**Rewarding the Work of Democracy:**

**The Case for TimeBanking**

**by**

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This paper is an exploration of the contribution that TimeBanking, a medium of exchange with its own unique characteristics can, and has, made to fostering a healthy civil society and thereby strengthening democracy.

The premise of this paper is that it takes work to make democracy work and that the work of democracy must be recognized and rewarded. I submit that if money is the sole medium of exchange with which to discharge this function, then our attempts to create a democracy that values, encourages and rewards the participation and contributions of all its citizens will fall short. A medium of exchange is supposed to bring supply and demand together. But exclusive reliance on our official medium of exchange has left us with a large volume of untapped supply and unmet demand.

Consider the supply waiting to be utilized. More than 10 million Americans are unemployed[[1]](#footnote-1) and an equal number are underemployed. There are many, many more who would like to be engaged in some kind of compensated activity: among them, large numbers of teenagers, men and women coming out of prison each year, veterans returning from the war, retired Baby Boomers and their parents, and persons with disabilities.

As for unmet demand, think of third graders going into fourth grade who still can't read, teenagers who have dropped out of school, caregivers who desperately need respite, persons subject to abuse and domestic violence, neighborhoods plagued by violence and whole ecosystems that need restoration from pollution, extraction, and waste.

Authentic democracy needs a currency that affirms value above and beyond market price. Economically speaking, this means reclaiming the habitat that democracy needs, the habitat of household, neighborhood, community, and civil society. Economist Neva Goodwin calls that the “core economy.”[[2]](#footnote-2) As families dissolve, as neighborhoods deteriorate, as Baby Boomers age, there is a fundamental need to revitalize the core economy. This paper examines how TimeBanking can foster those elements of democracy not adequately provided for by a monetary currency.

**What Is a TimeBank?**

TimeBanks are simply banks that keep track of hours a member *earns* helping others and hours he or she *spends* getting help from someone else. All hours are equal, regardless of whether the service is highly skilled professional help or one neighbor driving another to a doctor’s appointment. You give an hour of help. You earn one “time dollar” or “time credit.” The person receiving the help owes one time dollar that can be paid back by helping someone else.

Members list what they are willing to do and when they can do it. When somebody calls in for help, the need is matched to available members. Computer technology enables the coordinator or “match-maker” of a TimeBank to identify, store, and access resources that people offer one another and keeps track of what has been earned and spent.

You use your time dollars when you need them—or you can give them to someone else. You can earn time dollars at neighborhood events or working with other TimeBank members on projects that build community. You can also donate hours to support a charitable organization.

**Intrinsic and Extrinsic Rewards**

For economists, money provides an all-purpose measure of value. Yet, even the most rigorous cost-benefit analysis incorporates an appreciation that there are two kinds of benefits and two kinds of costs: extrinsic and intrinsic. Earning money confers an external benefit reflected first and foremost as purchasing power. The primary value of money is its function as an extrinsic reward.

Intrinsic benefits are also real. Economists know (as we all do) that people will often take lower paying jobs, because of the satisfaction they get. And people volunteer to accept no money at all simply because they want to do something that is needed, that helps others, or reduces suffering, injustice and deprivation. At the London School of Economics, where I developed the idea of TimeBanking, the principal sticking point revolved around an economic principle known as “marginal cost,” which refers to the cost of producing additional items. Simply stated, continuing success depends on marginal benefit exceeding marginal cost. With TimeBanking, where all hours are equal, what you get out is exactly equal to what you put in. One hour’s work gets you one hour of someone else’s work. So how could TimeBanking be a sustainable undertaking?

The answer is based on an appreciation that TimeBank transactions have more than instrumental value. Earning time credits has two meanings: (1) you have a kind of purchasing power, and (2) you feel good about yourself because your work is valued and acknowledged, The first is the extrinsic reward; the second is an intrinsic reward. Each "credit" reinforces a sense of self. Each transaction is perceived as flowing from a relationship and as an exercise of membership. Asserting a sense of shared purpose confers a psychological benefit. Members engage in TimeBanking because it affirms their sense that what they do matters and that their lives matter.

That meaning is reinforced by the rejection of market price as the sole measure of value A currency that regards all hours as equal does more than simply provide an alternative to market price as a measure of value. It empowers persons whom the market does not value and validates authentic but otherwise invisible contribution. Individual transactions give rise to relationships. Interdependence and new friendships create networks of trust that reweave community.

More is at stake than being nice to each other. A noted anthropologist, Polly Wiessner, has observed that TimeBanking has used IT to create a currency that reduces the transaction costs of finding others with whom one can cooperate in our anonymous, mass society. It incorporates basic rules that provide the opportunity and time together to build relationships of trust.

Those rules are built into the currency. TimeBanking explicitly affirms that every human being has something to contribute. It records and compensates critical work that the market fails to acknowledge such as civic engagement, environmental protection, family preservation, advancing human rights. Receivers become givers in a dynamic that incorporates reciprocity, creates social networks, amplifies voices that are otherwise unheard and demands accountability from those with power and privilege.

