

Local Currency Loans and Grants:
Comparative Case Studies of Ithaca HOURS
and Calgary Dollars¹

by

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ABSTRACT

This study examines the rationale(s) that recipients have for participating in HOURS-based local currency loan and grant programs. Case studies, based on interviews of both loan and grant recipients and system coordinators, of Ithaca HOURS and Calgary Dollars local currency systems (LCSs) are presented here. Biggart and Delbridge's (2004) Systems of Exchange typology, which allows for both instrumental ("means calculated") and substantive ("ends calculated") bases of rational economic action, provides the theoretical framework for this study. Insight into the rationales that individuals have for seeking a loan or grant can aid HOURS-based LCS coordinators in the development and promotion of these programs. This study also introduces local currency loans and grants to the social science community while demonstrating the applicability of Biggart and Delbridge's (2004) typology to an understanding of LCSs and similar economic exchange networks characterized by both instrumental and substantive rationales.

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INTRODUCTION: HOURS-BASED LCSs

Since the early 1980s thousands of community currency systems (CCSs) have been introduced in communities worldwide by utilizing currencies that are only accepted within a predefined local network of exchange. The HOURS-based local currency system (LCS)¹ model, which is more prevalent in the U.S. and Canada than other parts of the world, is based on the exchange of printed local currency (LC) notes within a specific, predefined community. HOURS-based systems are, for the most part, distinct from many other CCS models (e.g. Local Exchange Trading Schemes [LETS] and Time Dollars) in that they often offer interest-free loans to members and grants to community-based organizations.

As of October 2003 there were 16 HOURS-based systems in operation in the U.S. (Collom, 2005),² as well as several systems in Canada, such as Calgary Dollars and Toronto Dollars. Previous research of HOURS-based LCSs has focused on member's experiences (Berthold, 1999), the environment in which these systems emerge and survive (Collom; 2005), the ability of HOURS-based systems to promote social capital and quality of life (Jacob, et al, 2004a; Wheatley, 2005), and the distribution and circulation of the currency within HOURS systems (Lepofsky and Bates, 2005). However, this is the first study to examine the loan and grant programs of HOURS-based LCSs.

General Design of HOURS-based systems

All of the HOURS-based LCSs currently in operation in the U.S. and Canada are based, to varying degrees, on the initial design outlined in *Hometown Money* (Glover, 1995). Participants in these systems pay a relatively small membership fee to list the goods or services they are offering and/or requesting for the local currency in the system's member directories. In return, they receive a predetermined amount of the local currency. Individual participants are encouraged to determine the amount, usually expressed as a percentage of each transaction, which they will accept in the currency. System coordinators encourage individual participants to base this percentage on their ability to spend the LC in order to ensure that the currency continues to circulate at a sustainable rate. Most HOURS-based systems print newsletters to promote the system. These newsletters include system updates and local events, profiles of participants, and advertisements that are sold to local organizations and individuals to generate revenue for the system. The frequency of, and medium through which, member directories and

newsletters are printed often varies from one system to another and at different organizational phases within each system.

An HOURS-based LCS's issuance framework and circulation policy are determined by the system's board of directors. Ithaca HOURS and Calgary Dollars (C\$), like most HOURS-based systems, have a standing committee of board members who serve on a Circulation Committee responsible for decisions affecting the amount of LC in circulation. These Circulation Committees determine the amount of LC to issue to participants at initial sign-up and membership renewals, and the amount of currency the system is able to issue in loans and grants without causing inflation.

Potlucks are also an important part of most HOURS-based systems. Ithaca HOURS no longer holds potlucks; however, C\$ and most other systems host monthly potlucks which serve to help members learn about the system, such as the goods and services offered within the network, the programs and services (e.g. loans and grants) available, and as a means for members to socialize and network with others. System members often set up booths at potlucks and offer the goods and/or services they provide within the system. Calgary Dollars members, in fact, receive C\$ 10 from a system staff member as an incentive to set up a booth at a potluck. This practice stimulates the exchange of the LC and encourages other members to spend the currency. The loan and grant recipient interviews conducted for this study in Calgary, along with personal communications with C\$ participants, suggest that potlucks are very central to participants' overall experience of the C\$ system.

The preceding discussion outlines only the very basic elements of "how an HOURS-based LCS works," it is important to note that each individual system has its own community setting and organizational history unique to that system. For this reason, the loan and grant programs of C\$ and Ithaca HOURS are presented here through a comparative case-study analysis which views each "case" within its own historical and community setting.

