours, average hours, account balance, contacts, reciprocated contacts, ego-network density, and diversity of services. The Methodological Appendix provides details for these analyses and the correlation matrices are

2 The standard deviation is a better-known measure of dispersion, but should only be used for numerical variables (and our service type variable is a nominal, categorical one). The IQV has a convenient metric in that the statistic ranges between 0 and 1. An IQV of 0 indicates a perfectly homogeneous distribution. That is, members would only be exchanging one of the thirteen service types. An IQV of 1 indicates a perfectly heterogeneous distribution with maximum dispersion. Here, members would have equal amounts of transactions within each of the thirteen service types.

presented as Table A5.2. The majority of the associations are very similar across both Time Banks and several of the correlations are quite strong.

Those with more total hours exchanged are found to have a higher number of contacts (a larger ego-network). Also, those with more contacts have more reciprocated contacts on average. As we speculated earlier, total hours of participation and diversity in services exchanged are positively associated in both Time Banks (though the associations are only moderate in strength). The more you participate, the more likely you are to exchange different types of services. There are two other interesting findings surrounding service diversity. The more contacts (the larger ego's network), the greater the service diversity on average. The more people you trade with, the more likely it is that you will be exchanging different types of services. Also, the denser one's network is, the more likely you are to have greater service diversity. This could be the result of referrals as discussed above. Those located in denser trading networks are more likely to get information about other opportunities. We did not find, in contrast, any meaningful association between ego-network density and total or average hours of participation at HEP or CE. Those in denser trading networks are not more active in their Time Bank than those in sparse networks.

Demographics and Participation: Predicting Variation in HEP and CE Engagement

Now we can move on to test the extent to which members' demographic characteristics influence their participation. There are a few previous case studies of individual LETS systems in the U.K. that consider the impact of some demographic variables on self-reported trading frequency. Though this research is based on small samples and only one participation outcome (members' estimation of their frequency of participation), they will be useful to review here.³ Unemployment has been found to have mixed effects. Williams (1996c) finds that the unemployed provide slightly more services in one case study, but finds that unemployed provide less than the employed in another (Williams 1996a). In the latter study he also finds that low-income members are providing fewer services than higher-income members of that LETS. Seyfang (2001a, 2001b) finds that "unpaid domestic workers" and the "permanently sick" are the most active in the LETS she studied while retired members were the least active. After we present our own results we will revisit these.

We tested the impact of the eleven independent variables that we focused on in Chapter 3 (gender, age, race, household type, education, employment,

3 The Williams (1996c) study is based on a 1994 survey of 46 members (38% response rate), Williams (1996a) is based on a 1995 survey of 109 members (22% response rate), and Seyfang's (2001a, 2001b) studies are based on a 1996 survey of 64 members (60% response rate).

unemployment, income, self-reported health, disability, and membership length) upon our seven measures of participation that we have described in this chapter. Figure 5.7 provides a visual summary of the statistically significant effects in these models for HEP (see Methodological Appendix for details on these multiple regression models).

Membership length is significant in all of the models. Those who have been members of HEP longer are more likely to have higher balances, greater total hours, greater average hours, more contacts, more reciprocated contacts, and greater diversity in the services they exchange. Also, length is negatively correlated with ego-network density: members with more experience have less dense exchange networks. All of these findings reflect the fact that engagement, and in particular, providing services, increases with membership length. The density results indicate that it is generally more difficult for people to maintain ties with the same proportion of alters as one's network grows (those who have been members longer have more contacts). As discussed above, there are constraints to the number of social relations that people can feasibly maintain (see Friedkin 1981, Scott 2000).

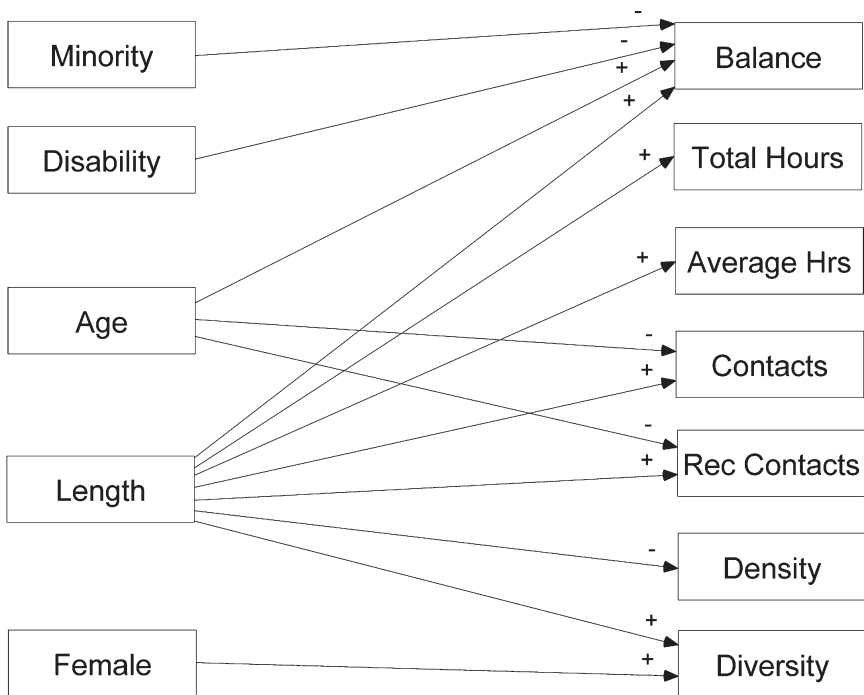


Figure 5.7 Summary of models of demographic variables predicting participation at HEP

Figure 5.7 also shows that minority members and those with disabilities are more likely to have lower balances. Further analyses do confirm that people of color are more likely to be in debt and less likely to have credits in their accounts. It may be that the services offered by minority members are in less demand or that not enough participants in this system are requesting services from these members. Or, it could be that their need for receiving services is greater; there is no sure way to know from our data what accounts for these differences. Those with disabilities are likely to be in greater need of services from the Time Bank and may have limited services that they are able to provide, resulting in lower account balances.

Age also has some interesting effects at HEP. Older members are more likely to have higher balances, but fewer contacts and fewer reciprocated contacts. This suggests that older participants are more likely to repeatedly provide to the same recipients. Finally, females have greater diversity in the services they exchange. Both HEP and CE are overwhelmingly female. As seen in the previous chapter, 83% of members in each Time Bank are women. Since females are the primary participants, they are shaping what goes on within the network as a whole. Male participants tend to exchange a narrower range of services.

Figure 5.8 summarizes the statistical models at CE. As evident, there are more statistically significant effects here. The impact of membership length is similar to the HEP case with the exception that length does not predict average hours of participation at CE. Income is the next most important predictor across the models. Those with lower incomes are more active at CE, having higher total and average hours of participation. Similarly, low-income members have more contacts and reciprocated contacts on average. This activity is also apparent in the fact that lower income participants have more credits (a higher balance) in their accounts on average. The only positive effect of income is with density. Those with higher incomes tend to have denser ego-networks (and this is likely due to their networks being smaller). It is particularly noteworthy that those who are most likely to be in economic need are most active in Community Exchange.

As seen in Figure 5.8, the account balance variable is the outcome that is predicted by the most independent variables. In addition to the income and length effects, we find that those who live alone, those who are employed, and those who are older have lower balances (fewer credits) on average. Given that these groups are no less active (notice the lack of statistically significant relations of these variables with both of the hours of participation variables), these findings indicate that these particular participants are receiving more services than their counterparts on average. As discussed earlier, most members have positive account balances, but living alone, employment, and aging result in lower give-to-receive ratios. It may be that these groups tend to offer fewer services or services that are redundant (offered by many) and therefore they are receiving fewer requests. They may also simply have greater needs.

Figure 5.8 also indicates that those who report that they are in better health have higher balances on average, providing more services than those in poorer health. This is similar to the HEP finding where those without disabilities have

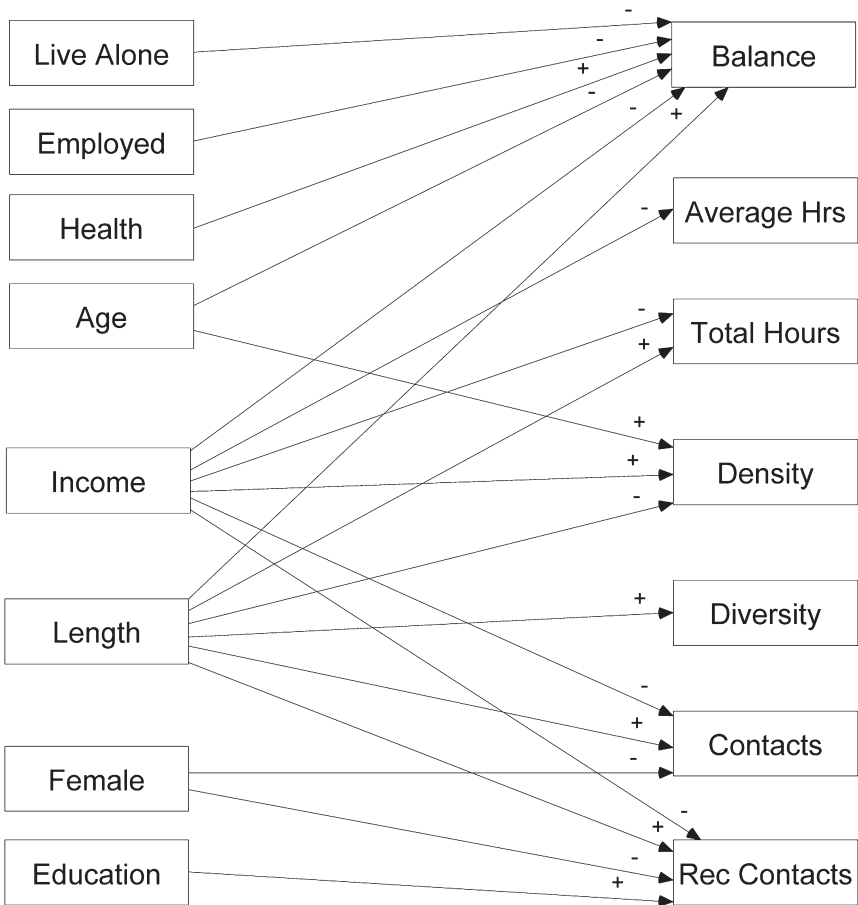


Figure 5.8 Summary of models of demographic variables predicting participation at CE

higher account balances. Age is found to be positively associated with density, older members have contacts who exchange with one another more often on average. This is not an artifact of network size since age does not predict number of contacts. Our analyses later in this chapter will shed further light on this as we investigate who trades with whom.

We also find that those with higher education at CE have greater numbers of reciprocated contacts on average. This is the only effect that education has on participation (it was not significant in any of the HEP models). Perhaps better educated CE members are more likely to feel the need to reciprocate and create two-way relationships. Finally, female members tend to have fewer contacts (trading partners) and fewer reciprocated contacts. The average female member at CE exchanges with 13 different members whereas the average male member

exchanges with 21 different members. There are no gender differences in the other participation variables. This indicates that female CE members are more likely to repeatedly exchange with the same members while males are exchanging with a greater variety of members. Females may be more likely to prefer a “familiar face” and are seeking social opportunities in addition to the services themselves.

Our results do not align with any of the findings from prior research reported earlier. Being unemployed had mixed effects in LETS research, but did not predict any participation activity in either of our cases. While the “permanently sick” were found to be the most active in other studies (Seyfang 2001a, 2001b), our disability variables did not predict average hours nor total hours in either of our cases. Finally, we found that low-income CE members are more active whereas previous research found that lower income participants provide services less often. As we mentioned earlier, the methodological differences between our study and the previous research are substantial and ours is the most thorough investigation to date. We hope that our research on the transaction records of Time Banks will be replicated by future researchers in this area.

Demographics, Motivations, and Participation at HEP

As the reader will recall from Chapter 3, we fielded an extensive battery of motivation questions at HEP. This now enables us to determine whether the reasons that individuals joined HEP influence their participation in the Time Bank. Multiple regression models were estimated with our seven motivation scales (see Figure 3.1) predicting our seven participation variables. In the final models, which also included the demographic variables as predictors, we found only three meaningful associations (see Methodological Appendix).

Those who joined HEP for altruistic reasons are more likely to have higher balances (credits in their accounts). Thus, those who joined to give to others are indeed more likely to do so, on average. They earn more than they spend. We also find that those who joined for altruistic reasons have less diversity in the services they exchange. This is also sensible as these members are not spending as much, confined largely to the service areas in which they provide. The last impact that motivations have upon participation also concerns the diversity of services exchanged. Those who joined HEP for social reasons are more likely to exchange more diverse types of services. It may be that these members end up requesting a variety of different types of services as they seek to make social connections.

Exchange Networks at HEP and CE: Who Trades with Whom?

Now we move to the last section of our analyses of the transaction data at HEP and CE. We have not yet investigated who it is that members exchange with. Time Banks are often advocated (see Cahn and Rowe 1996, Seyfang and Smith 2002) for their potential to link together different types of people. Based on the demographic

composition of our cases and our earlier findings, we focus on three variables here: gender, age, and organizational status (see Methodological Appendix). Our previous analyses have focused mostly on individuals, but we cannot forget that organizations are members of Time Banks as well. Are members more likely to exchange with others who are similar to or different from themselves? To the extent that there is diversity in these connections, that is an indicator of “bridging” social capital. There are many potential benefits in such ties. For example, when older people are in contact with younger people there are possible health benefits (Thoits and Hewitt 2001). Such social integration increases the likelihood that the elderly in particular will feel needed or useful.

Table 5.1 provides the group membership analyses by gender.⁴ If all else is equal and transactions occur randomly, we would expect each group’s percentage of internal ties (contacts with members similar to themselves) to be about the same as their membership percentage within the Time Bank. When adding organizational members into the mix, HEP’s membership becomes 68% female. Here we see that 62.6% of all of the female’s trading partners are also female. Out of all of their contacts, 37.4% of women’s ties in HEP are with males or organizations (“external”). It is because HEP is mostly female that the majority of women’s contacts are women. This form of homophily (ties among similar

Table 5.1 Who Time Bankers exchange with: Internal and external contacts by gender

	(%)	Internal Ties (%)	External Ties (%)	Proportion Internal (%)
<i>HEP</i>				
Female	68.0	62.6	37.4	92.0
Male	22.1	16.4	83.6	74.0
Organization	9.9	10.3	89.7	103.9
Total	100.0			
<i>CE</i>				
Female	71.4	57.9	42.1	81.1
Male	20.9	20.6	79.4	98.7
Organization	7.7	7.5	92.5	97.1
Total	100.0			

4 This analysis is based on a common measure in social network analysis, the External-Internal (E-I) Index (see Krackhardt and Stern 1988, Hanneman and Riddle 2005). This measure concerns the attributes of who one is tied to – whether one’s alters are in the same group as ego (internal ties) or in a different group (external ties).

people) is known as “induced homophily,” representing the composition of the organization (see McPherson and Smith-Lovin 1987).

Yet in HEP, we see that the percentage of internal ties for females is lower than the membership percentage. So, although female members are mostly exchanging with other women, they are actually slightly under-transacting with like others compared to their membership size. We computed an additional measure to help clarify. The last column of Table 5.1 (“Proportion Internal”) compares the percentage of internal ties to the percentage of the membership, standardizing the comparisons and making it easier to identify deviations. If the Proportion Internal is less than 100%, that group under-transacts with their group. If the value is over 100%, that group tends to over-transact with members of their group.

As seen in the last column of Table 5.1, male HEP members under-transact with other males, being more likely to have contacts external to their gender. At CE, we see that female members are more likely to under-transact with other females while males are very close to being representative of their overall membership size. So, at HEP, males are more likely to generate bridging social capital, while females are more likely to be tied to external groups at CE. Figure 5.9 provides a sample sociogram to help visualize what these statistics are measuring. In this example, we show a male CE member whose contacts are all “external.”

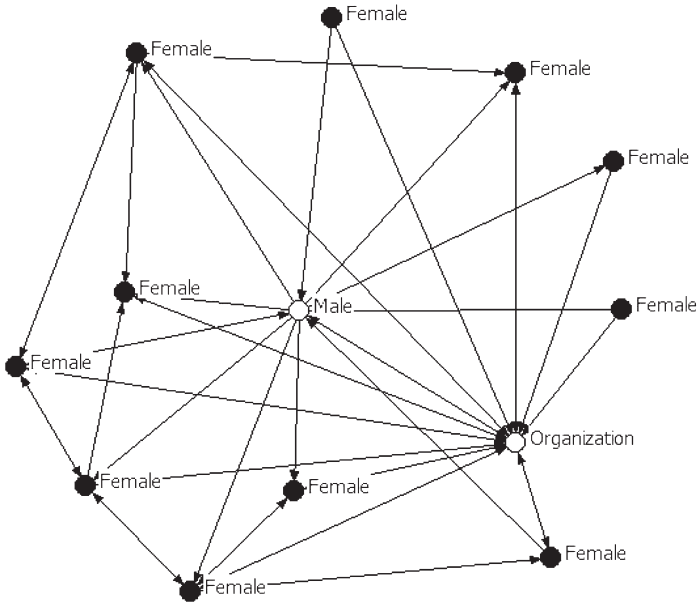


Figure 5.9 Select sociogram: Ego-network of male CE member who has exchanged only with females and an organization

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Table 5.2 Who Time Bankers exchange with: Internal and external contacts by age

	(%)	Internal Ties (%)	External Ties (%)	Proportion Internal (%)
<i>HEP</i>				
Less than 25	8.6	5.1	94.9	59.4
25-34	23.3	19.6	80.4	84.3
35-44	19.1	20.9	79.1	109.2
45-54	17.1	18.6	81.4	108.5
55-64	11.2	10.9	89.1	97.0
65 or more	5.3	6.8	93.2	127.8
Organization	9.9	10.3	89.7	103.9
<i>CE</i>				
Less than 25	4.7	6.7	93.3	142.4
25-34	5.8	8.2	91.8	142.2
35-44	11.2	8.6	91.4	76.6
45-54	17.7	22.0	78.0	124.5
55-64	15.0	19.7	80.3	131.2
65 or more	15.8	22.0	78.0	138.9
Organization	7.7	7.5	92.5	97.1

Table 5.2 provides a similar analysis by age group. At HEP, the youngest members are the least likely to trade with others within their age group, particularly those less than 25 years of age. On the other hand, elderly HEP members over-transact with other members who are 65 or older. At CE, those aged 35-44 under-transact with others in their age group while all other individual members over-transact with people in their own age group.

It is interesting that at CE, the youngest age groups are more likely to transact with individuals of similar ages and at HEP, the youngest age groups are more likely to transact with members outside of her or his age group. The younger CE members are more likely to “bond” with one another whereas the younger HEP members are more likely to “bridge” with others. To help visualize these statistics, another sample sociogram is provided as Figure 5.10. This is the exchange network of a HEP member who is less than 25 years of age and who has traded services only with those outside of their age group (all of the contacts are “external”). The symbols of the nodes are distinct for each group to help illustrate these bridging connections.