As long as we are locked into today’s fiscal monoculture we are limited by what our supply of that one currency buys. Depending exclusively on money is like hoping for bigger and bigger returns on one crop—while gradually depleting the fertility of the soil on which it depends. If only big fish were left in the ocean because they had devoured all the little fish, the ecological system of our oceans would collapse. TimeBanking as a local currency is noteworthy because it breaks us out of a fiscal monoculture.

Development expert Gwen Hallsmith and Bernard Lietaer, a principal architect of the euro have made the case for fiscal biodiversity in their book, *Creating Wealth: Growing Local Economies with Local Currencies:*

“As with agriculture, a monoculture crop has the effect of making everything dependent on its health and well-being. If you grow only one crop, you are more susceptible to the ravage of insects and blight. The same is true of the monetary system we have adopted. [T]here are several functions that money serves. It is a means of exchange, a store of value, a unit of account. [A]ll of these functions do not need to be covered by the same instrument. Our economy would be more resilient to big changes and would have fewer disruptions if there were more diversity in the ways in which we make exchanges, store value, and keep our accounts.”

**How TimeBanking Differs from Other Currency Systems**

Time credits are distinct from all other currencies in four ways:

• All hours are equally valued.

• Time credits are not for sale and cannot be converted into money.

• When one receives an hour of service, there is only a moral or social obligation to pay back by helping someone else. There is no legally enforceable obligation.

• Time credits can only be earned or spent on labor by members that builds community, furthers a charitable purpose, provides mutual support, or remedies some social problem. The sponsoring organization or community group decides how credits are earned and spent: e.g. mentoring, companionship, charity, eldercare, childcare, community building, or environmental preservation.

The distinctive characteristics of time credits and the intrinsic benefit associated with earning and spending them enable TimeBanks to link untapped supply to unmet demand in ways that money does not. There have been literally millions of TimeBank transactions that reward mutual support and contribution in ways that money as a fiscal monoculture has failed to achieve.

But how does contribution that comes from addressing personal needs translate into advancing democracy? Can it restore vitality to what Kettering Foundation President David Matthews has described as the equivalent of democracy's wetlands?[[3]](#footnote-3) Can it provide a way of sustaining, preserving, and reviving the ecology that democracy requires?

**The Fiscal Monoculture and Civil Society**

Democracy means nothing if money enables powerful interests to bypass the citizenry, to effectively buy elections, buy lobbyists who then buy elected officials, and cripple publicly funded institutions by injecting corruption, cronyism, subsidies, loopholes, gerrymandering, and nepotism into the day-to-day operations of those systems. Whatever birthright we enjoy as citizens in a democracy has been expropriated if we delegate it to persons whose votes as public officials and decision-making authority is up for sale to the highest bidder. The result is the lack of faith that Mathews notes: “politics…brings to mind privilege, corruption, dishonesty, incompetence. Regrettably “politics” has become synonymous with what politicians do” [[4]](#footnote-4)

Unfortunately, the representative democracy that we have is too often available to the highest bidder. The Founding Fathers would not have been consoled by assurances from market experts that "future generations will get the best government their money can buy."

**Civil Society—Promise versus Performance**

It was originally hoped that nongovernmental organizations (NGOs)[[5]](#footnote-5)—or nonprofits— could be the means for mobilizing communities to supply the work that democracy needs. They would promote engagement, generate reflective democracy, and amplify the voice of the people. NGOs are supposed to do that work. But they need money to pay staff and to survive. And to get money, they face an obligation to meet the demands of funders. Funders do not require or reward what clients, communities, or volunteers do. They look at what paid staff do, measured as outputs or "units of service" delivered.

Richard Harwood and John Creighton have documented the reluctance of NGO leaders to invest in civic engagement:

For these leaders, the need to prove to funders, their boards, and others that their efforts yield measurable results undermined their willingness to explore further or different approach to engagement: "I can't prove that (engagement) is a good return on investment," explained one leader. He said, "We encourage our chapters to get involved with the community, but we can't tell them what the benefits will be." . . . Time and again these leaders returned to their need to be able to draw direct links between community engagement, action, and demonstrable results. [[6]](#footnote-6)

Those engaged in TimeBanking assert that if the problem is lack of money to pay for the engagement of the citizenry, then why not create and utilize a new kind of money? Money as we know it enjoys a virtual monopoly in defining what is valued and in providing rewards that can be used to address basic needs. Yet there are domains in our lives and values we embrace that we consider above price: our loved ones, spiritual concerns, justice, patriotism, the environment, endangered species—and democracy.