THEORETICAL BACKGROUND

Systems of Exchange

Biggart and Delbridge's (2004) "Systems of Exchange Typology" provides the theoretical background used in this study. Rather than viewing the "market" as the only system in which rational economic actors are engaged, Biggart and Delbridge (2004) argue that multiple exchange systems exist based upon the rational actions of actors and the structure of social relations between these actors. The structure of social relations within these "systems" is based on Parson's (1968) universalistic and particularistic concepts and Weber's (1978) theory of *instrumental* and *substantive* rationalities as the "basis of action." The resulting four "systems of exchange" (SOE) as shown in Table 1 are defined as:

Price system – the "traditional" model used by many economists

stating that individual actors are motivated by profit maximization

Associative system – are defined as instrumentally rational systems because actors are also concerned with profit maximization but they believe that creating and maintaining alliances based on trust and reciprocity are the “means” necessary to achieve their goals

Moral system – actors make economic choices based on a value-based end Local currency systems are moral systems because they are intended to benefit the actor’s entire “community”

Communal system – economic action is based sense of belonging to a group (often, but not always, kinship groups)

		<u>Structure of social relations</u>	
		Universalistic (act toward all the same)	Particularistic (act toward outsiders differently)
<u>Basis of rational action</u>			
Instrumental (means calculus)		Price System	Associative System
Substantive (ends calculus)		Moral System	Communal System

Table 1: Systems of exchange typology, reproduced from Biggart and Delbridge (2004).

It is evident from Biggart and Delbridge’s (2004) discussion that these systems are ideal types and that “real systems of exchange... as opposed to those described by our analytical construct, are mixed types” (p. 43). They categorize numerous examples of individual exchange systems into one of the four typological categories based upon the *predominating* economic strategy employed by the actors in that system. Thus, it logically follows that an individual actor’s economic behavior could be compared to the defining characteristics of the SOE to which the actor is presumed to be a member.

This typology provides the basis for examining the differentiation expressed within and across individual “systems” of economic exchange.

Biggart and Delbridge (2004:40) actually classify LETS as having characteristics of both ‘moral’ and ‘communal’ SOE. They cite the potential for LETS to promote social solidarity and income redistribution (Williams, 1996a), and as a way to ‘build community’ and promote a sense of belonging (Thorne, 1996; Williams, 1995) for this classification. This classification of LETS as both a ‘moral’ and ‘communal’ SOE (i.e. demonstrating a *substantive* basis of action) is supported further by previous research which suggest that values, such as those associated with ‘green’ politics, are often important reasons given by members for participating in these systems (Caldwell, 2000; Fitzpatrick and Caldwell, 2002; Gran, 1998; Helleiner, 2000; Lee, et al, 2004; Pacione, 1997; Seyfang, 1998 and 2001; Williams, 1996a; 1996b; Williams, et al, 2001). Studies conducted on HOURS-based LCSs, while fewer in number, also demonstrate that green membership is much higher in these systems than that of the wider community in which these systems exist (Jacobs, et al, 2004a; Wheatley, 2005).

I contend that recipients of HOURS loans and grants would likely engage in *both* instrumental (i.e. ‘price’ and ‘associative’ exchange arenas) and substantive (‘moral’ and ‘communal’ arenas) bases of action. Loan and grant recipients may choose to seek these services from HOURS-based LCS programs because it is more profitable for them to do so, a characteristic of an instrumentally rational basis of action. Since HOURS-based LCS loans are interest free, as opposed to loans from conventional banks and most other sources, businesses and individuals could seek HOURS loans exclusively for profit maximization. Local currency grants could be seen as a way to increase ‘cost-effectiveness’ for local community based organizations because the process is much less time consuming than those required by traditional sources of funding such as foundations and government organizations. Since this is the first study to empirically apply the Systems of Exchange typology to any LCS, and since HOURS-based LCS loan and grant recipients could theoretically be expected to engage in any one of these exchange arenas, this study was designed to examine the extent to which the loan recipients and grant recipients in Ithaca HOURS and C\$ engage in any of these four exchange arenas (i.e. price, associative, moral, or communal).

METHODS

A comparative case-study methodology was used in this study to address the following research question:

What rationale(s) do Ithaca HOURS and Calgary Dollars loan and grant recipients have for participating in these programs?

The research design used in this study (Figure 1) shows that Ithaca HOURS and C\$ constitute the *cases* in this study. This research design allows for the *units of analysis*, the loan and grant programs, to be examined within the community *context* of each case

and between cases. As indicated by the dotted lines surrounding these ‘embedded’ units of analysis, the boundaries between these programs and the context of the respective LCS are not clearly defined and these programs must be viewed within the context of the LCS itself.