Now, that we have investigated gender, age, and organizational status separately, we will combine them in the final analysis to get even more specific in analyzing who trades with whom. Table 5.3 is essentially a combination of Tables 5.1 and 5.2.

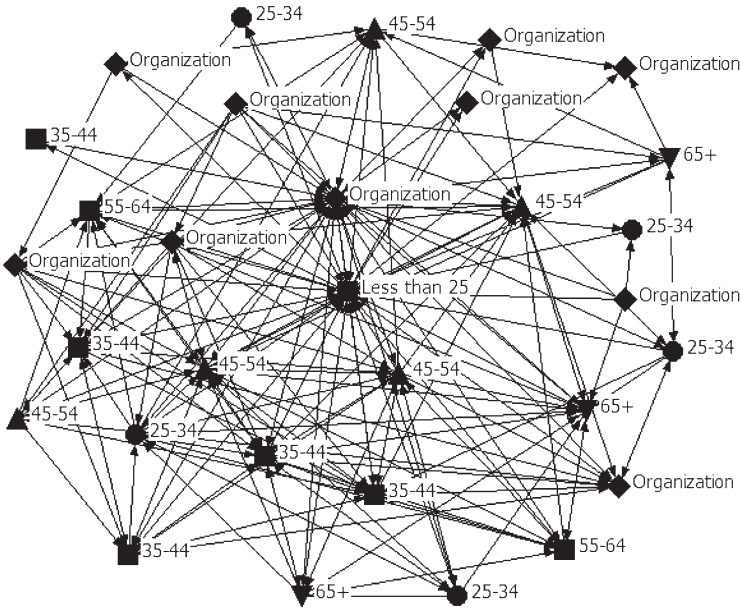


Figure 5.10 Select sociogram: Ego-network of young HEP member who has exchanged only with members outside their age group

Here we can see that among the youngest HEP members (less than 25 years of age), males are less likely to have internal ties than females (comparing 56.1% to 64.9% in the Proportion Internal column). Also, males aged 35-44 are much less likely to have trading partners from their own age/gender group while females aged 35-44 over-transact with members who are similar to them. The same trend is evident for HEP members aged 45-54. The opposite is the case in the 55-64 age group. Here, female HEP members are more likely to trade outside of their age/gender group while males over-transact inside their age/gender group. Among elderly (65+) HEP members, females over-transact with other older women while none of the elderly male members (there have been 20 throughout the history of HEP) has ever traded with another older male participant.

Table 5.3 indicates that male CE members aged 45-54 are the age/gender group that are most likely to have internal ties. As in the case at HEP, some male CE participants have no internal ties. All of the CE males less than 25 years of age and those aged 25-34 have yet to exchange with another member in their same age/gender group. Among women, females less than 25 years of age over-transact with members similar to themselves while females aged 35-44 are more likely to have external ties.

We conclude this section by providing sample sociograms which represent the average HEP and CE member according to their network size (number of contacts) and their percentage of internal ties. We also include the total number of hours of

Table 5.3 Who Time Bankers exchange with: Internal and external contacts by age and gender

	(%)	Internal Ties (%)	External Ties (%)	Proportion Internal (%)
<i>HEP</i>				
Female Less than 25	6.6	4.3	95.7	64.9
Female 25-34	17.3	14.0	86.0	80.9
Female 35-44	14.1	18.5	81.5	131.2
Female 45-54	13.7	15.9	84.1	116.2
Female 55-64	8.7	7.2	92.8	82.8
Female 65 or more	4.2	6.4	93.6	152.4
Male Less than 25	2.1	1.1	98.9	56.1
Male 25-34	6.0	4.9	95.1	81.6
Male 35-44	5.0	2.0	98.0	40.2
Male 45-54 yrs	3.4	2.7	97.3	78.8
Male 55-64 yrs	2.5	3.6	96.4	146.4
Male 65 or more	1.1	0.0	100.0	0.0
Organization	9.9	10.3	89.7	103.9
<i>CE</i>				
Female Less than 25	3.0	7.0	93.0	233.9
Female 25-34	4.6	9.0	91.0	196.1
Female 35-44	9.4	8.0	92.0	85.2
Female 45-54	14.4	18.6	81.4	129.0
Female 55-64	12.3	13.8	86.2	111.9
Female 65 or more	11.8	15.5	84.5	131.4
Male Less than 25	1.8	0.0	100.0	0.0
Male 25-34	1.2	0.0	100.0	0.0
Male 35-44	1.8	2.1	97.9	117.0
Male 45-54	3.3	11.3	88.7	341.4
Male 55-64	2.8	5.7	94.3	205.3
Male 65 or more	4.1	6.8	93.2	164.7
Organization	7.7	7.5	92.5	97.1

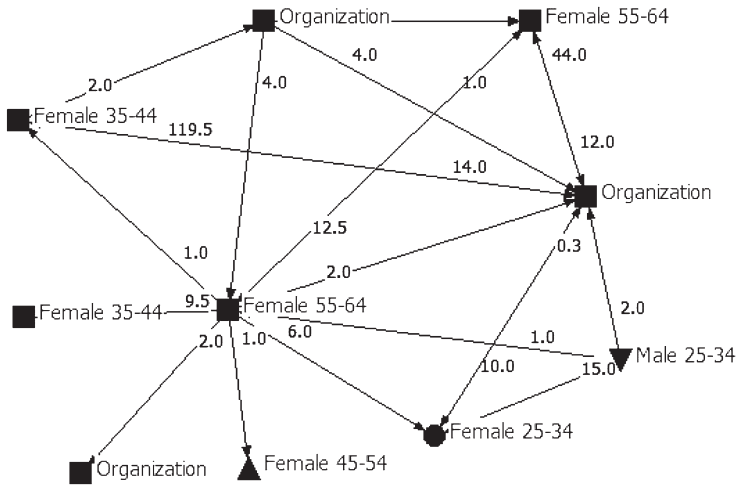


Figure 5.11 Select sociogram: Ego-network of HEP member with average network size and percent internal ties

services that the members have exchanged with one another (the ties are “valued” in these diagrams). The average HEP member has approximately 9 contacts and 11% of those are within their own age/gender group. In Figure 5.11 we highlight a female member aged 55-64 (near the middle of the figure). She has exchanged with one other member in her age/gender group. This is a reciprocal relationship in which this average member (ego) has provided 12.5 hours of service to this alter who has provided a one hour service to ego. This member’s 8 other contacts are all outside of her age/gender group. Notice that several of this member’s trading partners appear to be very active HEP members given the large number of hours being exchanged between some alters.

Figure 5.12 provides a sociogram for a member approximating the CE average of 8 contacts and 13% internal ties. This is a female aged 45-54 who has traded with only one other member in her age/gender group (she received 3 hours of services from that alter). This member is most likely to exchange with male CE members. She has provided 2 hours of services to a male who is 65 or older. She has received a total of 6 hours of services from her other three male alters. She has provided the most hours of services (6) to an organizational member from whom she also received 5 hours of services. Again, notice that several of this member’s trading partners are more active in CE given the number of hours exchanged among this member’s alters.

This section has gotten very detailed as we investigate who trades with whom. Our primary theoretical lens here has surrounded two major forms of social capital. Trading with members who are similar to oneself is an indicator of bonding social capital while trading with members who are dissimilar is an indicator of bridging



..., Lasker, J. N., & Lasker, D. J. N. (2012). Equal time, equal value : Community currencies and time banking in the us. Taylor & Francis Group.
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Limitations of Transaction Data

As others have noted (Seyfang 2001a, Lasker et al. 2011), transactions records are far from perfect. Since maintaining a certain balance is not required for those wanting services, the incentive to keep accurate records is not very high. Many members, as we have seen, have large balances and may not bother reporting all of their hours. Perhaps the biggest irony of unreported hours is that it is sometimes the result of the successes of Time Banking itself. As members get to know each other better and establish relationships with those with whom they are exchanging, recording transactions with friends may begin to seem unnecessary or even inappropriate. Technology may also play a role in underreporting. While in the early days of Time Banking, service exchanges were most often arranged through and recorded by staff, today most of this activity is done by members themselves. Specifically, it is the responsibility of the provider of the service (the one earning the Time Dollars) to report the service she or he provided. The availability of online software makes this possible, and it alleviates a very time-consuming task for the coordinators. Yet for some members, using the Internet is problematic by virtue of poor access or unfamiliarity; in those cases, they can request that the coordinator enter the information, but they may not want to go to the effort. For some, even entering information online takes time and effort that may not seem worth it. Others simply forget to do so.

The prevalence of non-reporting was estimated through our membership surveys at both HEP and CE. At HEP, the following question was fielded: "Have you ever provided a service to a member and not reported your time to the office (and therefore not collect the Time Dollar(s) you earned)?" The majority of respondents (56.8%) state they have never failed to report their time, 22.5% have not reported on one or two occasions, 14.1% have not a few times, and only 6.6% say this has been the case many times. In the CE study, about 60.7% responded that they always reported transactions, 14% said about three-quarters of the time, 6% said about half of the time, 6.7% said about one-quarter of the time, and 12.7% said they rarely or never did.

In our HEP survey, we also asked members about the importance of Time Dollars and whether they would still participate in the network if there were no alternative currency (hours) and the system was just a network of pure volunteers. There was tremendous variation in the responses to this question. About one-quarter (23.1%) reported that they were "not at all" likely to continue under this scenario, 29.0% reported they were "a little" likely to continue, 24.9% said "somewhat," and 23.1% reported that they were "very likely" to continue in a purely voluntary network. So, the currency, the credits themselves, are quite important for some and not at all for others, and this is surely reflected in patterns of recording transactions.

From the point of view of analyzing what goes on inside Time Banking, we must consider that while the transaction data that we have reported on here reflects member's official Time Dollar balances and activity, it is most likely an

underestimate of the exchanges that occur among members of these Time Banks. It is not possible to know how underreporting might bias the results in terms of types of services exchanged or in the analysis of networks.

Member to Member Participation

Throughout this chapter we have focused solely on HEP and CE. We also have participation information available from our surveys at M2M. As we have discussed throughout, this embedded Time Bank with a restricted membership is quite different from HEP and CE. This is also the case in how transactions are arranged. At M2M, the coordinator serves as the matchmaker. Whereas in CE and HEP, most of the matches are made by members themselves, in the M2M program, the staff does the searching of member profiles and service requests to find appropriate matches. M2M staff also follow up with recipients after a service is provided so that they can record the Time Dollar exchange. Therefore, all of the exchanges matched by M2M staff are recorded. Given the nature of the program and its members, it does not appear that self-arranged, nonreported transactions are common.

In our retrospective survey, M2M members were asked how often they provide and receive services in the program. Over half (58.1%) of the respondents reported that they have never provided services. These are mostly frail participants who joined the program in the recipient role and also includes some intending to provide services who had not yet participated. One-third (33.5%) of the respondents report providing services once a week or more. Members tend to provide very regularly or not at all (less than 5% are in either the “several times a year” or “monthly” categories). Just over half of our respondents (52.7%) report having never received a service. Again, most of these are participants who joined in the provider role, but there are some intending to be recipients who had yet to participate. Of those who have received services, the frequency with which they get those services varies quite a bit: 16.8% responded “once a month or less,” 4.8% said “several times a month,” 21.6% reported “once a week,” and 4.2% said “several times a week.”

So, one-third of M2M members report that they provide services and one-quarter receive services on at least a weekly basis. These members are definitely active participants. How does it compare to what we found in the transaction data at HEP and CE? While the metrics and data are very different, the M2M results look roughly comparable in our estimation. Since one hour is the most frequently reported time exchanged (length of service) in both HEP and CE, “weekly” would imply at least about 13 hours per quarter. As we saw above (Figure 5.2), 22% of HEP members and 26% of CE members have average quarterly participation times of 10 or more hours.

Our other two measures of M2M participation concern service diversity, the number of different services reported to be provided and received. Notice the remarkable similarity of the pie charts in Figure 5.13. Of those who have provided,

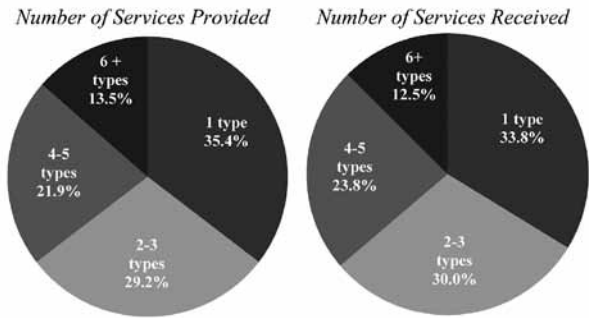


Figure 5.13 Service diversity at M2M: Number of different services exchanged, retrospective survey

35.4% have only provided one type of service. Of those who have received, 33.8% have only received one type of service. About 30% have provided or received two or three different types of services. As we saw in Tables 4.3 and 4.4, the service types from the M2M surveys are very specific. Overall, nearly two-thirds of M2M members provide or receive only a few different types of services. As expected, this embedded Time Bank with a restricted membership has a limited number of services available to its members.

Demographics and Motivations as Predictors of M2M Participation

As in the cases of HEP and CE, we now estimate statistical models to assess how participation varies among M2M members. We begin by testing the impact of our demographic variables upon the four measures of participation. Figure 5.14 summarizes the results of these four multiple regression models (see Methodological Appendix). First, we see that female M2M members are more likely to report providing services more often than males. Older members, disabled members, and those in poorer health are less likely to provide services and also provide a lower range of services. Conversely, as we would expect in this program, older members, disabled members, and those in poorer health are more likely to receive services more often. Finally, older members and those in poorer health are also more likely to receive a greater variety of services.

The findings surrounding age, disability, and health status all meet our expectations, indicating that those who are more frail and in need are less likely to provide and more likely to receive. We did not anticipate the gender effect though. Why are female M2M participants more likely to provide more often? We know that it is not attributable to any gender differences in age, disability, or health status at M2M since these variables are controlled for in the models. Perhaps women are more likely to provide services than men because of the matching process. As discussed in Chapter 2, M2M coordinators contact providers when recipients are in need of services. It may be that female members are asked to provide services

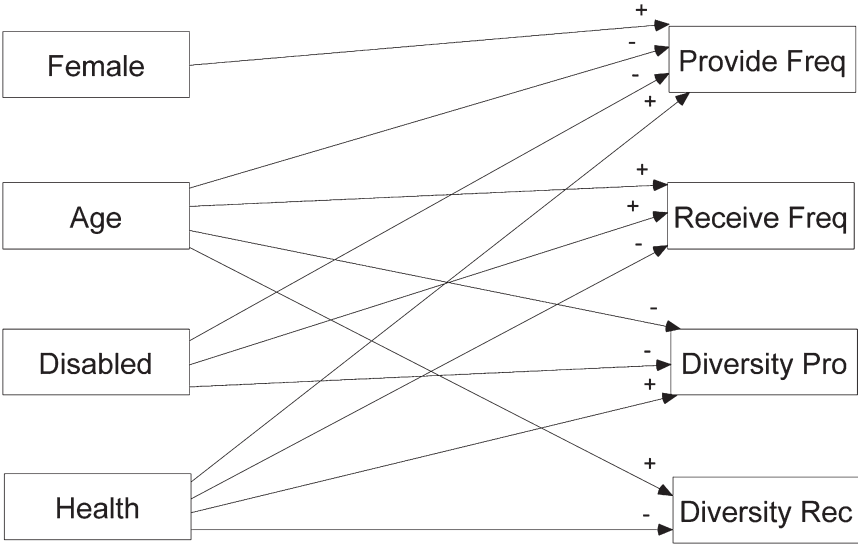


Figure 5.14 Summary of models of demographic variables predicting participation at M2M, retrospective survey

more often than men. Given the gender division of labor, it is possible that women are more likely to offer the most in-demand services in the Time Bank.

Now that we have investigated the impact of demographic variables upon participation at M2M, we can incorporate motivations. The five motivation items that we fielded in the retrospective survey (see Table 3.3) were tested for the impact that they have upon the four participation variables (see Methodological Appendix). Of the twenty associations tested, only one was statistically meaningful. Those providers who report joining for altruistic reasons (“to help others”) are more likely to provide a greater variety of services. In fact, those motivated by altruism provide more than twice the number of services on average compared to those who did not join for altruistic reasons. So, those who join to “give back,” provide a variety of services to members. It is interesting that we found the opposite in the HEP case above. There, those who joined for altruistic reasons have less diversity in the services they provide and receive. Despite the differences in data measurement and in these programs, these opposite results do highlight the salience of altruism in Time Bank participation. Overall, in both cases, motivations play very little role in shaping participation. It is interesting that altruism does so in both.

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Discussion and Conclusion

This chapter has explored the major aspects of member participation in Time Banking. When looking at individual members' activities, HEP has had more marginal participants as nearly one-third of its members average only one hour or less per quarter. While HEP has been and continues to be a larger Time Bank than CE, members in the former tend to be less active. We will return to this question in the concluding chapter when we explore some of our data on the limitations to participation in Time Banking. For now, it is important to recognize that differential participation is substantial in Time Banks and overall membership numbers exaggerate what actually occurs in Time Banks.

We also found that debt at both HEP and CE is relatively rare. The vast majority of members have no debt and are not taking advantage of the ability to run negative balances in Time Banks. This is strong evidence to counter some of the skeptics. Our data indicates that the Time Banking idea works. Members do not appear to be taking advantage of the ability to get "free" things. Assumptions made by mainstream economists about "rational actors" do not seem to apply to Time Banking. The rational actor model assumes that people attempt to maximize their returns while minimizing their investment. Debt would be a much more serious problem if this were the case in Time Banks. The rational actor model would also assume that people would be motivated to provide "cheap" services (those that are inexpensive in the formal economy) in the Time Bank and buy ones that are expensive in the paid economy. While our data would not make this proposition easily testable, we assume that since debt is not problematic, this type of disparity is not likely to be widespread either.

In our investigation of the determinants of participation, we found that low-income CE members are more active; exchanging more often, having more trading partners, and having more credits in their accounts. Given Time Banking's economic empowerment objectives, these results demonstrate the potential of these networks. Our demographic analysis also indicates that female members are more likely to exchange more diverse services at HEP, are likely to have fewer contacts at CE, and are more likely to provide more often at M2M. An unanswered empirical question is whether the strength of women's numbers in these systems and the strength of their commitment may deter men from joining. Age dynamics are also important in all three of our cases. Older members are more likely to have higher account balances at HEP, but lower balances at CE. At M2M, the oldest members are more likely to receive more services and a variety of them, and less likely to provide. Future researchers as well as local currency practitioners should consider the implications of differential participation by income, gender, and age.