TimeBanking undertakes to supply democracy with a currency it can use to secure labor that the market does not value: civic labor, community building labor. And that labor must come in part from a labor force that the market does not value: children and teenagers, disabled persons, volunteers, persons returning from the military and from prison, school drop outs, the unemployed, and persons in the labor force willing to dedicate part of their leisure time to community building work. That is the labor force needed at the grassroots level to do the work required for the “strong democracy,” Barber refers to when he talks about citizens governing themselves rather than delegating their powers and responsibilities to representatives acting for them.

**TimeBanking, the Core Economy, and Civil Society**

TimeBanking revitalizes the core economy primarily by creating the functional analog of an extended family. There are at least seven ways in which revitalizing the core economy affects citizens and the future of democracy

*The Incubator and Home Base for Nonmarket Values.* Democracy survives only if undergirded by a commitment to values that are more fundamental than exacting profit. The core economy, not the commercial economy, is the terrain where such values are nurtured and shaped. Every time credit earned represents value created by exchanges that create relationships. Democracy incorporates a dialectic between market and non-market, between money and normative principles. A medium of exchange that confers benefit and simultaneously affirms non-commercial values evens the odds in that dialectic.

Transactions in the world of TimeBanking shape our sense of purpose, reinforce our appreciation of fundamental values, and help satisfy our desire for our lives to have meaning. Civil society may be where the stewardship owed to our species, to future generations, and to the planet will be anchored. But that civil society is best rooted in, and sustained by, a vibrant core economy that promotes and rewards reciprocity, altruism, engagement, and delayed gratification. The core economy supports civil society in a manner analogous to the way the body’s lymphatic system undergirds the entire circulatory system that supplies nutrients to tissues and organs.

*Awakening Empowerment***.** Democracy depends on engagement—but those who feel powerless to make a difference do not bother to engage. Civil society cannot secure that engagement, mobilize public opinion, or generate accountability when its members feel that nothing they do matters. Benjamin Barber characterizes what we have as “thin democracy” that “yields neither the pleasures of participation nor the fellowship of civic association, neither the autonomy and self-governance of continuous political activity nor the enlarging mutuality of shared public goods—of mutual deliberation, decision and work.”[[7]](#footnote-7)

From this perspective, participation in TimeBanking is a form of civic education because every hour that one expends helping others is recorded, acknowledged, rewarded, and validated. That kind of validation of self indirectly undergirds and supports civil society. We have only anecdotal confirmation that TimeBank membership yields higher voter turnout. But it is clear that the connectivity generated by TimeBanking translates into responsiveness, heightened attendance, and receptivity to calls for voluntary participation in social life. It affirms mutual responsibility on a personal basis that potentially translates into one's conception of oneself as an authentic and empowered member of civil society. In sum, TimeBanking incorporates an ethos that asserts we cannot outsource our residual responsibilities as neighbors, as citizens, as human beings.

*Identity via Membership.*TimeBanking is not just an exchange system. It involves rebuilding the core economy. TimeBank members assert that membership is part of their identity because, for them, it feels as though they are taking a stand about value. They are rejecting money as the sole measure of value—and that makes membership mean something special. One may be a "member" of Sam's Club or American Express but no one claims that that is a part of who they are. TimeBanking confers a sense of belonging, being part of something bigger, feeling valued. TimeBank meetings have a special kind of energy. People know that their presence is a gift that is valued and honored.

*Gender Equity.*Offsetting gender inequality is a distinct contribution that TimeBanking makes to democracy. Overall, women constitute between 60-70% of TimeBank members. Even more significant is the leadership that women have provided as coordinators, directors, brokers, and matchmakers. Women fill most of the leadership roles in different TimeBanks. Typically, they create teams, panels, or cabinets whose members share managerial, administrative, and leadership roles. In effect, they exercise leadership for a labor force that varies from 15 to 3000 (depending on the size of the TimeBank), and that generates thousands of hours dedicated to mutual help and community building.

*A Self-Renewing Commons*. A commons refers to cultural and natural resources, including air, water, and a habitable earth, accessible to all members of a society, TimeBanking creates a commons where members elect to make their personal capacities known as part of a shared and renewable asset, subject to such conditions as they impose. There is openness—sharing private knowledge about what one can and can't do and when one is, or is not, available. TimeBank software now prints out a "yellow pages" of hundreds of types of available services. Knowing the capabilities of neighbors and strangers whom you can trust represents a vast resource that each has access to and that each replenishes.

One coordinator put it this way: If you can talk, you have a skill. If you can listen, you have a skill. There are communities where money is scarce. There is no community that does not have an abundance of skills. Some are a bit esoteric—among them, the TimeBank member who knows how to carve avocado pits. All TimeBank members are asked what they can do and would like to do for others. In the process, they are creating a new kind of commons.

*Social Enterprise Incubator***.** A vibrant core economy functions as the incubator for social enterprises, associations, and affinity groups, for projects and campaigns needed to nurture and expand civil society. Sometimes TimeBanking will be incorporated into innovative alternative delivery systems like youth courts, informal care for the elderly, violence prevention efforts that bridge racial chasms, and community gardens. Such initiatives are admittedly susceptible to being co-opted by money. They evolve into social enterprises that have a bottom line and must break even to stay afloat. But the bottom line will incorporate a set of non-monetary values that may be non-negotiable or at least, highly resistant to commoditization and commercialization.

One such enterprise is the Arroyo SECO Network of TimeBanks (ASNTB), linking 13 neighborhoods in Los Angeles, which has established a dual-currency loan fund for members with either a small business or worker-owned cooperative. As an experiment in complementary currency, the loan fund utilizes both federal dollars and time credits. The fund loans federal dollars to ASNTB members through the fund's financial partner, the Permaculture Credit Union, while members pay associated loan fees for processing in time credits. Borrowers may also participate in the Local Economy Incubator, which matches TimeBank entrepreneurs with TimeBank mentors who provide business development expertise in areas such as sustainability, strategy, business plan development, branding, media, and more.

Micro-lending programs are particularly successful because they leverage social capital. Borrowers are more likely to repay their loans when they are accountable to their community. The Arroyo Seco Network of TimeBanks takes this social capital one step further by honoring a set of core values that includes reciprocity, paying it forward, and a deep respect for nurturing interdependence.

*Deficits Become Assets***.** By enlisting persons previously defined exclusively by their problems, as valued contributors, TimeBanking redefines that group and empowers it to engage with greater parity in the process of shaping responses to public problems. These members are not just "the problem." They are key to the solution. A willingness to ask for and accept help—without creating a dependency—is a central feature of TimeBanking. No one can earn a time credit if no one will accept help. Studies of TimeBank programs consistently report that members access services and accept help more readily. The opportunity built into TimeBank programs to "pay it forward" turns recipients into contributors, both in neighbor-to-neighbor TimeBanks and in more structured TimeBank initiatives.

**Generating Co-Production**

TimeBanking has generated partnerships with human service professionals in ways that transform clients and service recipients from passive consumers into active co-producers of outcomes. The term “co-production” was originally coined at the University of Indiana by political economist Elinor Ostrom:

"By coproduction, I mean the process through which inputs used to produce a good or service are contributed by individuals who are not “in” the same organization. The “regular” producer of education, health, or infrastructure services is most frequently a government agency. . . . All public goods and services are potentially produced by the regular producer and by those who are frequently referred to as the client. The term “client” is a passive term. Clients are acted upon. Coproduction implies that citizens can play an active role in producing public goods and services of consequence to them[[8]](#footnote-8)

In this sense, TimeBanking becomes an example of the action described by Mathews as political: "It is a politics where citizens don’t just comply or advise; they act. They get things done. They produce.”Co-production entails more than enlisting the labor of the community; it also involves redefining the status of the co-producer as a stakeholder whose voice would be heard and who, by virtue of contributing, can hold the public sector more accountable and more responsive. Partnerships become a vehicle for empowerment.

*Co-Production as an Emerging Best Practice for NGO's.* TimeBanking can provide a vehicle for infusing co-production into the practices and programs of NGOs.[[9]](#footnote-9) This would involve changing present practice and converting recipients of service—clients, patients, neighborhoods—from passive consumers of services to active co-workers, partners, and co-producers of outcomes. It means looking at clients as more than their problems and turning transactions into an opportunity for them to "pay it forward" by helping someone else. Future support for NGOs may well depend on the greater effectiveness that co-production will yield. There is a growing emphasis in government, academia, and philanthropy on the use of “what works,” on so-called evidence-based solutions. When the failure of officials to use known, more effective alternatives is found to perpetuate racial disparities, there may even be a legal obligation to compel system change that incorporates such alternatives. [[10]](#footnote-10)

*Human Services*. As the principles and practices of co-production infiltrate human service professions, we are likely to see changes in how human service professionals are trained, and a reframing of performance measures which will include assessing the extent to which clients and consumers become co-*producers.* Technological developments are shifting more and more functions to the consumer. Quite possibly as TimeBank software is integrated with educational technology, health care technology, and community-based economic development, TimeBanking may become a standard ingredient in human service delivery. The challenge will be to retain the core values rather than simply using TimeBanking as a cost-cutting vehicle. As David Boyle, co-founder of TimeBanks UK, has warned, "The public service institutions that we studied had been experimenting with co-production usually because of the enthusiasm of specific individuals inside the organization. Their work implies that funding might be forthcoming eventually from public services, simply because co-production approaches are effective. But there also seems to be a danger that the whole concept could be subsumed into a more utilitarian public service agenda, aimed at reducing expenditure and the efficient pursuit of targets.”

*Valuing and Rewarding Contribution***.** As co-production grows, TimeBanking may well lead to new forms of earned benefits, discounts, rewards, and even earned entitlements. Co-production that translates into enhanced results, lowered costs, and greater impact can be formalized. We have seen lower interests rates charged to people with a track record of payment and lower health insurance costs levied on non-smokers. Trustworthiness coupled with community service might provide priority access to housing vouchers and could possibly lead to rent-to-buy and condominium ownership. We have already seen loan forgiveness linked to 10 years of employment in public interest enterprises. Repayment of student loans by participation in community-based practicums might become a feature in higher education for human service professionals. Possibly, in several decades, community service options, measured by some form of complementary currency, might provide benefits similar to those conferred by the GI bill on veterans.