Our motivations analyses at HEP and M2M indicate that the reasons people join Time Banks do not play a large role in shaping their participation in them. We found few statistical associations, the most meaningful surrounding altruism. Despite the differences between traditional volunteering and Time Banking that we discussed in the first chapter, altruism does cause some to join and shapes

participation. This suggests that coordinators need to stress the importance of spending Time Dollars, asking for services. If too many members desire to only “give back,” Time Bank activity diminishes since it is the service recipient who usually initiates the transaction. The irony of altruistic Time Bankers is that they inadvertently prohibit other members from “giving back” by not spending the currency themselves.

Our social network analysis in this chapter also highlighted some interesting differences between HEP and CE. At HEP, male members under-transact with other males while at CE, female members under-transact with other females. Elderly HEP members over-transact with other older members while younger CE member over-transact with other younger people. The reasons underlying these trends are not very clear to us. Our results suggest that overall, HEP is generating more bridging social capital while CE is creating more bonding social capital.

This chapter provides the most thorough investigation of Time Bank participation to date. By focusing on the various key indicators measuring the engagement of members, we have provided a detailed overview of what happens within these networks. Despite our thorough analysis of HEP and CE Time Dollar activity, it is ironic that we also see that the local currency itself is somewhat meaningless. Time Bank organizations tend to spend freely, remunerating members for a variety of services to the organization, and are in substantial debt. One of the secrets of Time Banking is that the credits are simply a mechanism to promote people helping each other. In this regard, we now turn our attention to the outcomes of Time Banking.

Methodological Appendix

Table A5.1 Descriptive statistics of key indicators of member participation at HEP and CE

Variable	TB	Mean	Median	Mode	Std Dev	Min	Max
Total Hours	HEP	85.62	14.00	1.00	255.68	0.25	6319.00
Total Hours	CE	121.01	22.75	2.00	378.23	0.25	7795.40
Average Hours	HEP	7.66	3.31	1.00	14.89	0.18	249.50
Average Hours	CE	11.49	4.00	2.00	28.15	0.09	433.08
Account Balance	HEP	14.86	1.00	1.00	100.01	-1914.75	1263.50
Account Balance	CE	9.95	4.75	2.00	233.58	-6154.90	1446.75
No. Contacts	HEP	8.49	3.00	1.00	16.18	1.00	195.00
No. Contacts	CE	7.37	4.00	1.00	12.49	1.00	188.00
Recip. Contacts	HEP	0.88	0.00	0.00	2.45	0.00	33.00
Recip. Contacts	CE	1.63	1.00	0.00	3.33	0.00	40.00
Ego-Net Density	HEP	25.63	16.22	0.00	31.37	0.00	100.00
Ego-Net Density	CE	29.52	23.15	0.00	30.52	0.00	100.00
IQV Services	HEP	0.40	0.48	0.00	0.34	0.00	0.94
IQV Services	CE	0.48	0.54	0.00	0.31	0.00	0.94

HEP N = 1807; CE N = 1010

Membership Length and Average Hours Computation

Membership length was computed by subtracting the date of a member’s first transaction from the date of their last transaction to determine days participated. This result was divided by 91.25 (the number of days in an average quarter) to get number of quarters of participation.

The average hours variable was computed by taking a member’s total hours of engagement (earning and spending Time Dollars) and dividing it by the number of quarters they have participated.

Correlations among Participation Variables

In testing for associations, we employ the continuous, numerical versions of these variables (rather than the categorical versions illustrated in Figures 5.1, 5.2, and 5.3). The correlation coefficient (Pearson’s *r*) is the most appropriate statistic to test for associations among numerical variables. Pearson’s *r* ranges from -1 to +1 with

0 indicating no linear association. Since the participation variables are derived from complete population data, there is no need for tests of statistical significance in Table A5.2 below. According to Healey et al. (1999), values of Pearson’s *r* ranging from .10 to .29 can be considered as “moderate” associations while those .30 and higher reflect “strong” associations.

Table A5.2 Pearson’s *r* correlation coefficients among participation variables at HEP (lower left) and CE (upper right)

		Community Exchange						
		Total Hours	Average Hours	Balance	Contacts	Recip. Contacts	Density	Diversity
Hour Exchange Portland	Total Hours		0.76	0.10	0.69	0.75	-0.11	0.18
	Average Hours	0.57		-0.38	0.37	0.45	-0.08	0.05
	Balance	0.30	0.09		-0.21	-0.25	0.02	0.03
	Contacts	0.73	0.37	0.23		0.85	-0.15	0.39
	Recip. Contacts	0.66	0.31	0.13	0.87		-0.11	0.34
	Density	-0.04	0.07	0.00	-0.05	-0.03		0.31
	Diversity	0.26	0.18	0.04	0.39	0.35	0.44	

Regression Models Predicting Participation from Demographics (Figures 5.7 and 5.8)

All of the model assumptions of multiple regression were met and multicollinearity did not pose a problem. The sample size for the HEP models is 235, for CE models it is 158. At HEP, 10 of the 13 associations are statistically significant at $p<.05$. Three associations are significant at $p<.10$ and were confirmed in additional analyses. At CE, 16 of the 20 associations are significant at $p<.05$. Four association are significant at $p<.08$ and were confirmed in additional analyses. The strength of all of the associations in both figures are at least “moderate/worth noting” (see Healey et al. 1999) as the beta-weights range from .10 to .29. At HEP, length has “strong” effects (beta-weights exceeding .30) in four of the models. At CE, length has “strong” effects in four of the models and income has “strong” effects in two of the models.

Regression Models Predicting Participation from Motivations and Demographics at HEP

Three statistically significant ($p<.05$) associations were found between the motivation scales and the participation variables when controlling for the

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demographic variables in the models. The strength of all three associations is in the “moderate” range (beta weights are .10 - .29).

Who Trades with Whom Analysis

Based on our findings of the composition of Time Banks (see Chapter 3), we determined that gender, age, and organizational status are the three most important variables to consider when investigating who trades with whom.

Regression Models Predicting Participation from Demographics at M2M (Figure 5.14)

All of the model assumptions of multiple regression were met and multicollinearity did not pose a problem. The sample size for these four models is 153. Our six demographic variables (gender, age, marital status, living situation, health status, and disability status) were tested as predictors of our four participation variables. All of the statistically significant association reported in Figure 5.14 are significant at $p < .05$, with the exception of Female:Frequency of Providing ($p = .055$) and Age:Frequency of Receiving ($p = .057$). The strength of all significant associations is in the “moderate” range (.10 - .29).

Models Predicting Participation from Motivations at M2M

As discussed in Chapter 3, the motivation items were fielded only to M2M providers in our retrospective survey. Thus, given the low sample size on these items ($n = 61$), we were only able to test for bivariate associations between the five motivation variables and the four participation measures. To do so, we ran twenty t -tests. The one that was statistically significant ($p < .05$) indicates that those who joined to help others have exchanged 4.02 different services on average compared to 1.90 for those not stating this reason.

Chapter 6

The Outcomes of Time Banking

Introduction

In this chapter we address the final, and arguably most important, stage of Time Bank participation: outcomes. To what extent do these networks produce benefits for individuals, organizations, and communities? Here, we use quantitative data from all three of our cases to assess the impact of local currencies. Following the analyses in the previous three chapters, we will also be testing for the major determinants of these participant outcomes. Which members are most likely to gain these effects? Qualitative data from two of our cases will also provide additional details on the impacts of these networks.

As discussed in Chapter 1, advocates of Time Banking (and local currencies more generally), cite numerous potential outcomes that may result from these local service exchange networks. These include economic, social, health, resources, ideological, and environmental outcomes. There are three different levels at which community currencies can potentially produce positive effects: individual, organizational, and community. Individual-level outcomes personally benefit participants. Organizational outcomes are those that strengthen the organization administering or organizations participating within the program. Community outcomes create positive benefits for the local region in general. Since we collected the majority of our data at the individual, participant level, all of the analyses in this chapter will be focused there. The organizational and community benefits produced by local currency networks have not yet been researched and are an area of need that should be considered by scholars in the future. We begin by reviewing the previous empirical research on outcomes gained through local currency participation.

Previous Research

The existing scholarship on local currency outcomes is mostly case studies of individual LETS systems. There is also a study of a U.K. Time Bank, a U.S. Time Bank, and one of Ithaca Hours that investigate outcomes. Table 6.1 summarizes this previous research.

As indicated in the table, LETS members have found their service exchanges useful in producing resources (help network), social outcomes (new friends and community), and some economic benefits. The previous studies of Time Banking and Ithaca Hours report social outcomes (friends, neighborhood, and community),

feelings of altruism, health benefits, as well as economic benefits. Data from our three cases will add considerably to this evidence on the outcomes of local currency participation.

Table 6.1 Summary of previous community currency research on outcomes

Study	Population	Methods ^a	Outcomes
Williams et al. (2001a, 2001b)	26 U.K. LETS	1999 Survey; n=810; RR=37%	Developed help network (75%); New friends (55%)
Birch and Liesch (1998)	50 Australian LETS	1995 Survey; n=371; RR=37%	Personal development; Economic benefits
Williams (1996b)	U.K. LETS Case Study	1995 Survey; n=63; RR=25%	Developed help network (68%); New friends (46%); Use skills (38%)
Williams (1996a)	U.K. LETS Case Study	1995 Survey; n=109; RR=22%	Helped improve standard of living (48% of low-income, 44% of unemployed)
O'Doherty et al. (1999)	U.K. LETS Case Study	Survey; n=96; RR=32%	Sense of belonging to community (84%)
Seyfang (2001a, 2001b)	U.K. LETS Case Study	1996 Survey; n=64; RR=60%	New income opportunities (48%); More community involvement (43%); Build self-confidence (23%)
Seyfang (2002, 2003)	U.K. Time Bank Case Study	2002 Survey; n=18; RR=28%	New friends (72%); Better neighborhood (56%); Help others (50%)
Jacob et al. (2004b)	Ithaca Hours (U.S.) Case Study	2002 Interviews; n=42	Able to help others (88%); Improved quality of life (84%); New friends (68%); Developed new skills (43%); New access to goods (41%)
Stern, Cherry, and Oberlink (2009)	U.S. Time Bank Case Study of Older (60+) Members	2009 Survey; n=61; RR=81%	New friends (86%); Sense of belonging to community (85%); Mental health/well-being (72%); New health information (66%); Increased trust (66%); Self-confidence/self-esteem (64%); Save money (51%); Physical health/well-being (48%)

^a n = Number of cases; RR = Response rate

The Outcomes of Time Banking

Hour Exchange Portland

The respondents of our HEP survey were asked to identify the extent to which their involvement with the Time Bank has enabled them to accomplish various things. The 29 motivational items reviewed earlier in Table 3.2 were included as well as 28 additional outcome questions. These additional outcome items are specific to engagement in community currencies and were not derived from the larger literature on why people volunteer or participate in social movements. Table 6.2 provides descriptive statistics for the 29 outcome items that correspond with the 29 motivational questions from Chapter 3. A factor analysis (statistical data reduction procedure) indicates that these outcome items also combine to form seven unidimensional scales under the four broader themes as in the case of the motivations.

Table 6.2 HEP outcome items and scales corresponding with 29 motivation items (scales and items; range=1-4)

	Mean	SD
Ideological/Value Outcomes		
<i>Values Outcomes Scale ($\alpha = .92$):</i>	3.03	.65
Act on your personal values, convictions, or beliefs	3.09	.75
Contribute to the quality of life in our region	3.03	.76
Be part of a larger movement for social change	3.03	.75
Create a better society	3.00	.72
Build community in our region	2.99	.78
<i>Independence Outcomes Scale ($\alpha = .87$):</i>	2.33	.90
Be more independent from large corporations	2.37	.94
Be more independent from government	2.29	.97
Altruistic Outcomes		
<i>Altruistic Outcomes Scale ($\alpha = .75$):</i>	2.81	.61
Gain satisfaction from helping others	3.22	.71
Help people in need	2.86	.79
Give back to the community	2.85	.79
Use your skills to do something for others	2.30	.90
Economic/Instrumental Outcomes		
<i>Wants Outcomes Scale ($\alpha = .81$):</i>	2.77	.88
Obtain services or goods that you would not normally pay cash for	2.80	.97
		<i>continued</i>

Table 6.2 *concluded*

	Mean	SD
Obtain services or goods that you would rather not pay cash for	2.74	.96
<i>Instrumental Outcomes Scale ($\alpha = .76$):</i>	2.71	.65
Learn new skills from others	2.89	.82
Improve the local economy	2.87	.81
Help establish trust among people	2.54	.93
Use or improve skills that you do not get to use regularly	2.52	.86
<i>Needs Outcomes Scale ($\alpha = .53$):</i>	2.66	.63
Obtain needed services that you could not perform yourself	2.86	.96
Expanded your purchasing power	2.78	.82
Obtain needed services or goods that you could not afford	2.33	.87
Social Outcomes		
<i>Social Outcomes Scale ($\alpha = .85$):</i>	2.34	.60
Spend more time with acquaintances or friends	3.00	.91
Have a good time doing things in a social setting	2.89	.82
Meet new people or make friends	2.66	.93
Helped you to feel needed or useful	2.44	1.01
Experience new activities in group settings	2.29	.91
Feel better about yourself	2.05	.89
Spend more time with like-minded people	2.03	.86
Helped you to have something worthwhile to do with your free time	1.90	.98
Helped you to feel less lonely	1.79	.88

The 28 additional outcome variables were also subject to factor analysis to determine if there are common underlying dimensions among these items. Three additional outcomes scales were identified from fourteen of the survey questions (see Table 6.3). These include outcomes related to health and help issues, social capital outcomes, and work-related benefits. The mean scores (illustrated in Figure 6.1) indicate that HEP has been most successful in meeting the values outcomes of its members. That is, participation in HEP has allowed members to act on behalf of the values that they cherish (such as building community and creating a better society). Two-thirds of respondents are in the “to some extent” or “to a great extent” (score of 3 or 4) range on this scale.

Of the ten outcomes scales, work outcomes are rated lowest. As has been found in LETS systems (see Williams et al. 2001a), relatively few members experience Time Banking as directly impacting their formal employment. It is interesting that the two outcome measures that are neither economic nor social in nature (values and altruistic) are rated highest by these participants on average. Respondents are most likely to feel that HEP has allowed them to act out on their beliefs and

Table 6.3 Additional HEP outcome items and scales (scales and items; range=1-4)

	Mean	SD
Health Outcomes		
<i>Health Outcomes Scale ($\alpha = .89$):</i>	2.48	.76
Improve your standard of living	2.80	.89
Get help from others	2.72	.90
Learn about sources of support and advice in the region	2.53	.94
Enabled you to feel less financially stressed	2.50	.97
Improved your mental health	2.23	.95
Improved your physical health	2.09	.98
Social Capital Outcomes		
<i>Social Capital Outcomes Scale ($\alpha = .86$):</i>	1.78	.67
The frequency with which you volunteer	2.08	.93
Your involvement with community, civic, or political groups	1.93	.90
Your political activism	1.79	.84
The frequency with which you attend non-Time Bank social, political, or community events	1.61	.78
The frequency with which you entertain guests at your home	1.51	.71
Work Outcomes		
<i>Work Outcomes Scale ($\alpha = .73$):</i>	1.56	.69
Enabled you to learn new job-related skills	1.73	.85
Provided you with the opportunity to work	1.62	.95
Helped you to find a job	1.32	.74

help others. While such social psychological gains are important, they have not been a major frame for this movement. More so than economic or social capital, this voluntary service exchange network is more likely to produce a form of cultural capital. Cultural capital, a symbolic good, comes in the form of attitudes, knowledge, and preferences (see Bourdieu 1986, Wilson and Musick 1997). Overall, it appears that participation in HEP has resulted in beneficial outcomes for a substantial proportion of members. In five of the ten outcomes scales, more than 40% of respondents fall within the “to some extent” or “to a great extent” range.

Now that we have identified ten types of potential outcomes at HEP, we can build on our analyses from Chapter 5 and assess the extent to which demographics, motivations, and trading activity impact outcomes. That is, which members are most likely to gain these effects? We will begin with our demographic variables and test for the possible associations between these ten variables and our ten outcome scales (see Figure 6.2).

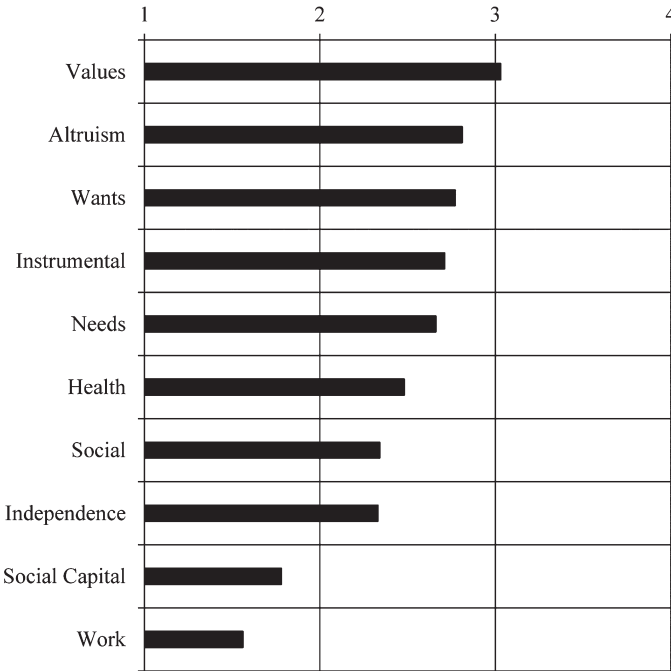


Figure 6.1 Ten scales from HEP outcome analysis

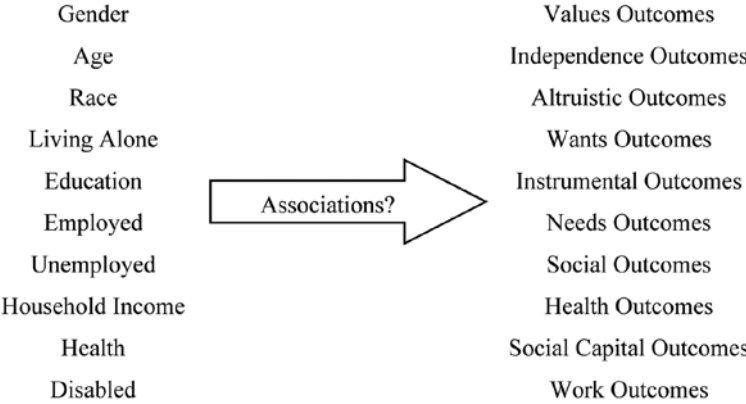


Figure 6.2 Summary of HEP outcome analysis: Demographics as predictors

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This analysis will enable us to answer the following types of questions: Are female HEP members more likely to report gaining altruism outcomes? Are HEP members who are living alone more likely to gain social benefits? Are unemployed members more likely to gain beneficial work outcomes? Are low-income members more likely to gain access to needed or wanted goods and services? Are those HEP members in poorer health more likely to gain some health benefits through their participation? The findings from these regression analyses (which also include membership length as a control variable) are summarized below in Figure 6.3 (see Methodological Appendix for details).