*Redefining Work*. We live in a world capable of producing abundance but lacking a distributive system that secures a minimally adequate share for everyone. If TimeBanking can help redefine what we value as work and who we perceive as contributors, then it might be possible to forge a pathway by which all households willing and able to contribute in specified ways to the well-being of others might be assured of an adequate and decent level of subsistence. Right now, the Earned Income Tax Credit supplements the income of those who are working at jobs that do not bring in a living wage. As the world of work undergoes change, it is conceivable that essential TimeBanking work involving elder care, child development, mentoring, community building, environmental protection, and violence prevention might bring some form of Earned Income Tax Credit to raise the floor for any household that elects to contribute consistently in ways that address critical social needs.

**Time Banks in Action**

TimeBanking has been utilized to mobilize community-based capacity and channel streams of focused activities directed at specific social problems. Its potential has been explored by mission-driven organizations and social entrepreneurs. And it has been put into practice in a broad spectrum of civic endeavors. The following cameo descriptions amount to a kind of aerial photograph of TimeBank terrain and the initiatives it has spawned:

*Juvenile Justice.*  Washington DC, teenagers charged with various misdemeanors earn time dollars staffing the jury of the Washington D.C. youth court. Youth Court provides alternative sentencing to first-time juvenile offenders and serves as a diversion program for non-violent offenders. Volume climbed at one point to 65% of non-violent offenses with the documented impact of reducing second arrests by over 50%. In addition, a dozen Youth Court jurors volunteered to participate as members of a Youth Grand Jury to investigate teen substance abuse problems. After six months of hearing witnesses on alternate Saturdays, they indicted the mayor and the substance abuse agency for failing to fund community-based programs and for failing to make use of intervention methods that had proven highly effective in other cities. As a result, the mayor reprogrammed $2 million for community-based programs for juveniles and appointed several youth grand jurors to teams preparing proposals for federal substance abuse funds.

*Third Grade Literacy.* In Chicago, 5,600 tutors and tutees earned time credits in a Cross-Age Peer Tutoring program that produced gains in test scores, reductions in truancy and school fights, and termination of academic probation for troubled schools. One hundred time credits earned by the tutor or tutee and 10 by the parent could be cashed in for a recycled computer. In New York City, seniors coached students evaluated as “promotion in doubt.” Parents did not speak English and could not help them with homework. All were promoted to the next grade. Academic performance in reading, writing, mathematics, science, and social studies improved. Equally important, attitudes toward school, organization, confidence with coursework, and ability to manage coursework improved.

*Severely Emotionally Disturbed Children.* In Rhode Island, parents who successfully prevented institutionalization of their bipolar, schizophrenic, or autistic children used TimeBanking to create a new kind of extended family. Acting like brothers and sisters, children earn time dollars in a mutual support group and have now formed a speaker’s bureau to share their stories with high school students. Parents getting respite, coaching, and mutual support from each other earn time credits saving the state government millions by raising their own children.

*Re-Entry from Prison.* Nationally, 70% of those returning to the community from prison are back in prison within three years. In partnership with TimeBanks USA and other national organizations, returning prisoners planned and founded the National Homecomers Academy. Homecomers earn time credits providing safe passage to enable children to get safely to school when traversing gang territory. They have also developed their own Mind-Body-Soul curriculum to provide educational remediation, address substance abuse, and earn trust and acceptance from the communities they had victimized.

*Chronic disease and super utilizers***.** Allentown, Pennsylvania, the Lehigh Valley Hospital’s TimeBank program has 700 members. For the past decade, members have generated between 10,000 and 15,000 hours a year providing informal care to elderly and disabled persons, reducing re-hospitalization, and decreasing the disproportionate costs incurred by “super-utilizers” with complementary care andsupport. (Super-utilizers are individuals with complex physical, behavioral, and social needs who bounce from emergency department to emergency department, from inpatient admission to readmission or institutionalization.) Patients receiving health care paid back by learning how to function as medical translators for Latino patients; once certified, they got jobs as translators in sponsoring hospitals.

*Transportation for the Elderly and Disabled.* In Anne Arundel, Calvert, Frederick, and Talbot Counties, Maryland, 370 drivers earned time credits providing 8,567 rides for Partners in Care, a time exchange community supporting older adults aging in place. Together, drivers logged 174,000 miles in 2012. To enable people to maintain their homes, teams fixed leaking faucets, changed lights, built railings, and installed safety equipment such as shower seats, toilet risers, and grab bars.

*Bridging Diversity.*  In New York City, the Community Connections TimeBank launched by the Visiting Nurse Service has over 3000 members, 70% of whom were not born in the United States. A full 100% of members reported they had benefitted; 98% reported they had been able to use their skills to help others; 90% reported an increased number of friends; 73% reported an increase in trust of people from other backgrounds, cultures, or age groups; 93% reported they had made friends with or exchanged with members of different ages, backgrounds, or cultures. In Sobrante Park, a neighborhood in Oakland, California, the Alameda County Department of Public Health invested in TimeBanking to reduce violence between long time African-American residents(60%) and Hispanic newcomers (40%). The coordinator position was shared by one Hispanic and one African American. After the TimeBank had been in operation for three years, an increased number of residents reported that they felt Sobrante Park was a safe place to live, that there was less drug use, drug dealing, and violence, and that they had been involved in the community.

**Future Trajectories**

TimeBanking supplies a complementary currency—one that adds something that money does not and will not. But ironically, it will take an investment of money for this complementary currency to go to scale It requires funding to pay for the local TimeBank infrastructure—the coordinator, computer, brochures, meeting places. And it will take an investment in prototypes and rigorous evaluations to generate compelling evidence that money will be saved in two ways: providing critical budget relief to households; and, addressing critical social problems. The evidence has been mounting; the number of TimeBanks has doubled in the United States over the last two years. Nearly two million hours have been logged in—and one study confirms what we have known for a long time: that a majority of the hours earned have not even been logged in.

Given these trends, it is reasonable to assume that TimeBanking will continue to spread, as individual activists, entrepreneurs, and community organizations appreciate its usefulness and flexibility. And it is perhaps most likely to gain traction in the following areas that show promise as a good fit.

*Health Care.*It is conceivable thatTimeBanks could evolve into aform of ancillary, non-medical long- term care insurance that radically reduces costs by providing a source of informal support while engaging participants in an ongoing program to maintain health, change unhealthy life styles, prevent serious illness, and manage chronic health conditions so as to avoid the need for institutionalization.

Eighteen percent of our GDP already goes for health care. Some 96% of Medicare dollars and 87% of Medicaid dollars go to eldercare and chronic care. A report by the Congressional Budget Office, “Rising Demand for Long-Term Services and Supports for Elderly People” assigns a value of $234 billion to the informal care that keeps elders out of nursing homes. The AARP estimates the value at $450 billion. [[11]](#footnote-11)

Different revenue strategies need testing. In the past, TimeBanksUSA has proposed development of a social enterprise called CareBanks wherein member households that commit to earning time credits at some minimal level would, by virtue of seniority and commitment, receive a higher level of assured availability of informal care if needed to address chronic conditions or critical adverse events.

As the Affordable Care Act goes into effect, it is entirely possible that health care providers will see fit to offer premium discounts (as they do now to non-smokers) based on a superior risk assessment associated with TimeBank membership. More recently, the Veterans Administration has expressed interest in the inclusion of TimeBanking as part of a holistic strategy to deal with post-traumatic stress disorder (PTSD).

Another possibility has emerged as advocates for the disabled press state governments to comply with the Supreme Court's 1999 decision that the unnecessary institutionalization of individuals with disabilities is a form of discrimination under Title II of the Americans with Disability Act. So far, state plans have focused exclusively on expanding formal, licensed, home-based care as an option for those seeking to avoid institutionalization. Major cost savings are projected in this shift away from institutional care. Greater savings will emerge if the formal in-home care is combined with the informal care supplied by TimeBanking.

TimeBanks typically offer services needed by persons with disabilities: friendly visiting, telephone companionship and reassurance, shopping, escort services, transportation, minor home repairs, reading mail, assistance with paying bills, respite for caregivers, peer counseling, hospital visits. To the extent that TimeBanking might substantially reduce the cost of compliance with the Supreme Court’s mandate, state plans would need to incorporate funding for the staff infrastructure needed to take TimeBanking to scale.

As successive waves of Baby Boomers pass 65 at the rate of 10,000 a day until the year 2030, and as the number of people 85 and older increase, the need to augment and deepen the sources of informal care would make TimeBanking a solid investment for government, philanthropy, and individual households.

*Disaster Preparedness and Response.*Global warming has heightened the unpredictability of Mother Nature. Fires due to sustained draught, floods, arson, and terrorism increase the need to invest in flexible networks that can respond immediately and incorporate floods of volunteers into systems of strategic support. TimeBanking provides an embedded resource of critical importance.

That potential first surfaced in August 1992, when Hurricane Andrew hit the southern tip of Florida wreaking havoc on what was then an unprecedented scale. Southern Miami was the home of what was then the largest TimeBanking program in the U.S. founded in 1987. It had survived and spread to reach the areas hardest hit. The TimeBank membership responded to the devastation before the National Guard and the Red Cross arrived—providing guidance to the teams that landed and were unfamiliar with the terrain. Everyone was enlisted sorting clothes, delivering food and water. Prostitutes who descended were told, "You work for us during the day; you can work for yourself at night." The 1993 total of time credits exceeded 150,000, providing sustained relief for hurricane victims. By 1994, more than 3,000 members were earning over 12,500 time dollars a month.