Only five of the outcome scales were statistically predicted by one or more of the demographic variables. On average, younger HEP participants are more likely to report that their participation in the Time Bank has helped them meet their economic needs. Participation in HEP has also helped younger members to access things they want and to gain some health-related outcomes. Lower income members are also more likely to report gaining wants and health outcomes. Social outcomes are only predicted by one variable. Those with lower educational attainment are more likely to report social benefits of participation. Figure 6.3 also illustrates that those with less formal education and those who had recently experienced unemployment are more likely to report positive work-related outcomes. The membership length variable has positive effects on all five of these outcomes. Those who have been members longer are more likely to report all of these benefits of participation.

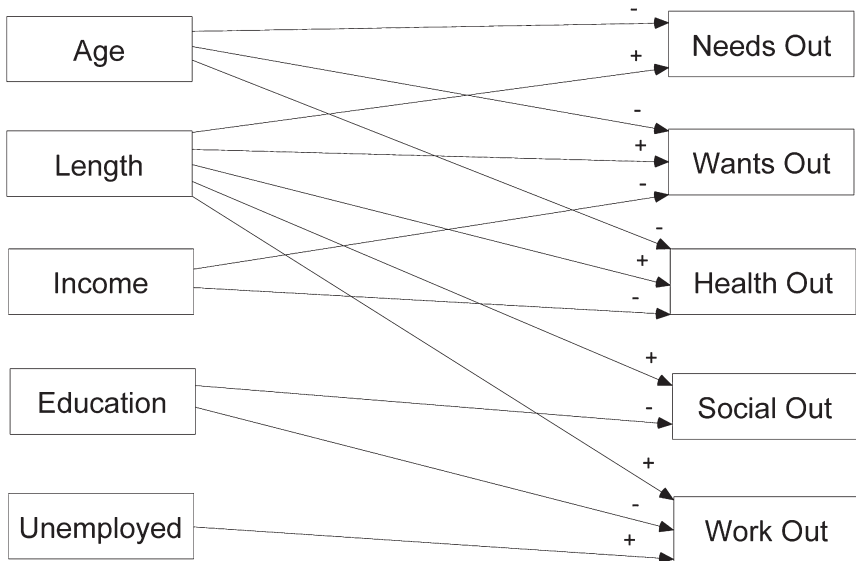


Figure 6.3 Summary of models of demographics predicting HEP outcomes

The impact that demographic variables have on outcomes at HEP is quite different than what we saw in the previous chapter on the association between demographics and participation (see Figure 5.7). While membership length is central in all of these models, age is the only demographic variable that impacts both participation and outcomes. Here, we see that the younger members are more likely than older members to report outcomes surrounding needs, wants, and health. It is quite likely that younger members tend to request different types of services (we did not test for which types of members provide and receive which types of services). It is also interesting that while low-income participants are no more likely to gain needs or work outcomes, they do report gaining access to things they want as well as health benefits. Thus, HEP does appear to impact the quality of life of its lower-income members.

Since educational attainment has been found to be a major positive predictor of the number of one’s social ties in previous research (see McPherson, Smith-Lovin, and Cook 2001), it is noteworthy that those with lower education are reporting greater social outcomes from their participation. HEP members with lower educational attainment appear to be gaining new social ties that may not be easily found elsewhere. Since formal education is the major type of “human” capital, it is also interesting that those members with less education are also more likely to gain work outcomes. The Hour Exchange Portland is producing some work benefits for those who may need it most. Also, the fact that those who had recently been unemployed are also reporting greater work-related outcomes is noteworthy.

The next step in our analysis of HEP outcomes is to investigate the association between motivations and outcomes. As the reader will recall from Chapter 3, we constructed seven motivational scales (see Figure 3.1) to measure the various reasons for joining HEP. Now we will assess the extent to which members’ stated reasons for joining influence the types of outcomes they report gaining from HEP participation (see Figure 6.4).

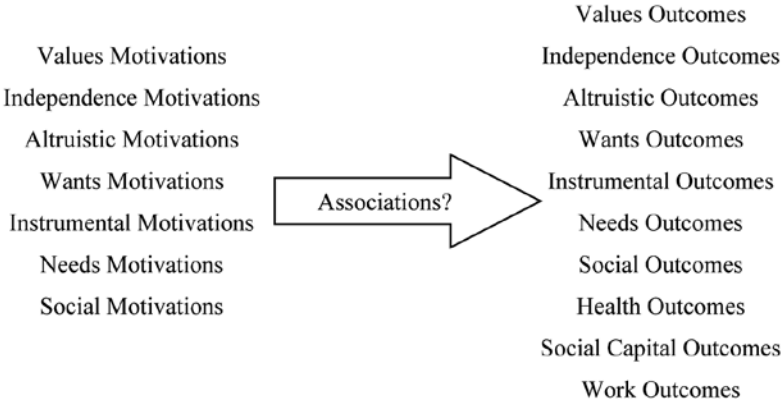


Figure 6.4 Summary of HEP outcome analysis: Motivations as predictors

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The results of this analysis indicate that many of the motivation variables affect outcomes. Six of the seven motivation scales have significant effects upon their corresponding outcome scales. Those who are more likely to have joined for values, independence, altruistic, wants, needs, and social reasons are more likely to benefit from these same outcomes. This seems to indicate that many HEP members are achieving the outcomes that were the original motivating factors that brought them into the Time Bank. As Figure 6.5 indicates, there are also many effects between motivations and “non-congruent” outcomes. Social motivations are correlated with seven of the incongruent outcomes scales. Those who stated that they joined for social reasons are more likely to report instrumental, altruistic, health, independence, social capital, work, and needs outcomes. Clearly, these respondents are gaining much more than social outcomes.

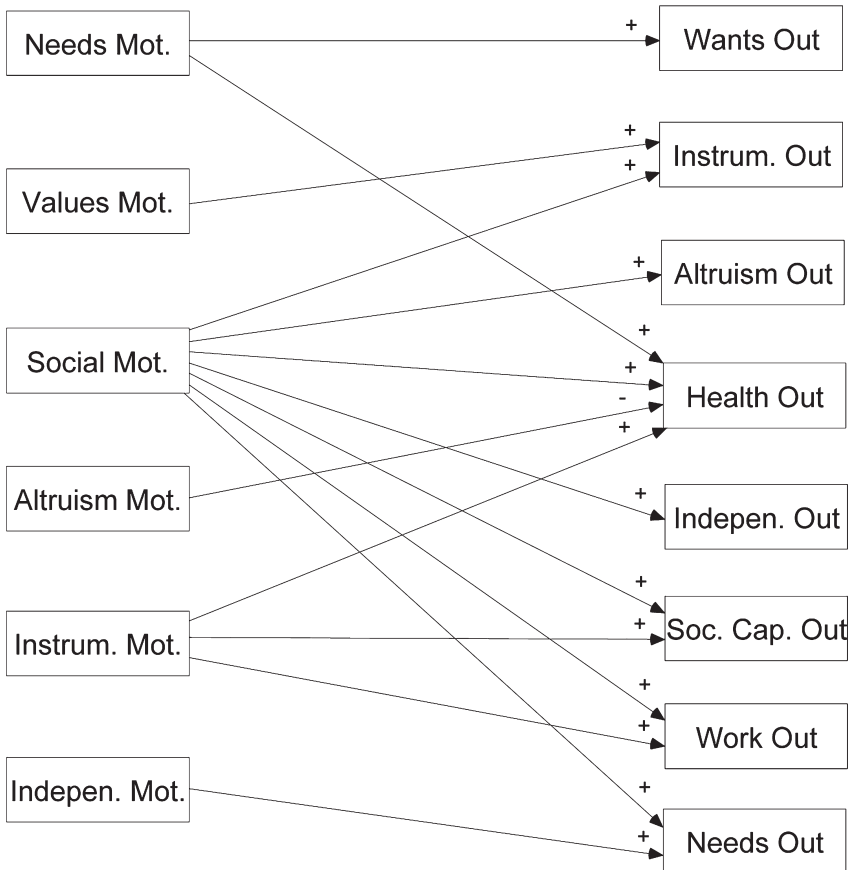


Figure 6.5 Summary of models of motivations predicting HEP outcomes (“congruent” associations not displayed)

Other highlights from Figure 6.5 include the associations between needs motivations and wants outcomes, needs motivations and health-related outcomes, and independence motivations and needs outcomes. Those who join HEP due to economic needs are reporting gaining needs outcomes, wants outcomes, and health-related outcomes. Also, those who join in an attempt to be more independent of corporations and government are more likely to find some of their economic needs met in the network. The “congruent” associations between motivations and outcomes indicate that HEP participants are largely gaining what they have sought while the “incongruent” ones suggest that they are also gaining other beneficial outcomes that may have been unanticipated.

Next we test for possible associations between the seven participation variables introduced in Chapter 5 and the ten outcome scales. Figure 6.6 summarizes what this next set of models is testing.

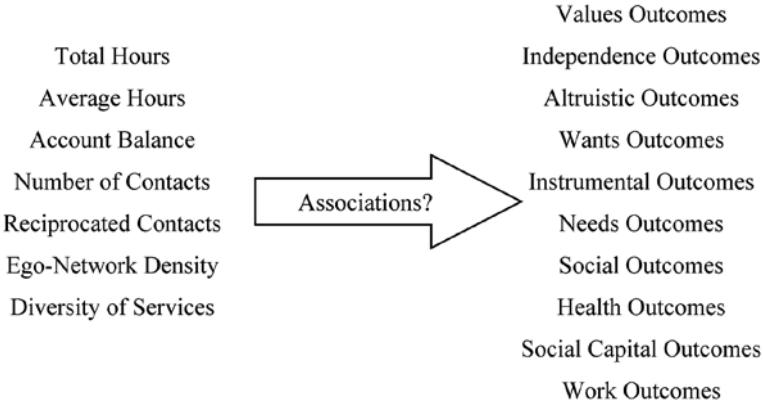


Figure 6.6 Summary of HEP outcome analysis: Participation variables as predictors

Figure 6.7 summarizes the results. The diversity of services exchanged variable has positive effects on four of the outcome scales. HEP members who exchange a greater variety of services are more likely to report gaining social, needs, wants, and health outcomes. This is sensible, as variety in services would appear to be advantageous. Those who only exchange one or a few types of services are limited in what they can gain from the network. It is interesting that neither the total hours nor the average hours variables are correlated with any of the outcomes. It is not the number of hours or quantity of member’s participation that matters for outcomes, but the quality of that participation.

The account balance variable is negatively correlated with two different outcomes. Those HEP members with lower balances are more likely to report gaining needs and wants outcomes. As discussed in Chapter 5, those with higher account balances provide more hours in the network than they receive while those

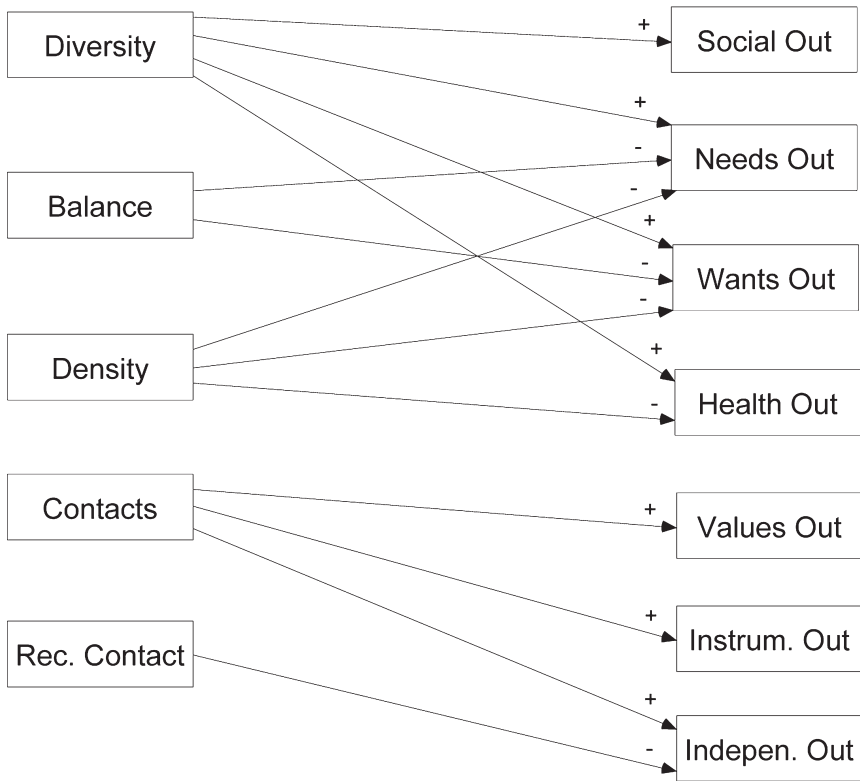


Figure 6.7 Summary of models of participation variables predicting HEP outcomes

with lower account balances have a closer provide to receive ratio or may even have negative balances. It makes sense that the latter are more likely to report needs and wants gains since they are more likely to be receiving services.

The ego-network density variable is negatively correlated with three of the outcome scales. Those with less dense trading networks are more likely to report obtaining needs, wants, and health outcomes. As Chapter 5 explained, low network density indicates that one's trading partners are not trading with one another. We suspect that in dense trading networks, referrals are playing an important role. When members refer others in the network to their trading partners it creates denser ego-networks. Yet those with denser ego-networks are *less* likely to report these gains. This suggests that member referrals may not be the most efficacious means of producing positive outcomes. Members may feel like they are gaining more from transactions they have arranged using the directory, not referrals.

Figure 6.7 also illustrates that the number of trading partners (contacts) has positive effects on three outcomes: health, instrumental and independence. The greater the number of members that HEP participants exchange with, the more

likely they are to gain these outcomes. The last finding from the figure is that those with fewer reciprocated contacts are more likely to report independence outcomes. Those who do not have reciprocal trading relationships with other members are more independent of other members, so perhaps this type of independence in the Time Bank spills over and shapes attitudes about whether they have become more independent from larger institutions.

Thus far we have tested for the impact that demographic variables, motivations, and forms of participation have upon outcomes generated at HEP. Now we bring together all three sets of predictors to build some path models to better show the chain of events here. In these models, the demographic variables are treated as independent variables. Length of membership, motivations for joining, and the participation variables are tested as intervening variables. The outcome scales are the dependent, outcome variables. The models displayed in Figures 6.3, 6.5, and 6.7 indicate that needs outcomes, wants outcomes and health outcomes have the most antecedents (statistically significant predictors). Therefore, we focus only on these three outcomes in these final models for HEP.

Figure 6.8 illustrates the path model for the needs outcomes scale (see Methodological Appendix). We have added the standardized coefficients (which can range from a perfect negative relationship, -1, to a perfect positive relationship, +1) to illustrate the strength of the various associations. Age is the only demographic variable that plays an important role in needs outcomes. As we saw in Figure 6.3, younger HEP members are more likely to report gaining things they need. We also

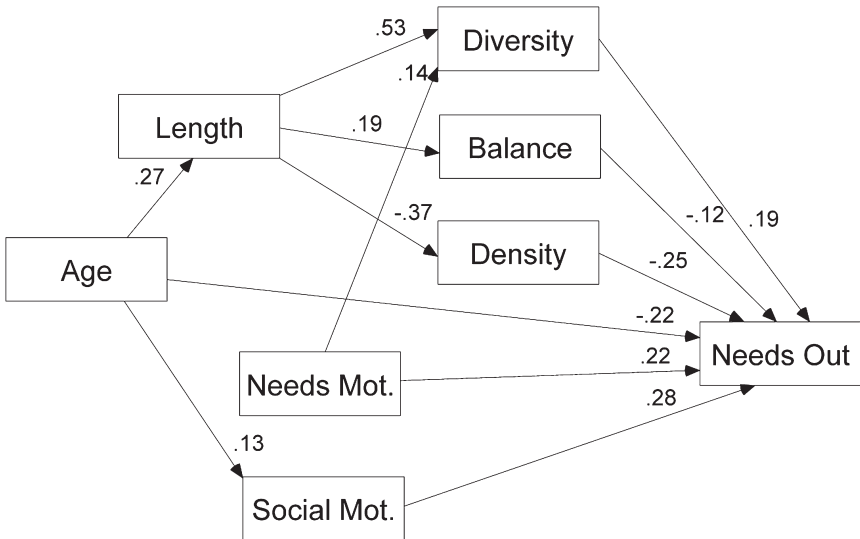


Figure 6.8 Path model of demographics, motivations, and participation variables predicting needs outcomes at HEP, standardized coefficients

see here that older HEP members have participated longer in the network and are more likely to be motivated to join by social reasons (as seen in Figure 3.2). Three of the participation variables play an important role in this model, each of which is correlated with membership length. Those who have been HEP members for longer periods exchange more diverse services, have higher account balances, and have less dense trading networks. While we found age impacting account balance in Figure 5.7, it is not statistically meaningful here in this more complex model. This indicates that age's impact on balance is only an indirect one, operating through membership length. We also see that those who joined because of economic needs are more likely to exchange more diverse services.

Needs outcomes are predicted by most of the variables in the model. Those who exchange more diverse services, those with lower account balances, and those with less dense trading networks are all more likely to reporting gaining things they need from the HEP network. Those motivated by their needs and those who joined for social reasons also report greater needs outcomes. Overall, this model highlights the centrality of the participation variables. While membership length does not have direct effects upon needs outcomes, it does have indirect effects by shaping participation in the HEP network which in turn influences these outcomes.

Figure 6.9 illustrates the path model for wants outcomes. While age and income are reported as influencing wants outcomes in Figure 6.3, those effects are no longer statistically meaningful in this more complex model. In fact, no demographic variables are present here. The association between membership length and the participation variables is the same as reported in Figure 6.8. Likewise, the participation variables have similar effects on wants outcomes as

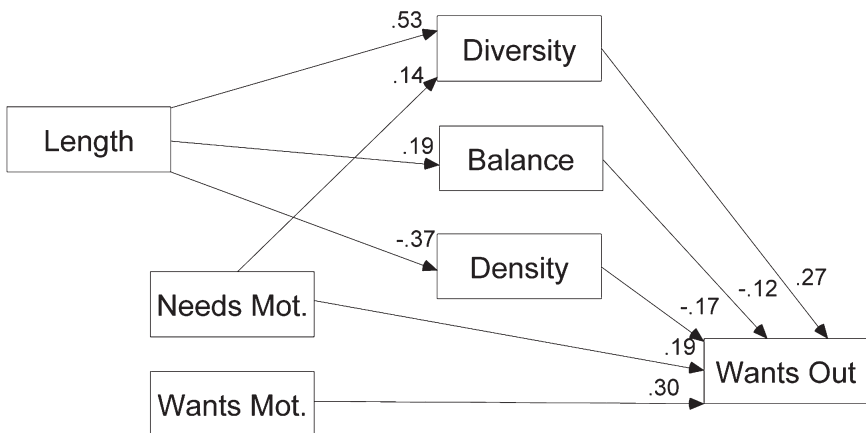


Figure 6.9 Path model of demographics, motivations, and participation variables predicting wants outcomes at HEP, standardized coefficients

they do on needs outcomes. The model below does indicate that those who join due to economic needs report gaining some wants outcomes and those who joined to get things they want also report these congruent outcomes.