Lessons from Hurricane Andrew seemed to have been forgotten when it came to Katrina. They were remembered, however in the wake of Hurricane Sandy, the second-costliest hurricane in United States history.

A report from New Zealand on the role of the Lyttletown TimeBank as the builder and mobilizer of resources during the deadly earthquakes in and around Christchurch in 2011, has been going the rounds at FEMA. Disaster specialists are "discovering that TimeBanking might just be a uniquely inexpensive and powerful form of disaster preparedness.” The Lyttletown TimeBank report[[12]](#footnote-12) notes:

During the earthquakes, the Lyttelton Time Bank had the best local communication system through which vital information flowed to members and local residents. Using a range of communication modes, timely information was provided to residents on practical and safety precautions, as well as the availability of clean water, food, services, and other resources. As a partner working with emergency workers and first responders, the Lyttelton Time Bank had a better knowledge of the community. It acted as a hub organization activating its extensive social network through which valuable resources could flow.

"Community resiliency involves the process through which a community positively adapts following a crisis. Research suggests that community resiliency improves when communities can quickly mobilize a range of resources. This is a real strength of the time bank model since resources are identified, developed, and activated through hundreds and thousands of trades."

The report provides a valuable step-by step process that incorporates TimeBanks as partners in emergency planning and management:

*Social Services.* An increasing demand to make use of what works has infiltrated the nonprofit sector. There is a whole evidence-based industry pressing for this. One does not need to endorse its standards or its methodology to recognize that more and more funders are demanding that applicants demonstrate that they are making use of "best practices." TimeBanks USA has pioneered ways in which co-production can be introduced in different contexts. The degree to which an initiative succeeds or fails to enlist the client as co-producer of desired outcomes may come to be a critical indicator of capacity and even, of professional competence.

A Racial Justice Initiative, launched by TimeBanks USA has advanced a new legal theory[[13]](#footnote-13) to address the adverse racial disparity that permeates virtually every social service field: child welfare, education, juvenile justice, re-entry, health care. Courts will not intervene to require a remedy to this disparity unless the injured party can prove that the disparity is intentional. For four decades, that has proven to be an insuperable barrier. The Racial Justice Initiative proposes a novel way to prove intent by shifting the focus from past practice to future choice. We urged that those charged with administering systems where such disparity exists be put on formal notice of the availability of alternatives that have proven effective, cost less, and reduced racial disparity. Once on formal notice that those alternatives exist and that prior practice generates disparity, then going back to prior practice represents a conscious choice—from which intent can be inferred according to case law.[[14]](#footnote-14) In effect, this strategy would give rise to an obligation imposed on officials to make use of knowledge of what works. That has been invoked in Pennsylvania to stop officials from sending youths to juvenile detention centers and to halt the excessive use of suspensions in Washington DC as a standard mode of classroom control**.** As TimeBanking is utilized to implement co-production, it will gain standing as an alternative that has been validated, costs less and reduces racial disparity. At that point, system change that utilizes some form of co-production or some other equally effective alternatives becomes obligatory. If utilization of TimeBanking is obligatory, essential funding would also be obligatory.

As the significance of co-production gains standing, there will be an increased willingness to ask whether prevailing practice in social service agencies is designed to produce dependence—rather than recovery and growth. More and more, in times of budget constraints, some form of match, in dollars or in-kind, is required. Volunteer hours have been used by some programs as a form of in-kind match. Based on the importance of co-production, time credits could well be promoted as a form of in-kind match. Funders could award additional points in the form of bonuses based on the volume of time credits generated. Further, in evaluating programs for renewal, funders could consider time credits earned as evidence that the program was not fostering dependency.

*Bridging the Economies.*If TimeBanking flourishes, there will be more and more ways to bridge the core and monetary economies. Increasingly, TimeBanking would enable people to access rewards previously available only for money. This has already begun. In New York City, merchants give discounts to members of the Visiting Nurse Service Community Exchange Time Bank.

Frequent Flyer programs with VIP memberships that confer special benefits offer a kind of prototype for different categories of membership based on level of commitment and length of membership. In South Korea and in Albany, New York, university students were able to pay part of their tuition with time credits. For a time, Elderplan in New York permitted members of the TimeBank to pay one quarter of their insurance premiums with time credits. In England, Wales, and Northern Ireland, TimeBank members can get discounts, trips, event tickets, and special tours for time credits. In Los Angeles, for the third year in a row, TimeBank members have been able to get a savings of up to 84% on an annual Metro Pass with unlimited use.

As gross and escalating disparities in income, wellbeing, and opportunity gain more and more political focus, there is likely to be more willingness to consider TimeBanking as a vehicle to "lift the floor for all" while reinforcing the work ethic.