The last HEP path model that we present here regards health-related outcomes. This model (Figure 6.10) indicates that motivations for joining HEP play the most salient role in determining health outcomes. We saw the same four motivation scales have important effects on these health outcomes in Figure 6.5. Those who joined for needs, social reasons, and instrumental reasons are more likely to report health outcomes. As we have mentioned, these “incongruent” matches between motivations and outcomes appear to us as unintended, positive consequences. Also, we see here that those who did not join (notice the association is negative) in order to “give back” are more likely to report health gains. Those lower on our altruistic motivations scale joined for reasons other than helping people and giving back. They may have a more instrumental view of the network and are gaining these health-related outcomes. The income effect that we observed in Figure 6.3 disappears in this model, but the impact of age is still important: younger HEP members are more likely to report gaining health-related outcomes. The role of service diversity and network density is the same as we saw in Figure 6.7.

Let us review what we have learned so far in this chapter about member outcomes that are generated at the Hour Exchange Portland. Ideological outcomes

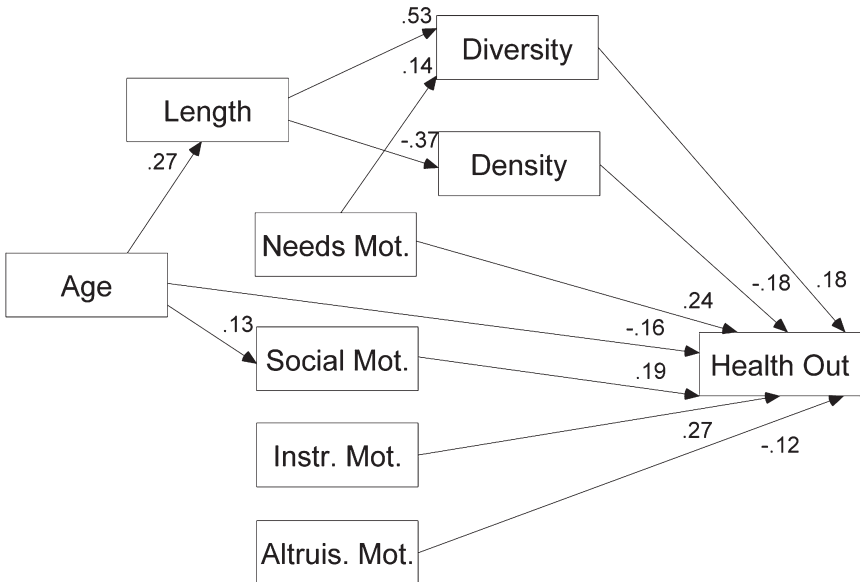


Figure 6.10 Path model of demographics, motivations, and participation variables predicting health outcomes at HEP, standardized coefficients

were the most important benefits stated by HEP members. As noted earlier, this has not been a major frame of local currency movements and we find this outcome surrounding cultural capital particularly interesting. We also found that there is congruence between motivations and outcomes. Overall, members are largely gaining from this service exchange network what they originally sought upon joining. Some incongruent effects were also documented. In particular, those who join for social reasons end up gaining many other types of outcomes as well. Once we incorporated the participation variables as predictors, we learned that it is the quality of one's participation, not the quantity, that produces benefits. The diversity of services exchanged, the density of one's trading network, and account balance (the ratio of giving versus receiving) all have important effects upon outcomes, not the quantity of hours that one is engaged in the system. It is surprising to us that the sheer quantity of participation is not correlated with any of our outcomes. Our results suggest that local currency coordinators should encourage participants to exchange a wide variety of services with a wide variety of people (not necessarily those who trade with others in one's network). Overall, these indicators of qualitative participation are most salient in predicting needs and wants outcomes while the motivational measures are most important in producing health-related outcomes.

Community Exchange

We attempt to follow the same analytical logic as we did in the HEP case for Community Exchange. However, our CE member survey contains different outcome measures and we did not collect quantitative information on motivations for joining here. The seven key participation measures created from the transaction data (described in Chapters 4 and 5) are the same as in the HEP case though. Our CE member survey contains questions tapping into seven different types of outcomes.

Respondents were asked about whether participation in CE has allowed them to save money. The results from this question indicate that 28.7% replied "no," 41.9% said "yes, a little," and 29.4% indicated "yes, a great deal." It is notable that the majority answered affirmatively and nearly one-third indicated that they have saved "a great deal" of money. We also fielded an item on social outcomes, asking respondents the extent to which they agree that "I have met or have been exposed to people I would not normally have met because of Community Exchange." Over half of the respondents (53.1%) "agreed" with this statement and another 43.1% "strongly agreed." Less than 4 percent of respondents disagreed with this statement. Clearly, CE has been quite successful in generating social outcomes according to these member responses.

Our CE survey had many health-related questions. We asked participants if their physical and mental health had changed as a result of their membership in CE, and if so, to explain how. Over three-quarters (78.2%) responded that their physical health "stayed the same." Nearly one in five (18.6%) reported that their physical health had improved as a result of their membership in CE. Our analysis

of the explanations provided revealed two major reasons most commonly cited for improved health: increased social interaction and the classes that are offered through CE. Examples of social interaction explanations are: "Interaction with others has changed my outlook and perspective," "It feels good to socialize, laugh, and have fellowship with others," and "Making social contacts and additional contributions to the community improves my mood and fills the gaps in my social life and friends network; this improves physical feelings." Examples of explanations focusing on the benefits of classes include the report of one member that she received physical benefits from "practicing Tai Chi, employing strategies learned in classes taken" and "The exercise classes helped boost my energy level."

A greater number of CE members reported mental health improvements due to participation. While nearly two-thirds (65.4%) answered that their mental health "stayed the same," 32.5% said that their mental health improved due to CE (only two people reported a decline in mental health as a result of CE). Those who reported improvement cited the social aspect and the opportunity to serve others as the two main reasons they felt that their mental health had improved. One member commented: "Have new friends to talk to. Helps a lot." Another wrote: "...through comm. exchange I know there are people to see & things to get involved in when I'm able. It gives me hope."

We also asked respondents about social support. Over half of the respondents (51.9%) reported that their level of social support had increased "a little" or "greatly" as a result of membership in CE. Of the 68 members who explained their response to this question in the following item, 58 recorded some sort of positive comment regarding CE's impact on their level of social support. These comments included: "It makes me feel independent and useful and also appreciate those that do so many wonderful things for me," "Even though I am now self-reliant I love the idea of a social network of CE members being available as a safety net," and "What a great concept to benefit our society – interdependence is so important."

The nine-item General Self-Efficacy (GSE) scale was also fielded as part of our CE member survey. This scale was developed by Schwarzer and Jerusalem (1995) to assess a general sense of perceived self-efficacy. The scale specifically focuses on ability to cope with daily hassles as well as the ability to adapt after experiencing various stressful life events. We asked members to answer the question based on how they felt both *before* they joined CE (retrospectively) and *at the current time*. Both the retrospective and present time sets of questions have high internal reliability (see Methodological Appendix), indicating that the creation of scales is appropriate. We created a GSE gain scale which counts the number of items on which respondents have reported increased self-efficacy. Over 60 percent (61.9%) of respondents did not report increases for any of the nine items. Nearly one-quarter (24.4%) reported gains on one or two of the items and the remaining 13.7% of respondents had increases on three or more of the self-efficacy items. Overall then, only a minority of CE members report any gains in self-efficacy.

Finally, we also developed a set of questions to determine the role that involvement in Community Exchange plays in members' civic engagement. Seven questions were designed to assess such engagement both *before* joining CE (retrospectively) and *at the current time*. Participants were asked about their frequency of attending social activities, entertaining guests at home, getting involved with local civic groups, following news about local government, and other aspects of community involvement. Both the retrospective and present time sets of questions have adequate internal reliability. Similar to the self-efficacy items, we created a civic engagement gain scale. Over half of the respondents (56.3%) did not report any increases in civic engagement due to their CE participation. One in five reported an increase on one of the civic engagement items and nearly one-quarter of respondents (23.7%) reported increases in two or more of these civic engagement practices.

The outcomes measures used at HEP and CE focus largely on different types of effects and are based on different survey questions. Despite that fact that we cannot directly compare the results across these two cases, our findings suggest that social outcomes are more frequently cited by CE members. Now we move on to explore the impact that demographic variables have upon outcomes at CE. Figure 6.11 summarizes the first set of models that we estimate with demographic variables predicting the seven outcomes at CE.

Figure 6.12 provides a visual summary of the results of the seven models (one for each of the outcomes) that we estimated (see Methodological Appendix). Social outcomes do not appear in the diagram since there were no significant demographic predictors of this variable. As mentioned above, nearly all respondents reported social gains, so there is very little variance in this measure.

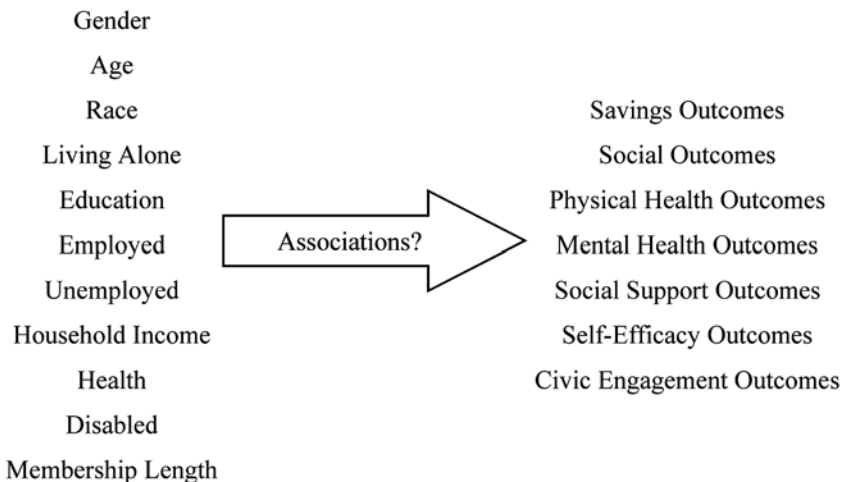


Figure 6.11 Summary of CE outcome analysis: Demographics as predictors

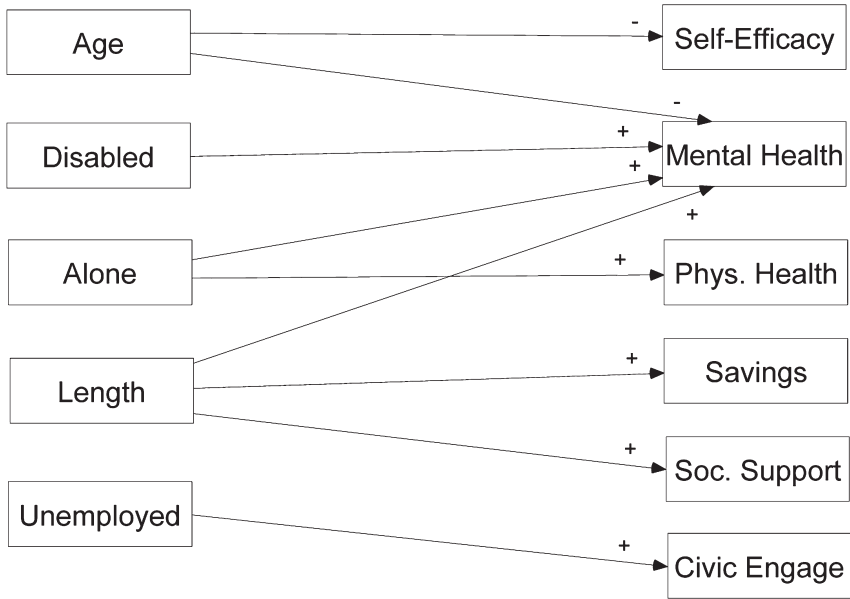


Figure 6.12 Summary of models of demographics predicting CE outcomes

Two of the outcomes are predicted only by membership length. Those who have been members of CE for a longer period of time are more likely to report gaining savings outcomes and social support outcomes. The mental health gains measure has the most predictors. Disabled respondents, younger respondents, those who live alone, and those who have been members longer are more likely to report gaining mental health outcomes due to their participation in CE. Respondents who reside alone are also more likely to report physical health gains. We also find that younger CE members are more likely to report improvements in self-efficacy due to their participation. Finally, unemployed respondents are more likely to report civic engagement outcomes.

The effects of age upon outcomes of participation at CE are particularly interesting. Younger members are more likely to report gains in self-efficacy as well as mental health benefits. Why are younger participants more likely to report these outcomes? Member age is not correlated with one's general health nor with disability status at CE, so these associations do appear to be true age effects. Also, in the previous chapter we learned that younger CE members have higher account balances and less dense trading networks. However, as we will see below, neither account balance nor ego-network density are predictors of self-efficacy or mental health outcomes. So, again, these effects do not appear to be inaccurate ("spurious"). At HEP we also found that younger members are more likely to report gaining some health benefits. As we speculated earlier, these findings may reflect the possibility that younger members might request different types of

services than older members and it is receipt of these particular types of services that produces such outcomes. It could also be that younger members are accessing some of these services for the first time compared to older members.

The results summarized in Figure 6.12 also highlight the role of length of participation. Membership length had important effects on outcomes at HEP as well. In both cases, there are positive associations with economic outcomes (savings at CE and needs and wants at HEP). This implies that the economic benefits of Time Banking tend to be more slow and cumulative rather than immediate. The finding that unemployed CE members are more likely to report civic engagement outcomes deserves attention as well. We know from previous research that those with greater resources are typically more active in their communities (see Brady, Verba, and Schlozman 1995). Also, employment is a major source of most people's social network ties. The loss of daily social contacts by the unemployed is often overlooked. Here, at CE, it appears that the unemployed are becoming better integrated into their communities through Time Banking. This new social capital has direct benefits and could be a resource for economic gains in the future as well (see Granovetter 1973). Next we explore the role that the participation variables at CE play in outcomes as summarized in Figure 6.13.

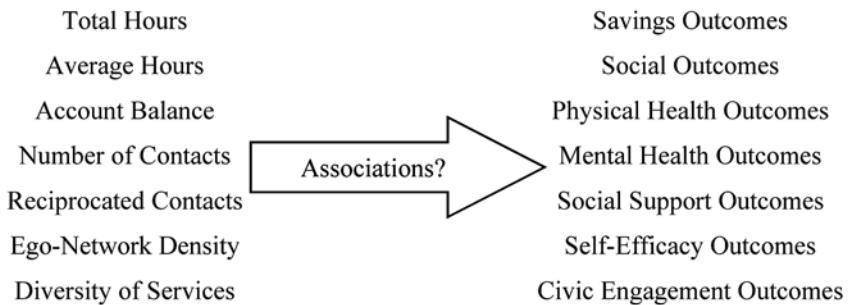


Figure 6.13 Summary of CE outcome analysis: Participation variables as predictors

As illustrated in Figure 6.14, only three of the seven participation variables have any impact upon outcomes at CE. The total hours engaged variable has positive effects upon civic engagement, social support, and physical health outcomes. Those who have greater diversity in the types of services they exchange at CE are more likely to report physical and mental health outcomes. Also, those with less dense trading networks are more likely to report savings outcomes.

The impact of one's total time spent exchanging within the CE network seems to make sense. Those who are more active are reporting more outcomes. However, it is not clear to us why total hours engaged effects civic engagement, social support, and physical health gains, but not the other types of outcomes. As the reader may recall, at HEP, total hours did not impact any of the outcomes. The

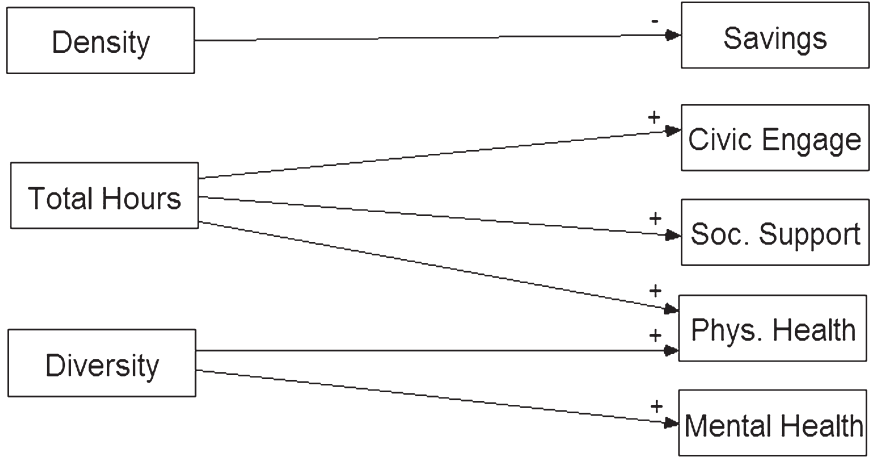


Figure 6.14 Summary of models of participation variables predicting CE outcomes

other CE findings in Figure 6.14 do correspond with what we found at our HEP case. Similar to savings outcomes at CE, we found at HEP that those with less dense trading networks are more likely to report obtaining needs and wants. Also, the service diversity variable was positively correlated with health outcomes at HEP as well.

In summary, social outcomes were the most important benefit stated by CE members. Next we saw the majority of respondents reporting that they have saved money through their participation in CE. Social support outcomes were also rated highly by many and nearly one-third of respondents reported mental health gains. One of our key findings here is that younger members are more likely to report gains in self-efficacy as well as mental health benefits. As we speculated earlier and in the HEP case, this may reflect the possibility that younger members might request different types of services than older members. The results from the participation variables highlight the fact that both quantity (total hours) and quality (diversity of services) play an important role in producing beneficial member outcomes at CE. While quality was most important at HEP, these results suggest that coordinators should also stress greater participation as quantity has more effects at CE. Now we turn to our outcome analysis from Member to Member.

Member to Member

M2M Outcomes from Surveys A variety of data on outcomes was collected at M2M. We begin this section with findings from our retrospective survey, then move on to our prospective, quasi-experimental survey, and conclude with qualitative findings from our focus groups. A number of different potential benefits of participation were measured in the cross-sectional, retrospective survey of

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M2M participants. Some of these outcomes measures were focused solely on frail participants, those who are “receivers” in the M2M network.

Table 6.4 provides the frequency distributions of the seven outcome measures that were fielded to the retrospective survey respondents. These results send some mixed messages. The first three measures demonstrate noteworthy levels of participant benefits. Six out of ten of the participants who receive M2M services enjoy the friendships that they have made. Nearly half of respondents (48%) report feeling more connected to people in Elderplan (the social HMO that M2M is housed in) due to their participation. In perhaps our most important outcome measure at this site, 41.3% of service recipients stated that they do not know how they would have managed without M2M services. The last two measures have very low affirmative responses. Relatively few service recipients report that they save money by participating. Also, few respondents state that M2M has affected their decision to remain Elderplan members. Overall, there is considerable variance in the outcomes reported by M2M participants.

Table 6.4 Outcome measures from M2M retrospective survey

	% Yes
I like the friendships I have made*	60.0
I feel more connected to people in EP because of M2M	48.0
I do not know how I would have managed*	41.3
I like the assistance I get*	36.7
I feel more satisfied with EP because of M2M	35.5
I like the money I have saved*	13.3
Participation in M2M has affected my decision to stay in EP	12.5

* Question asked only to those who are service recipients

Following the logic of our previous analyses above, we now test the impact of demographics, motivations, and participation variables upon these seven outcome measures as illustrated in Figure 6.15.

The results of all of the models we estimated are summarized in Figure 6.16 (see Methodological Appendix). No associations were found between motivations for joining M2M and outcomes. Two of the demographic variables had significant associations. M2M members with higher (healthier) levels of self-reported health are more likely to report that they enjoy the money they save from participating in M2M. Also, those in better health and male members are more likely to report that participation in M2M has increased their satisfaction with Elderplan.

There are also five significant associations between the participation variables and outcomes. Those who report providing services more often and those who provide a greater diversity of services are more likely to feel more connected to Elderplan because of M2M. On the other hand, those who receive a greater variety of services are less likely to report connections with Elderplan due to their M2M

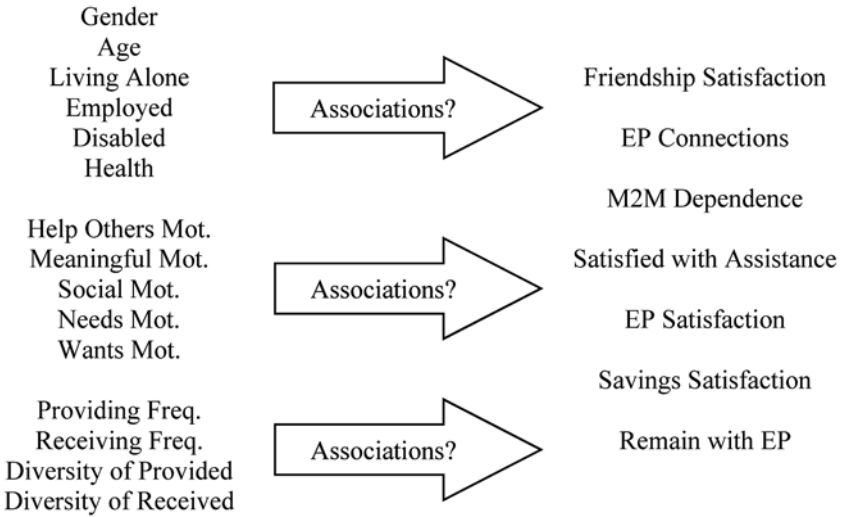


Figure 6.15 Summary of M2M retrospective outcome analysis: Demographics, motivations, and participation variables as predictors

participation. The service diversity variables also impact the extent to which M2M participation increases satisfaction with Elderplan. Those who provide a greater diversity of services are more likely to report increased Elderplan satisfaction while those who receive a variety of services are less likely to report Elderplan satisfaction.

Next, we move to outcome results from our prospective, quasi-experimental survey at M2M. This phase of data collection involved a four-fold matched control group design. The objective was to analyze the difference in health-related quality of life and other social health outcomes between new Elderplan enrollees who participate in the M2M program and those who do not join M2M. The following four groups were identified for comparative analyses: 1) *Provider Experimental Group*: Elderplan enrollees who initially participate as service providers (including those who provide only and those who both provide and receive) in the M2M program, 2) *Receiver Experimental Group*: frail Elderplan enrollees who initially participate as service recipients in the M2M program, 3) *Provider Control Group*: Elderplan enrollees who do not participate in M2M and are matched to the experimental provider group on functional status and length of time in Elderplan, and 4) *Receiver Control Group*: Elderplan enrollees who do not participate in M2M and are matched to the experimental service recipient group on functional status and length of time in Elderplan. Participants were surveyed at four time points over a six-month period. The baseline survey was administered at the time of enrollment into Elderplan. Three successive surveys were then administered every eight weeks.

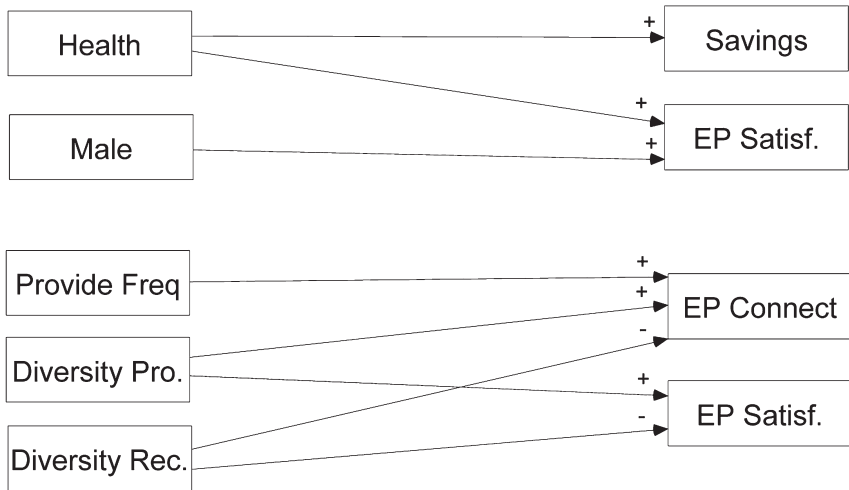


Figure 6.16 Summary of models of demographic and participation variables predicting M2M outcomes, retrospective survey

The two primary outcome measures that we fielded are the SF36 Mental Health scale and the UCLA Loneliness scale. Our analysis of this data involved testing each of the four groups for changes in mental health and loneliness across the six month time period of the study. Any changes that we observed in these groups would presumably be the result of one's membership (or lack thereof) in the experimental or control groups. The results of our statistical significance testing indicate that none of the four groups experienced any meaningful change in mental health or loneliness across the six month period (see Methodological Appendix). Our respondents were consistent on these measures across the period of study. Therefore, there is no statistical evidence from this longitudinal, prospective survey that participation in M2M produces significant mental health benefits or decreases loneliness.

M2M Outcomes from Focus Groups Four participants who receive services from the M2M program agreed to partake in a phone discussion and share their experiences in the program. The group ranged in age from 74 to 87 years old, had difficulty managing daily life activities, and utilized the program to meet various needs. The phone group discussion lasted approximately one hour.

The first question posed to participants asked each to describe what they think the M2M program is all about. Three participants understood they were receiving services from the M2M program and one participant was confused between M2M and other programs offered by Elderplan (e.g. home health). After prompting, the receiver was still unable to make the connection that "a friend who calls me on the telephone every day" is a provider from the M2M program. The three participants who understood they were receiving services from M2M all agreed that M2M is

an important program that provides necessary assistance. “I’m glad to be in it. They [the providers] keep you going, keep you informed about what’s going on in the world” stated one receiver. Another stated, “She [my partner] reads, I can’t see very well, I can’t read at all. She reads my mail for me once a week and takes me to the bank when I need to go.” All agreed that the M2M program provides vital assistance that helps service recipients remain living independently in the community.

In the second question the group was asked to talk about who would help them if they did not have their M2M partner. The responses to this question varied. Two receivers explained that they can call upon family, one receiver relies on a paid worker and her M2M partner, and one receiver claimed to be dependent solely on her M2M partner. In the cases where the receiver had family support, the support was described as limited, and M2M was seen as necessary support. “My spouse can help but only when she is not working,” stated one receiver, while the other responded, “I have a son I can call once in a while, but not all the time.” Despite the level of need, all the receivers stated emphatically that they would not be able to manage without their M2M partner.

The group was then asked to talk about the types of services they receive. One receiver reported having a weekly visitor, two receive assistance with tasks such as shopping, mail reading, transportation to the bank and doctor’s appointments, and one receives telephone reassurance daily. When the group was asked to discuss the benefits of the M2M program, the two receivers who have “personal” contact (either face-to-face or on the telephone) felt differently about the program benefits than the two participants who were having specific health-related needs met. The receivers who rely on their partners for companionship felt they benefited, both physically and emotionally from the friendship. A stroke left one receiver homebound, and he felt the friendly visits from his M2M partner has helped him improve his health. On the other hand, receivers who have partners who provide specific assistance, such as transportation or banking, see it as just that – someone to help with direct services. They do not view their partners as friends. “I have friends, a bus comes and picks me up and takes me to the senior center twice a week,” stated one receiver. That is where this recipient of M2M services turns for companionship and socialization.

A focus group consisting of M2M providers was also conducted. Eight people participated in this session which lasted approximately two hours. Consistent with the M2M philosophy that age does not hinder a person’s ability to contribute, this group ranged in age from 69 to 82 years old and provide varied services such as reading mail for a legally blind woman, conducting minor home repairs, and making friendly visits, to name a few. The group was eager to participate; not surprising considering these individuals take pride in providing services and giving back to the community.

The first question asked each provider to describe, in their own words, what they thought the M2M program was all about. The group unanimously agreed that the program is wonderful. “There is not enough for old people to do,” said one of

the members. Many have volunteer experience and would participate even if the M2M program did not exist, “but M2M provides more than just the opportunity to volunteer.” Community, a sense of family, friendship, purpose, and appreciation by recipients were some of the elements the providers used to describe what being involved in the M2M program is all about. “I’d be bored to death without somewhere to go or something to do.”

One provider who needed to receive services after she became ill was grateful for the help M2M was able to give. She needed to make frequent visits to the doctor after her cancer surgery. The doctor was far from her home, so she called on the M2M program for assistance. “I saved money by not having to use car service.” This is a prime example of how the M2M program can benefit participants whether they are providers or receivers of services. Now that her health has improved she has resumed her role as a provider and feels comfortable calling on the M2M program if new needs arise.

One provider got started in M2M because he wanted to do home repair for “elderly people.” Although technically elderly himself, this respondent stated that “I didn’t think of myself as elderly.” For as long as he can help out other people, he will not think of himself as old. Not only does society affix labels and thus profiles to people because of their age, but we also do so to people based on their functional status. An 86 year old woman who is legally blind would be considered “disabled” by our society, and not traditionally thought of as someone who can help out others. However, in the M2M program, this woman provides a service called “telephone reassurance” where she regularly calls other members on the telephone to provide social interaction and companionship by discussing the latest news, or the events of the day. This provider noted that some of her telephone companions are “shut-ins” who are disconnected from the world and isolated. She is proud of her skills and the service she provides which, in her words, serves two purposes: the first to reduce the social isolation of her peers, and secondly to offer for her, the occasion to feel that despite her problems, she is still alive to the world and has something valuable to offer: “Just because we’re old doesn’t mean we’re stupid or useless.” These telephone visits have evolved into close friendships, even though, in many cases physical challenges have kept the parties from ever meeting face-to-face.

Another example is a provider who had helped others with shopping and errands until a stroke limited her mobility. Her mind however, remained sharp and she too began to provide telephone reassurance to other members. Indeed, in addition to talking, she would read books and newspapers to members who were blind. She said “I don’t mind talking and I have plenty of time.” As stated by one member “M2M allows us to retire *to* something not just *from* something.”

Providing services does come with sacrifice. “We want to do it, but we put ourselves out sometimes.” One provider had to take two busses so she could escort her partner to an early morning doctor appointment, and others give services that they believe should be provided by paid workers. Some providers are faced with the challenge of dealing with a recipient who may ask for more than the volunteer

is required or able to give. One provider, who made weekly friendly visits, found herself negotiating physician care and filling prescriptions for her partner, while another couple responded, “we take care of an 81 year old lady, helping her maintain her independence.”

When the group was asked about what they thought the program goals for providers such as themselves were, the overall response was directed at how the program benefits the receivers. Many of the providers believe the program keeps recipients at home and some believe the program prevents the frail from having to live in a nursing home. When one provider challenged this belief by asking “how can one time a week keep someone out of the nursing home” another responded, “the shopping really helps.” The latter response was met by nods across the table. Another service offered by M2M is minor home repair. This service has many benefits. “Home repair is more than that, it’s a visit, keeps people company” and also saves the recipient money.

Findings from this focus group also indicate that the M2M program has social benefits and helps to enable receivers to remain independent and in control. The providers reported that most of their partners have no other assistance. Family may live far away and children are not able to visit much or have their own health problems. The relationship between partners is positive for the providers and most are satisfied with the amount of time they spend in the program. One woman noted her desire to add an additional partner to her repertoire.

Transportation is one area where volunteers believe the program could be improved. Both providers and receivers could benefit from increased services in this area. Another need identified by the group was assistance with house cleaning.

The next part of the discussion focused on Time Dollars. Providers said the Time Dollars did not influence their decision to participate in the M2M program. Volunteering is the primary purpose. While the whole group reported that the Time Dollars were unnecessary or “a waste,” all but one individual has redeemed their credits for services or products. Most have redeemed them at the Credit Shop, one member donated the Time Dollars to meals on wheels, and one member redeemed them for transportation. One volunteer said the credits are not important because it takes a long time to build up Time Dollars and another said that “forming relationships is more rewarding than earning Time Dollars.” On the other hand, one member said the credits are “psychologically useful,” meaning they show that their “work” is valued and appreciated. The remainder of the group agreed.

The final set of questions discussed M2M and the role the program plays in Elderplan (EP). “M2M gives Elderplan substance,” said one participant. The program is a perk for EP members because they can receive assistance from program providers who are not considered strangers. Members “not only save money, but it’s a matter of trust.” Some people have fear of paid workers, receiving assistance from an Elderplan program can be more familiar. Some providers believe people want to join EP just to become involved in the M2M program, and many said they would continue to participate in M2M even if they were no longer part of EP. None

of the providers spoke about staying enrolled in EP or M2M in hopes of receiving services in the future.

In summary, our retrospective survey results indicate that social outcomes are the top reported benefit of M2M participation. More than one-third also cite gaining resources, receiving needed services that help them get by. It is clear from the percentages in Table 6.4 that the overall benefit levels at M2M are not as pronounced as they are in the HEP and CE cases. Few participants state that they save money by participating, for example. However, as we learned in Chapter 5 and see further here, many of the M2M services that are exchanged are not things that you can or would normally buy in the mainstream economy.

Unlike the many connections between motivations and outcomes at HEP, motivations to join M2M do not influence the outcomes gained by members. This is interesting since we anticipated that the reasons for joining would shape outcomes. We did document two unusual findings involving one of our participation measures. Those who receive a greater variety of M2M services are less likely to feel connected or satisfied with Elderplan, the host agency. We are not sure what accounts for this. The only hint that our focus group data may provide is that some M2M receivers do not fully understand the program and that their providers are earning Time Dollars. This suggests that M2M needs to clarify their program to new recruits, particularly receivers. It also reinforces the point we made back in the first chapter, Time Banking is not easy to explain and is often misunderstood.

Our experimental, prospective survey did not provide any evidence of mental health gains or decreased loneliness due to M2M participation across the six month period of study. While members' mental health and loneliness did not decline over the period, it also did not improve according to our results on these two well-known health statistics. The loneliness finding is particularly interesting since social outcomes were rated highest in our retrospective survey. Our focus groups do indicate that the frail receivers value and need the services that are provided to them. The findings from the providers' focus group suggest that those who provide services reap as many, if not more, benefits than the recipients. As mentioned above, many of these gains are psychological, so again, the lack of improved mental health among providers is a bit perplexing.

Discussion and Conclusion

In our investigation of Time Banking nationally and at our three sites, we have learned that this movement has many different objectives. Advocates cite a myriad of potential benefits including: economic, social, health, resources, ideological, and environmental. In this chapter we have focused on individual-level outcomes, those that benefit participants personally. At Hour Exchange Portland, our stand-alone case, we saw that ideological outcomes (values and altruism specifically) are most pronounced followed by economic and new resources gains. At Community

Exchange, our embedded case with an unrestricted membership, we learned

that social outcomes are most frequently cited, followed by economic benefits. At Member to Member, our embedded case with a restricted membership, social outcomes are highest followed by new resources gains. Our cases demonstrate the generation of an impressive mix of cultural, social, and economic capital.

Given the prevalence of social outcomes at our embedded cases, our findings suggest that embedded Time Banks create greater social advantages than stand-alone ones. Having a host agency may create some boundaries that increase participant's comfort level. The extent to which Time Bank participants are saving money and gaining access to services (resources) is noteworthy. While we did not find increased activity during the Great Recession era in Chapter 4, we did learn here that Time Banks have some very practical advantages for substantial proportions of members. Health benefits, which are arguably among the most difficult to achieve, are rated rather low at our sites in comparison to these other outcomes and our most sophisticated test (the longitudinal, quasi-experiment) produced no empirical health benefits at M2M.

In looking at the predictors of various outcomes, we learned that younger members at both HEP and CE are more likely to report health benefits from Time Banking. This may reflect the possibility that younger members are requesting different types of services or are being exposed to new services for the first time. At both HEP and CE we also found that members with less dense trading networks are more likely to report economic benefits. Since dense networks are likely to be the result of referrals from other trading partners, this suggests that using the directory for specific things that members need is also efficacious. Findings from all three of our cases indicate the important role that the quality of one's trading network plays in producing beneficial outcomes. Who you trade with and what you exchange is as important, and in some cases more important, than how often you participate.

Overall, there are few consistent predictors of the outcomes of participation in our cases. This is not terribly surprising. We chose to study our particular cases because they represent different models of Time Banking. Our evidence suggests that the dynamics operating within Time Banks are far from uniform. Different subsets of participants experience various benefits at our sites. Given the variety of goals pursued and the variety of services offered in different Time Banks, we suspect that the variation we have observed here is the norm. Each Time Bank is somewhat unique and may end up producing various benefits for various participants.

Methodological Appendix

HEP Outcomes Analyses

All of the model assumptions of multiple regression were met and multicollinearity did not pose a problem. The sample size in all of the models is 235. All of the associations depicted in Figures 6.3, 6.5 and 6.7 are statistically significant at $p < .05$. The strength of all of the associations are at least “moderate/worth noting” (see Healey et al. 1999) as the beta-weights range from .10 to .29. In Figure 6.5, the associations between social motivations and instrumental outcomes, social motivations and social outcomes, and independence motivations and independence outcomes are “strong” ($> .30$) according to the beta-weights. In Figure 6.7, all of the associations predicted by the contacts and reciprocated contacts variables are “strong,” as is the association between diversity of services exchanged and wants outcomes.