There are already provisions for student loan indebtedness to be forgiven after 10 years of public service work. There were similar arrangements in the past for doctors willing to devote themselves to opening a practice in underserved communities. And a similar arrangement applied to teachers willing to teach in disadvantaged neighborhoods. It is possible to envision that TimeBanking could be used to modify student loan indebtedness or to qualify for access to such loans. Similarly, prohibitions on condominium conversion that give tenants a right of purchase might begin to incorporate TimeBanking as part of a process of tenant cooperatives or tenant owned condominiums.

The Earned Income Tax Credit represents a way of helping to augment the income of hard working persons who are not earning a living wage. As TimeBanking spreads and enlists critical populations and areas where unemployment remains pervasive, it is conceivable that in some form, hours of work in a TimeBank will generate some variation on the Earned Income Tax Credit for community building or environmental preservation labor.

*TimeBank Fiscal Progeny.* The potential exists for TimeBanks to create foundations, loan funds, and new ways to make a difference in the world. There have already been examples. Members of one TimeBank have created a TimeBank Foundation to which people can donate unused credits; a board then awards blocks of credits to a nursing home or Headstart program to enable the recipients to get help from TimeBank members. Some have suggested that the foundation issue an RFP (request for proposals) and local programs could apply for a grant of time credits to pursue a project or launch a program.

In Los Angeles, the TimeBank has created a social venture fund and a civic enterprise fund to enable members to secure the funding to start an enterprise or to launch a project that could make a difference. We have already seen time credit academies and neighborhood academies spring up where anyone can submit a syllabus and teach anything of interest: photography, plumbing, hair styling, Bible stories. Tuition is charged in time credits; some require that the time credits be ones earned by using what was learned to help others or build community or beautify a neighborhood. The instructor only receives two or three credits for the time spent delivering the course. The surplus goes into a fund that can underwrite projects for the community.

**Conclusion**

The vision is large—the gradual emergence of a global learning network, supported by social media and technology but returning the human family back to basics by valuing the capacities that enabled our species to survive and evolve: our willingness to teach each other, care for each other, come to each other's rescue, stand up for what is right, and take collective action in response to disparities that arouse our sense of injustice. Democracy needs a medium of exchange that honors those values and promotes that engagement. TimeBanking might just fit the bill.

1. That official number does not include those not counted because they have given up looking for employment. [↑](#footnote-ref-1)
2. Goodwin, Neva, Nelson, Julie, Ackerman, Frank, Weisskopf, Thomas, Micro Economics in Context 2-16 (Houghton Mifflin 2003). Originally, Hazel Henderson called it the Love Economy. Henderson, Hazel, Building a Win-Win World 58 (1996) [↑](#footnote-ref-2)
3. David Matthews,The Ecology of Democracy: Finding Ways to Have a Stronger Hand in Shaping Our Future(Draft II, 2012) [↑](#footnote-ref-3)
4. David Matthews, The Ecology of Democracy p. 11 (2013) [↑](#footnote-ref-4)
5. Any nonprofit voluntary citizens’ group organized on a local, national, or international level. [↑](#footnote-ref-5)
6. Harwood, R.C. and J.A. Creighton. 2008. The Organization-First Approach: How Programs Crowd Out Community. The Harwood Institute for Public Innovation/Kettering Foundation. [↑](#footnote-ref-6)
7. Benjamin R. Barber, Strong Democracy: ParticipatoryPolitics for a New Age p. 24 (2003) [↑](#footnote-ref-7)
8. Elinor Ostrom, Crossing the Great Divide: Coproduction, Synergy, and Development p. 85 [↑](#footnote-ref-8)
9. See Edgar S. Cahn, No MoreThrow-away People: The Co-production Imperative, 2nd ed., Chapter 10, The Parable of the Blobs and Squares, (Washington D.C. Essential Books, 20014) for a discussion of resistance to co-production by professionals and nonprofit organizations. [↑](#footnote-ref-9)
10. Edgar Cahn and Cynthia Robbins, An Offer They Can't Refuse: Racial Disparity in Juvenile Justice and Deliberate Indifference Meet Alternatives That Work 13 UDC Law Rev. 71 (2010) [↑](#footnote-ref-10)
11. See Family Caregiver Alliance: Selected Long Term Care Statistics [↑](#footnote-ref-11)
12. Lucie K. Ozanne, Julie L Ozanne, Developing Local Partners in Emergency Planning and Management: Lyttleton TimeBank as a Builder and Mobilixer of REsources during the Canterbury Earthquakes (2013) [↑](#footnote-ref-12)
13. Edgar Cahn and Cynthia Robbins, An Offer They Can't Refuse: Racial Disparity in Juvenile Justice and Deliberate Indifference Meet Alternatives That Work 13 UDC Law Rev. 71 (2010) [↑](#footnote-ref-13)
14. *City of Canton v. Harris* 489 U.S.378, 388(1989) [↑](#footnote-ref-14)