HEP Path Models

The models depicted in Figures 6.8, 6.9, and 6.10 are path (or structural equation) models (estimated in AMOS software; Arbuckle and Wothke 1999). For each model, we included all of the predictors that had statistically significant effects upon that outcome in Figures 6.3, 6.5 and 6.7. The results from Chapter 3 (Figure 3.2) and Chapter 5 (Figure 5.7 and the motivations predicting participation analysis; see *Demographics, Motivations, and Participation at HEP* section) were then used to specify the associations among the demographic, motivations, and participation variables. Modification indices were also consulted to specify additional associations. Any associations among motivation scales or among the participation variables were ignored (and all error terms were left uncorrelated). Summary statistics for the needs outcomes model are as follows: Goodness of Fit = .969; Root Mean Square Residual = 82.150; Chi-Square = 29.027; $df = 16$; Prob. = .024; $n = 235$. Summary statistics for the wants outcomes model are as follows: Goodness of Fit = .926; Root Mean Square Residual = 52.500; Chi-Square = 60.530; $df = 12$; Prob. = .000; $n = 235$. Summary statistics for the health outcomes model are as follows: Goodness of Fit = .909; Root Mean Square Residual = 5.443; Chi-Square = 96.173; $df = 24$; Prob. = .000; $n = 235$.

CE Outcomes Analyses

Both the past and present General Self-Efficacy (GSE) scales have high internal reliability as measured by Cronbach’s alpha. The value for the past scale is .93 and it is .94 for the present one. Also, both the past and present civic engagement scales have acceptable internal reliability. Cronbach’s alpha is .79 for the past scale and .78 for the present one.

All of the model assumptions of multiple regression were met and multicollinearity did not pose a problem. Logistic regression models were estimated for the physical and mental health gain variables since they are dichotomous. The sample size in all of the models is 158. All of the associations depicted in Figures 6.12 and 6.14 are statistically significant at $p < .05$. The strength of all of the associations are at least “moderate/worth noting” (see Healey et al. 1999) with the exception of the “strong” impact of total hours upon social support in Figure 6.14.

M2M Outcomes Analysis, Retrospective Survey

The associations summarized in Figure 6.16 are the result of three different sets of models. The impact of the demographic variables was estimated in multivariate logistic regression models since all of the dependent variables are dichotomous. The odds ratio for the health variable in the savings model is 5.39 ($n=59$; receivers only). The odds ratios for the health and gender variables in the satisfaction model are 2.21 and .376 respectively ($n=134$). The impact of the motivation variables (which were only fielded to providers) were tested in bivariate crosstabulations due to the low sample size ($n=56$) and none were statistically significant. The impact of the participation variables were estimated with bivariate t -tests due to multicollinearity in the multivariate models ($n=152$). All of the associations depicted in Figure 6.16 are statistically significant at $p < .05$.

M2M Outcomes Analysis, Prospective Survey

We tested for mean differences in mental health and loneliness across the four time periods for each of our four groups in bivariate analysis of variance (ANOVA) models. None of the F ratio tests approached statistical significance, no groups experienced any meaningful change in mental health or loneliness status across the six month period.

Chapter 7

Conclusion: The Impact and Future of Time Banking

Introduction

The terrible decline of the global economy in the late 2000's led to local currencies such as Time Banks receiving more and more attention among grassroots organizations and in the national and international mainstream media. However, the environment for such ideas has been ripe for quite some time. The localism movement was well underway in the U.S. and growing prior to the Great Recession. Given challenges posed by our global, interconnected society, activists have sought to enhance people's economic, social, and personal well-being and environmental stewardship by "going local" and promoting buy local campaigns, local foods and farmers, community gardens, alternative community media, co-housing, and a variety of other "small is beautiful" initiatives (see Schumacher 1973, Shuman 1998, Mitchell 2007, Hess 2009, Schor 2010). The popularity of DIY (do-it-yourself) initiatives is also worth mentioning. With a wealth of information available online, people seem to be more willing and likely to perform their own home repairs, grow their own food, and produce their own goods and services in an effort to save money and support their values. Finally, given the popularity of eBay and Craigslist, the expansion of the used goods sector and informal markets also points to the growth of alternatives to shopping for new goods at stores.

Is the time ripe for a dramatic expansion of local currencies or is this just a passing phase? What is the likelihood that this movement will become institutionalized, gaining legitimization and becoming a part of everyday life in American society? In this final chapter we focus on the implications of our research into Time Banking in the United States. First, we begin by interpreting local currencies in relation to select sociological analyses of social change. After presenting a myriad of empirical data (most from the participant's perspective), we want to step back and reconsider the idea of local currencies and cashless exchanges more generally. Next, we review our most important findings. This will allow us to draw implications and assess Time Banking's potential. We conclude the book with a discussion of the challenges, limitations, and future of Time Banking.

A Brief Sociological Interpretation of Local Currencies

What are the larger theoretical implications of community currencies? We have argued that local currency systems are social movement organizations and that participation in them resembles other social movements and voluntary activity to some extent. Now we wish to consider the extent to which community currencies are “real utopias.” The Real Utopias Project, brainchild of Erik Olin Wright (2011–2012 President of the American Sociological Association), has resulted in seven books published between 1995 and 2010 (Wright 2010). The project seeks, in part,

to contribute to rebuilding a sense of the possibility for emancipatory social change... examining cases of institutional innovations that embody in one way or another emancipatory alternatives to the dominant forms of social organization... The idea is to provide empirical and theoretical grounding for radical democratic egalitarian visions of an alternative social world. (Wright 2010: 1)

Since local currencies have not been explored thus far in the Real Utopias Project, we take this opportunity to do so briefly. In *The Great Transformation*, Karl Polanyi (1944) provides a critique of classical economists’ conceptions of capitalism being comprised of an equilibrating system of free markets. Instead, capitalism “...means no less than the running of society as an adjunct to the market. Instead of economy being embedded in social relations, social relations are embedded in the economic system” (1944: 57). Local currencies may represent an example of “re-embedding,” “purposive action to enhance collective social well-being in exchange relations” (Thorne 1996: 1362). In other words, community currencies are based on a substantive or *values* rationality in seeking a desirable public end (social capital, stronger local economies, etc.) rather than capitalism’s *instrumental* rationality which weighs various means to private ends such as profit maximization (Biggart and Delbridge 2004).

Karl Marx’s differentiation between use-value and exchange-value in *Das Kapital* is also applicable in contrasting community currency systems with the larger capitalist economy. Marx characterized pre-capitalist markets with his term use-value (1978: 329–36). Here, markets serve as a means of exchanging goods. Forms of money are often incorporated to facilitate commodity exchange. In such circulation, the money is in the end converted into a commodity that serves a use-value. That is, people are primarily motivated to exchange commodities in order to get other useful commodities. Capitalist markets, on the other hand, are primarily concerned with capital accumulation. Hence, market transactions commence and end with money, representing exchange-value.¹ Local currencies are based on use-value in that the currency is used only to facilitate commodity exchange.

1 This difference is based on the circulation of money as merely money, and money as capital. The pre-capitalist market exchange is represented by the circuit C-M-C (Commodity-Money-Commodity), while the circuit of the capitalist market is M-C-M.

This typifies pre-capitalist market exchanges in which useful commodities are the desired end and money is circulated merely as money, not as capital. From a Marxist conception, the exploitation of labor should be non-existent in local currency systems. Participants in these networks are analogous to the self-employed (or petty bourgeoisie) engaged in simple commodity production (see Wright 1978; Buick 2011). Hence, exploitation is absent in that individual members do not control the labor power of others and there is no “surplus value” to appropriate.

This is not to say that Marx would necessarily be supportive of local currencies. For example, Marx was critical of worker cooperatives in that they work within the system of capitalism and ultimately transform labor into capitalists (Ollman 1998). Returning to our distinction between oppositional and alternative social movements from Chapter 1, it is well known that Marx advocated an oppositional, workers’ movement to overthrow capitalism, not an alternative to work within it. Along these same lines, some contemporary local currency critics “...argue that we need to dispense with monetary values and market structures in order to establish humane relationships and environmentally sound use of energy and resources” (Nelson and Timmerman 2011: 2).

The way to end the scandal of unmet needs alongside unused skills and resources is not to retain the exchange economy while trying to get rid of its effects by reforming the money system. It is to get rid of the exchange economy altogether by establishing a society based on the common ownership of productive resources where goods and services would be produced directly for people to take and use and not be exchanged, or bought and sold, at all. (Buick 2011: 153)

One of Marx’s rivals, the nineteenth century Russian anarchist Mikhail Bakunin, was much more closely aligned with alternative ideas such as local currencies. Bakunin advocated proletarian credit societies and co-ops until the revolutionary consciousness spread among the oppressed (Schechter 1994). Robert Owen and Pierre-Joseph Proudhon are also recognized as early advocates of alternative currencies (see North 2010). The question of working within versus working against systems of exploitation is not merely academic. How to strategically channel precious activist energy is a major dilemma for many social movements.

By definition, community currency systems are limited vehicles of social change since they are primarily intended to complement, not counter or replace the mainstream economy. Nonetheless, there are certainly anti-capitalist tendencies at work in local currencies. Time Banking’s egalitarianism, an hour for an hour regardless of skill (equal time, equal value), represents a radical departure from the economic status quo. Thus, in relation to Wright’s (2010) project, we do consider such non-capitalist exchange as representing a “real utopia.” Furthermore, our analysis in Chapter 5 suggests that Time Dollars, the currency itself, are somewhat

The result of the former transaction is a purchased commodity, whereas the latter is money realized from a sale.

meaningless. Some participants do not report all of their exchanges (and do not receive the credits) and Time Bank organizations are typically in excessive Time Dollar debt. The credits are simply a mechanism to facilitate people helping one another. Such exchange relations, based on cooperation, not exploitation, are progressive steps forward for those seeking a more egalitarian society. They serve as a larger example of humanity's potential.

There is an irony that localism faces however. While activists have various motivations for creating local alternatives, many of them reflect the failure of larger social institutions to adequately meet people's needs. As we have seen, today's community currencies have emerged largely in response to economic needs. Global capitalism has created tremendous inequities including unemployment and underemployment.² The core of the neoliberal agenda is the reliance upon private markets and the reduction of public services and benefits (see Harvey 2005). The irony is that the localist movements that have emerged to counter global capitalism may indirectly support the neoliberal agenda. According to Hess (2009), they may be a "neoliberal's dream," legitimizing austerity programs by showing that citizens, rather than government, can solve and be responsible for larger social problems themselves. Given the current size of the Time Banking movement in the U.S., we are not overly concerned with this prospect. A convenient, though perhaps not so feasible, answer to the alternative versus oppositional dilemma is that social justice activists should simultaneously engage in both types of strategies: building alternatives and mobilizing against oppressive structures.

Major Findings: Time Banking in the United States

This study has provided the most thorough investigation of local currency participation to date. Here, we summarize our major findings and draw some larger implications. We began our analyses by looking at Time Banking nationally. Time Banks can be found in many parts of the United States and are most prevalent in New England, the West Coast, and the Great Lakes area. They vary in size from just a few members to over 2,000. The average Time Bank has about 60 active members. There are a variety of organizational forms. About half of Time Banks are free-standing, community-based organizations started by individuals who are committed to the idea and invest a great deal of time and energy recruiting others and administering the organization. The other half are started by existing agencies such as healthcare and social service agencies or community revitalization organizations – some of these limit membership to residents or members that they already serve (such as church members or residents in active-adult communities).

2 As demonstrated in Chapter 3, motivations for joining Time Banks vary widely. While many do so for values reasons, it is not likely that many members frame their participation as being anti-capitalist.

Just under 40 percent of Time Banks nationally indicate they have some paid staff. This begins to suggest the intensity of the volunteer activity needed for administering Time Banks. Additionally, about half have a board or other type of leadership committee. Clearly, these organizations tend to rely heavily on members and other organizations for support. Many Time Banks were started very recently and are still in the process of trying to get off the ground, often working without a budget or staff. There is reason to believe that many of them will not survive; the official lists kept by TimeBanks USA, the national umbrella organization, have shown considerable variation over time. Our own efforts to contact Time Banks revealed many that are no longer in operation.

The three case studies reported in detail here have all had external funding and paid staff, important factors in their success and longevity. Member to Member, as an integral part of a HMO, shares staff and space with the HMO. The same is true of Community Exchange, which is housed in a hospital and supported by a hospital-related foundation. These institutional connections provide great stability as staff can count on salary and benefits. Hour Exchange Portland relied on substantial funding from a philanthropist for many years to achieve its solid foundation and is now experimenting with a variety of member-led fundraising efforts. Issues surrounding sustainability will be revisited below.

Motivations

In Chapter 3 we learned that people join Time Banks for a number of reasons and this diversity is represented in our three cases. At HEP, economic needs and ideological values are the most important reasons that members state for joining. Qualitative evidence from CE suggests that social reasons are more important for members of Allentown's Time Bank than those in Portland's HEP. At Brooklyn's M2M, altruism and values reasons are the most salient. Most advocates of local currencies primarily stress the potential for economic empowerment and community building. The salience of values motivations, including altruism, in our cases is noteworthy. The prevalence of joining Time Banks to act out on one's values provides additional evidence in support of our argument that community currencies are social movement organizations that many join in an effort to create a better world.

Demographics

We found that all three of our cases have predominantly female memberships. This is also true of Time Banks nationally, where the average is 64% female. Thus, this is largely a women's movement. This is not necessarily surprising since women have historically provided the majority of informal, nonmarket labor and women tend to volunteer more than men. Given the relative devaluation of women's work in the formal economy, local currencies appear to offer greater opportunities to women.

The predominance of word of mouth recruitment may also be an explanatory factor here since our personal networks tend to be rather homogeneous.

Other than gender, there is substantial variation in most demographic characteristics of Time Bank members. Some of this variation is mission-related, as we have seen particularly in the M2M case, which was designed to serve people who are enrolled in a Medicare program and thus have to be 65 and older. According to our national survey, the percent of older people in Time Banks is roughly representative of the larger adult U.S. population. Our results also indicate that Time Banks founded most recently are less likely to have members aged 60 or older. Newer Time Banks, those started during the economic downturn, are attracting a higher proportion of younger members. It is likely that the newest Time Banks have more general, economic empowerment goals that have broad appeal.

The three Time Banks we studied are not attracting high proportions of minorities, the memberships are largely white. We also found that HEP and CE members have greater educational attainment than American adults on average. On other indicators it is clear that all three of our cases serve marginalized populations to a considerable extent. People who live alone, those with low incomes, and those with health issues are all overrepresented in our Time Banks. Membership diversity should have positive consequences in local currency networks. Different types of people are likely to contribute different strengths, skills, and services.

There are several interesting findings from our analysis of the demographic predictors of motivations at HEP and M2M. Female HEP members are more likely to report that they joined to get goods and services they need and want. It may be that women are adopting a more utilitarian view of Time Banking given that they tend to bear greater responsibility in household provisioning. The positive effects of age and unemployment on social motivations that we found at HEP suggest that this Time Bank is successfully appealing to people most in need of re-establishing social bonds. Older people tend to be more isolated and the unemployed lose their day-to-day work networks along with their jobs. Finally, at M2M, female providers are more likely than males to have joined for values reasons. The impact of these demographic variables is not uniform across our cases. Again, program differences may account for such variation.

Membership

We studied *active* membership in Chapter 4, the number of members involved in transactions each quarter. At HEP and CE, there tend to be a few hundred active members each quarter. Nationally, the average Time Bank is smaller, with about 60 active members in the past quarter. Since larger local currency systems are more likely to survive and have more diverse service offerings, our results clearly suggest that Time Banks need to simultaneously maximize engagement of their existing members and recruit new ones. Moreover, word of mouth recruitment has limitations since individuals only have so many social network ties and those contacts tend to be homogeneous. Time Banks should be able to grow larger, yet in

both the HEP and CE cases, there is evidence of a plateau in membership. In order for this movement to have a greater impact it requires more members exchanging more services more often. Since there are substantial proportions of members who do not regularly participate, we will explore the limitations to participation below.

Total Transactions

Across their long existence, within both HEP and CE networks, there is an average of 21 hours of transactions occurring daily. The overall quantity of transaction hours is noteworthy as these Time Banks produce a substantial amount of “work,” adding the equivalent of more than \$200,000 per year in both communities (see Chapter 4). While the current economic downturn has generated tremendous interest in Time Banking in general, it has not increased activity within these two particular Time Banks. Our data indicate that neither the number of active members, the number of new members, nor the total transaction hours have increased during the Great Recession era (late 2007 - mid 2009) or after. While we only have two cases on which we can observe transactions across time, we are surprised that there has not been an overall increase in activity. Our national survey findings suggest that the poor economic climate has spurred the launch of new Time Banks, but has not increased activity within already existing ones according to our case studies.

Services Exchanged

Our comparative analyses of HEP and CE indicate that there are some substantial differences between the types of services exchanged within these two Time Banks. HEP members are much more likely to buy and sell goods in the network and to exchange healthcare services. CE members are more likely to provide program and event support, attend events, spend time with one another (companionship), and exchange clerical and transportation services. At M2M, we learned that friendly visiting and shopping assistance are the top services provided in this program. There are also some notable differences with our national findings as well. Nationally, coordinators are more likely to report the exchange of “Construction, Installation, Maintenance, and Repair” and “Transportation and Moving” services than what we observed in the recorded transactions of HEP and CE. If we can summarize these findings with one theme, it appears that the predominant contribution of Time Banking to its members is to provide help in the home and mobility in and out of home.

Given the division of labor in the formal economy, it is likely that the composition of Time Banks shapes the type of services that members offer. The relatively few hours exchanged within the construction category in our cases might be attributable to the gender composition of these Time Banks. To the extent that these types of tasks may be more likely to be undertaken by men, their lower numbers in these organizations would reduce the availability of these types of

services. Overall, the types of services exchanged in most Time Banks illustrate variety. Some of these are technical and/or specialized, able to be provided only by those with particular skills and experience. Others require only the valuable commodity of time and can be provided by most people.

Individual Participation in Time Banking

In Chapter 5, we developed seven key indicators measuring various aspects of individual participation in Time Bank transactions: total hours, average hours, account balance, number of contacts, reciprocated contacts, ego-network density, and service diversity. The hours variables measure time of engagement and illustrate that Time Bank participation varies tremendously in HEP and CE. Nearly one-third of HEP members and 17% of CE members average one hour or less per quarter. On the higher end of participation, we see 18% of HEP members and 23% of CE members have 100 or more total transaction hours.

The account balance results indicate that debt at both HEP and CE is relatively rare. The vast majority of members have no debt and are not taking advantage of the ability to run negative balances in Time Banks (more than four out of five members at each Time Bank have balanced accounts or credits). This is strong evidence to counter some of the skeptics. Our results indicate that the Time Banking idea works. Members do not appear to be taking advantage of the ability to get “free” things. Assumptions made by mainstream economists about “rational actors” do not seem to apply to Time Banking. The rational actor model assumes that people attempt to maximize their returns while minimizing their investment. Debt would be a much more serious problem if this were the case in Time Banks.

Our other indicators of individual participation illustrate that the average HEP member has traded with 8.5 members and the average CE member has 7.4 exchange partners. Reciprocal contacts (providing and receiving to the same member) occur much less frequently, particularly at HEP where two-thirds of members have none (the majority of CE members have at least one). Our network density analysis reveals that most members do not have highly-connected ego-networks in these Time Banks. Members typically do have quite a bit of variability in the diversity of the service types that they exchange however.

As we had anticipated, there are also some correlations among these participation indicators. The most interesting ones surround the service diversity variable. Those who exchange more often, those with more trading partners, and those with denser trading networks are all more likely to have greater diversity in the types of services they exchange. The latter may be the result of referrals. In Time Banking, referrals are an important way of learning about services. Time Bank members often talk about the network and their exchanges within it during their transactions. Thus, those who are in well-connected regions of the network are likely to have greater resources (in the form of information about other members and services).

In our investigation of the determinants of participation, we found that low-income CE members are more active; exchanging more often, having more trading partners, and having more credits in their accounts. Given Time Banking's economic empowerment objectives, these results demonstrate the potential of these networks. Our results also indicate that female members are more likely to exchange more diverse services at HEP, are likely to have fewer contacts at CE, and are more likely to provide more often at M2M. Age is also important in all three of our cases. Older members are more likely to have higher account balances at HEP, but lower balances at CE. At M2M, the oldest members are more likely to receive more services, a greater variety of them, and are less likely to provide. The lack of consistent results from these key demographic variables suggests that each Time Bank has unique internal dynamics.

In our social network analyses in Chapter 5 we found that male HEP members under-transact with other males, while at CE, female members under-transact with other females. Elderly HEP members over-transact with other older members while younger CE member over-transact with other younger people. The reasons underlying these trends are not very clear and again, suggest the uniqueness of each Time Bank. Our results suggest that overall, HEP is generating more bridging social capital while CE is creating more bonding social capital.

Outcomes of Time Bank Participation

Our outcome analysis at HEP (our stand-alone case) was the most thorough, with 58 questions fielded in our member survey. The two outcome measures that are neither economic nor social in nature (values and altruism) are rated highest by these participants on average. Respondents are most likely to feel that HEP has allowed them to act out on their beliefs and help others. Such social psychological gains have not been a major frame for this movement. More so than economic or social capital, this voluntary service exchange network is more likely to produce a form of cultural capital. At CE, our embedded case with an unrestricted membership, we learned that social outcomes are most frequently cited, followed by economic benefits. At M2M, our embedded case with a restricted membership, social outcomes are highest followed by new resources gains. Given the prevalence of social outcomes at our embedded cases, our findings suggest that embedded Time Banks create greater social advantages than stand-alone ones. Having a host agency may create some boundaries that increase participant's comfort level.

The extent to which Time Bank participants are saving money and gaining access to services (resources) is noteworthy. Though activity has not increased during the late-2000s recession, we did learn here that Time Banks have some very practical advantages for substantial proportions of members. Overall, these cases demonstrate the generation of an impressive mix of cultural, social, and economic capital.

In looking at the predictors of the various outcomes, we learned that younger members at both HEP and CE are more likely to report health benefits from Time Banking. It may be that younger members are requesting different types

of services or are being exposed to new services for the first time. At both HEP and CE we also found that members with less dense trading networks are more likely to report economic benefits. This suggests that one’s Time Bank directory or coordinator, not one’s existing trading partners, may be the better source of information for essential services. Findings from all three of our cases indicate the important role that the *quality* of one’s trading network plays in producing beneficial outcomes. Who you trade with and what you exchange is as important, and in some cases more important, than *quantity*, how often you participate. The fact that there are few consistent predictors of outcomes in our cases suggests again that the dynamics operating within Time Banks are not uniform. Different subsets of participants experience various benefits at our sites. Given the variety of goals pursued and the variety of services offered in different Time Banks, we suspect that the variation we have observed here is more common than not.

Challenges and Limitations of Time Banking

While we purposely chose our three cases due to their long histories and the different types of Time Banks they represent, it is clear that it is no easy task to start and sustain a service exchange network. Here, we present the evidence that we collected on the challenges that coordinators face and the limitations that participants experience. We asked coordinators an open-ended question in our national survey about what the biggest challenge is to sustaining their Time Bank. Results from the respondents were coded into the five categories in Table 7.1. A lack of member involvement is the top most-cited challenge. The next most common issue surrounds problems with funding. Staff and organizational challenges (such as volunteer burnout) were also frequently mentioned. Recruitment and software challenges were noted by fewer Time Bank coordinators.

Table 7.1 Major challenges to sustaining Time Bank, national survey of coordinators

	Mentions (N)
Lack of member involvement	24
Funding	17
Staff and organizational challenges	16
Recruitment of new members	8
Software	5

The following are typical of the responses that we received from this question:

Most members just dabble here and there with it – some come to the potlucks but haven’t exchanged yet. I guess the “buy-in” of it hasn’t taken root yet.

Time Bank had an intrinsic appeal and many neighbors were interested in the idea, but service exchanges between Time Bank members took place at a fairly slow rate.

No paid staff, minimal budget to spend on marketing, and to implement programs.

People often struggle with the idea of a timebank. They are so entrenched in working 40 hrs and getting a paycheck on Friday. They have a hard time thinking outside the box and how they can help themselves and save money.

As we discussed in Chapter 5, lack of member involvement is an ongoing concern at our three sites, particularly at HEP where one-quarter of all members have only been involved in one hour's worth of exchanges. Below we draw upon survey data to help explain this.

As is happening nationally, funding and staff/organizational challenges have also been issues in our cases, as seen in Chapter 2. Almost all Time Banks worry, to a greater or lesser extent, about assuring a sufficient budget to continue to maintain their networks and grow. It is not surprising then, that some of the coordinators who responded are seeking funding for staff and/or ties to existing organizations that could provide infrastructure support and stability. In our focus group conference call with seven founders of early Time Banks, they all agreed that funding is crucial and an ongoing challenge for the majority of Time Banks. One spoke specifically about the need for resources and staff at startup:

You know, talking about how to start a time bank, from the beginning I feel that there has been a consistent message that didn't work. And the message was, you can start with maybe a part-time person, well I would have to say that at the beginning, you need more people... and many programs have failed because of that. (Founders Focus Group 2009)

As we discussed in Chapter 1, Time Banks are more likely to depend on paid staff than the printed local currency systems modeled after Ithaca Hours (see Collom 2005). Not surprisingly, former coordinators of Hours systems that have closed cited funding challenges and burnout from volunteer coordinators as contributing to their downfall:

I think a lack of funds was the biggest thing because with the lack of funds there wasn't enough money to print and mail the newsletter. And that was one of the first things that we ran up against.

We couldn't escape the need for dollars, operating dollars...

I tell you the first thing would be burnout amongst the core group...

I find with a lot of organizations, and it might have been true with this one, that there was kind of a founder's syndrome. There's the initial person or people who really have a lot of enthusiasm and they launch something and then it's kind of hard to get others involved later on to really take a sense of ownership of it. (Collom 2004: 9)

Unfortunately, funding has been scarce under the bad economy and it is no secret that many in the nonprofit world are struggling to survive. Despite the premise of cashless exchanges, local currency systems require significant resources to launch and maintain.

Another challenge mentioned by some coordinators as well as the founders in our focus group, is recruitment and explaining the Time Banking model itself. As indicated in Chapter 1, we were told many times that it is hard for people to "get it." Some cannot believe that people would provide things for "free." The concepts of reciprocity with no exchange of money and of trust in other members to carry out their promised services are both often difficult for people to understand. Time Banking is not like other activities that most people are used to, where money or other obligations fuel the provision of goods and services. To the extent that people are familiar with non-cash cooperative arrangements (e.g. baby-sitting circles) these are generally created among friends and neighbors or people known to friends and neighbors. Thus, "selling" the concept of exchange within a much larger circle of mostly unknown others requires considerable ongoing effort. As we saw in the previous chapter, some of the M2M receivers still do not understand the Time Dollar concept.

Some potential recruits also question the quality of the services in these networks, though this has not been much of an issue according to the respondents of our HEP survey.³ Recruitment difficulties were also cited by former coordinators of Hours systems:

I mean we thought it would be easy ... [but] people were always caught up into how much is an hour worth? Is it \$10.00 or what if I make more than \$10.00 an hour? ... It was more the educational effort around how it worked.

The business owners needed explanation after explanation. (Collom 2004: 9)

3 The majority of respondents, 62.0%, report that they are satisfied "to a great extent" with the quality of the goods and services they have received and 27.3% are satisfied "to some extent." Only 10.7% responded "not at all" or "a little." In another question we asked HEP respondents about the extent to which they agree that: The quality of the goods and services offered is as good as those I would buy. Again, the results are overwhelmingly positive: 41.7% "strongly agree" and 46.9% "somewhat agree" with the statement.

In addition to figuring out the concept, some new recruits have a hard time determining what services they could provide and what they might need in return. Once Time Banks are started and gain momentum, they usually gain recruitment assistance from participants. These members have “gotten it” and often become enthusiastic salespeople within their own networks, bringing in more members. As we learned in Chapter 3, word of mouth recruitment is the most popular method in Time Banking. While this type of outreach is free, it comes at a cost. Since individuals only have so many social network ties, voluntary organizations that rely exclusively on word of mouth are not likely to grow to be large organizations with thousands of participants. The fact that people tend to associate with others who are similar to themselves also indicates that word of mouth recruitment leads to homogeneous organizations. As we have suggested repeatedly here, diversity appears to be key to achieving benefits through Time Banking.

To further tap the perspective of participants, in our HEP membership survey we addressed the limitations to participation with seven items. Responded were asked, “To what extent do the following issues limit your participation in this Time Bank?” Table 7.2 provides the percentage of respondents answering “to some extent,” the percent replying “to a great extent,” and then combines these two categories to supply the percentage indicating that the issue exists at least to some extent (the “not at all” and “a little” choices are excluded from this table). Ironically, it is lack of time (“I’m too busy”) that is the single most limiting factor at HEP. More than four out of five respondents (81.8%) indicate that busyness limits their participation “to some extent” or “to a great extent.” Nearly 60% report that other members do not call to request their services. This is likely to be at least somewhat attributable to the fact that most members are seeing themselves as too busy and therefore not making requests.

Table 7.2 Limitations to participation in HEP

	To Some Extent (%)	To a Great Extent (%)	TSE + TGE (%)
I’m too busy	44.9	36.9	81.8
Members do not call me to request my services	32.3	26.5	58.8
Contact difficulties, it is hard to reach other members	26.3	20.7	47.0
Members who I call are not available to provide services	27.0	16.8	43.8
The services that I desire are not available	29.7	8.7	38.4
I do not feel comfortable requesting from those I don’t know	21.0	2.7	23.7
I do not really want to receive services, I prefer to only provide	7.7	1.4	9.1

Nearly half of the HEP respondents say that the difficulty they have reaching other members limits their participation at least to some extent. This is followed closely by the 43.8% indicating that members are not available to provide the services. Herein lies a major challenge of Time Banking. Despite rules of etiquette and the orientation sessions which stress the need to return member's calls in a timely fashion, some members do not respond to requests. If this happens repeatedly to members seeking a service, their confidence in the Time Bank most likely declines and could lead to inactivity. Time Bank coordinators are well-aware of this problem. Following in the footsteps of eBay, HEP has been testing a new rating system in which members can leave feedback about others in the online directory. If a member provides a great service, the recipient can leave a positive recommendation. If a member does not respond to requests, that can be noted as well. Only time will tell how this system will work out. One potential problem is that it could lead to the highest rated members getting the most requests, making it difficult for new members to get started.

Table 7.2 also illustrates that nearly forty percent indicate that the services they desire are not available in the network. The potential for mismatch between service demand and supply exists in every community currency system. Collom (2004) heard from several former Hours coordinators that this was a major issue contributing to the closing of their systems. For example, one noted:

I think what people used to complain about with the system was that there wasn't enough of basic needs to be met, things like rent, utilities, groceries, you know. So that a lot of the services were considered to be sort of fluff, things like massages and you know that kind of thing that you don't really need to have. (Collom 2004: 9)

Another former Hours coordinator noted, "massage therapy is in demand around here, but the ratio of luxury things to the hard core basic needs of life, it was out of whack" (Collom 2004: 9). We described the services exchanged at HEP and CE in great detail in Chapter 4 and summarize them above. As we have learned, the variety of services being exchanged in both of these systems is impressive. Still, this is a concern for a significant proportion of HEP members. In our CE member survey we also asked respondents if there are services that are not available at CE that they would like to receive. One-third (33.1%) answered affirmatively. This suggests to us that coordinators need to be careful and set realistic expectations for new members and try to recruit a variety of members that offer different types of services.

Trust and comfort issues do not appear to be widespread limitations to participation in HEP, as just less than one-quarter of respondents cite these "to some" or "to a great extent" (see Table 7.2). In our national survey of coordinators only one respondent mentioned this as the major challenge of their Time Bank: "Trust. Folks are reluctant to have their phone number given out to other people."

Time Bank organizations often address these concerns to some extent by screening

members; CE asks for a recommendation and HEP does reference checking. Coordinators also generally encourage members to exercise caution as they would when calling an unknown contractor to perform an in-home service. It is quite likely that there is a “self-selection bias” operating here as well, limiting the extent to which trust issues are a concern at HEP. People who generally lack trust in others are probably less likely to join Time Banks to begin with.

As one of the pioneers in the movement reflected, Time Banking is not for everyone and is only part of the solution to today’s problems:

I also see that there is room for other tools of bringing the community together and building relationships... no one tool ever resonates with everyone, and we really need to find other ways. I know in the community I live now there is no Time Bank... but we do what the Time Bank did without the formal system. I know that I’ve had this conversation with a lot of the pioneers before, and I remember having it with [the coordinator] one time because we kind of laughed, we looked at each other and said, “does it really work?” You know after all the work we put into it, the blood, sweat and tears, but also all the joy, there were many times we looked at each other and said, “does it really work?” So, I think there is room for many other tools. (Founders Focus Group 2009)

Given these challenges and limitations of Time Banking, what are the keys to success then? In addition to being proactive and targeting these issues from the beginning, activists may also benefit from what respondents to our national survey of coordinators considered “the most valuable factor” in their Time Bank’s success. These open-ended responses were coded into the eight categories in Table 7.3.

Table 7.3 Valuable factors to sustaining Time Bank, national survey of coordinators

	Mentions (N)
Dedicated members and volunteers	28
Effective outreach programs	11
Embedded with another organization	8
Nature of the community where located	8
Exchange software	5
Good staff	4
Bad economy	3
Funding	2

Here we see that having dedicated members and volunteers receives the most mentions. Clearly, this is the flipside of the “lack of member involvement” that we saw as the top challenge in Table 7.1. So, coordinators are most likely to identify member initiative as the major “make or break” factor. This makes sense in this

DIY movement. Outreach programs, embedding with another organization, and being located in a supportive environment all receive moderate levels of mentions as well.

Our fieldwork at M2M also included interviews with program stakeholders. Overall, these results suggest that the following are essential components for any successful Time Bank program: start small and grow slowly; tailor the program to the specific community in which it is functioning (no two programs will ever be the same); listen carefully to what people are asking for; consistently recognize the good works of members (let them know you couldn't do it without them); use media coverage to expand visibility; and recruit and support a dedicated and effective staff.

As we mentioned in Chapter 1, the Time Banking concept was first implemented (as "service credit banks") in the U.S. in the 1980's as intra-generational, agency-based programs in which elderly providers helped other older people remain independent and in their homes. M2M, our embedded case with a restricted membership, was one of the original six demonstration sites. The programs were evaluated after three years (see Feder, Howard, and Scanlon 1992), and the recruitment and retention of providers was identified as the key to sustainability. Within the three year period most of the sites remained rather small (four had less than 150 members), and those who tried were unable to successfully recruit members from outside of the sponsoring agency. By 2001, only M2M was still functioning; the other five programs had closed. A second set of six Time Banks in HMOs were attempted in an eight year program (1992-1999), but only two of the sites survived to the end of this second demonstration (Dentzer 2002). In 2000, one of the surviving programs eliminated the Time Dollar element and became a pure volunteer program. So, the track record for embedded, intra-generational Time Banks is not positive. Dentzer (2002) argues, and our M2M stakeholder interviews indicate, that commitment from the senior management of the healthcare organization is a key factor. These programs require substantial resources (staff time) to recruit members and match providers with receivers. With the turmoil that managed care organizations have been facing, it is not surprising that Time Banks have not been a top priority among the executive leadership.

Given these findings and our own analysis of M2M, it is evident that these age-restricted programs in healthcare organizations are very difficult to sustain. We have argued throughout that diversity within Time Banks has many benefits. Removing the age restrictions from these "seniors helping seniors" programs is likely to be beneficial. Moreover, there are limitations to embedding such programs in HMOs, as these organizations are struggling on multiple fronts.

Conclusion

Time Banking offers several advantages and outnumbers other forms of local currencies in the U.S. The flexibility of the model is a major asset. Activists or

organizations can tailor a Time Bank to their own specific needs. The politically neutral nature of the concept has also assisted this movement. LETS and Hours systems have been more likely to be framed as anti-capitalist projects, turning off some potential members and funders of those networks. Paradoxically, the premises of Time Banking are the most radical among local currencies. With the currency of time, these systems are egalitarian as each member's hour is valued the same as any other. Also, debt is usually tolerated. A person can join a Time Bank and immediately receive services. As we have seen though, few participants have substantial debt and the fear of freeriding is unfounded. In addition to needs, values motivate people to join and make rational actor behavior unlikely.

Our study of Time Banking in the United States suggests that the community currency movement will continue to grow. Service exchange networks can help people meet a variety of needs and a number of factors indicate that the time is right. Along with the poor economy, government cutbacks, and the healthcare crisis, there is an increasing realization that rebuilding community and being environmentally responsible are necessary for the good life. Localist initiatives are expanding dramatically across the U.S. as confidence in government and large corporations declines. We expect that innovations in community currencies will continue to emerge. Our findings suggest that activists and organizations should attempt to recruit as diverse a membership as possible. Time Banking can appeal to a wide variety of people who can bring in a wide variety of services. Localist advocates also need to work together and build on the commonalities existing among local currencies, local food, buy local campaigns, and cooperatives.

The DIY movement that we have investigated here represents a "real utopia," an example of radical democracy in which people directly help one another through cooperative exchange. As such localism expands and the evidence accumulates that the ideas work, it is likely to gain greater public legitimation. Yet localist movements on their own are not enough. Activists who look to these local alternatives for fundamental social and economic change should simultaneously be engaged in mainstream politics and social protest advocating for larger policies that reduce income inequality, empower the economically marginalized, strengthen communities, improve public health, and are environmentally responsible. Local currencies are creative collective efforts that have emerged in part due to the shortcomings of larger social institutions. While the demand for them in the near future will most certainly continue, transforming problematic institutions in the long run would lessen the need for all that they offer.

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