Semi-structured interviews of LC loan recipients and grant recipients were conducted in Calgary in June, 2005 and in Ithaca in July, 2005. *Semi-structured*, or ‘semistandardized’ (Berg, 2004:80) or ‘general’ (Patton, 1990:283), interviews were used because this method allows the researcher to ask informants a relatively structured set of questions, while also providing the respondent the opportunity to elaborate on the aspects of the ‘lived reality’ of the phenomenon being investigated in his or her own words (Fontana and Frey, 1994). As noted in Figure 1, one loan recipient and six grant recipients from Calgary and two loan recipients and two grant recipients from Ithaca participated in this study.³ One system coordinator⁴ each from Ithaca HOURS and C\$ was interviewed to inform the study by providing the researcher with an historical and organizational background on the loan and grant programs of these systems. Direct observation at a C\$ potluck, as well as personal communications with HOURS-based system coordinators in several systems in the U.S. and Canada, were also used as secondary research instruments to inform this study.

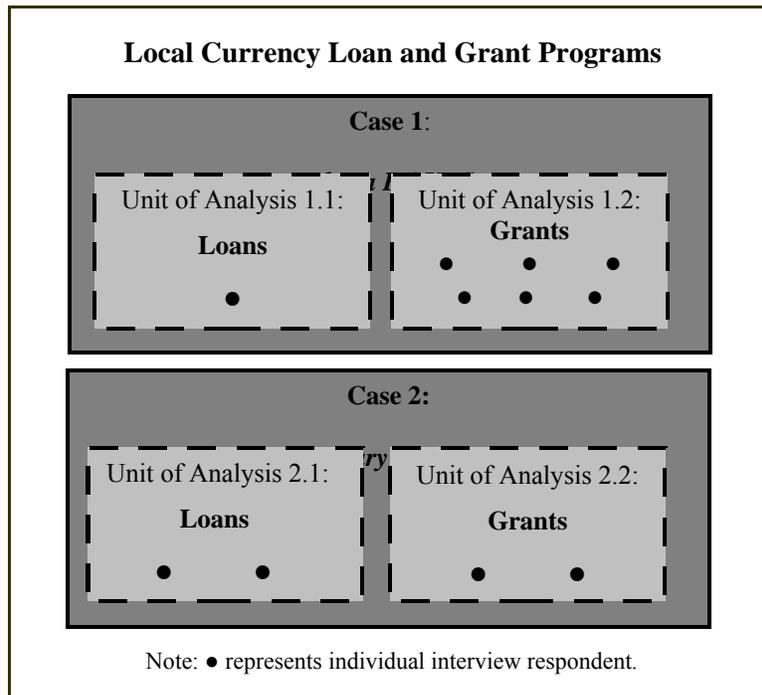


Figure 1: Research design for case studies of Ithaca HOURS and Calgary Dollars loan and grant programs.

CASE STUDIES

Calgary Dollars

Community Setting and History of System

Calgary is the largest city in Alberta, Canada with a population of over 950,000, or nearly one-third of the total population of the entire province (City of Calgary, 2005). Historically, Calgary has been populated primarily by individuals of European descent who, in general, hold right-wing conservative political views (Wheatley, 2005). However, in the past decade or so, the community has become more culturally and politically diverse due to increases in immigration and population growth. While the overall economic growth for the community is relatively high, data suggest that this economic growth is not equally experienced by all Calgarians. For example, at Alberta's \$5.90 per hour minimum wage (the lowest in Canada), a single person would need to work 71 hours per week to meet his or her basic needs, and a single parent with two children would need to work 110 hours per week to meet basic needs (Sustainable Calgary 2004:32).

The Bow Chinook Barter Community (BCBC), the former name of Calgary Dollars, was established in early 1996 under the sponsorship of the Arusha Centre of Calgary. The success of the BCBC (now C\$) has been attributed to the knowledge of and support for a LETS that operated in Calgary during the early 1990s. Although the Calgary LETS system did not sustain a high level of participation, its existence provided supporters with a basic knowledge of and experience with community currency in general (Wheatley, 2005). Like Ithaca HOURS, the unit of account used within the BCBC was initially based upon an hour of time. In 2002, for a number of reasons including "frustration" on the part of the staff and steering committee "by the name and the unit [of account]" being used in the system, the organization's name was change to Calgary Dollars and the unit of account became the "Calgary Dollar" (Wheatley, 2005). Presently, C\$ issues denominations (valued on par with Canadian dollars) of \$1, \$5, \$10, and, as of January, 2006, \$25 and \$50 notes. There is currently C\$ 55,000 circulating among the system's 500 members (<http://www.calgarydollars.ca/>).

The primary difference between C\$ and any of the HOURS-based systems currently active in the U.S. is that C\$ receives a significant amount of its funding from granting institutions. Apparently, due to an inability to achieve nonprofit status with the Internal Revenue Service, none of the HOURS-based systems currently in operation in the U.S. receive a significant amount of contributions and, as a result, U.S. HOURS systems have much smaller budgets than C\$. In 2004, the amount of expenditures reflected in C\$ budget, including the salaries for six staff members, totaled more than CA \$160,000. Over 97 percent of C\$ revenue was provided by grantors such as the United Way of Calgary and Area, the Alberta Lottery Fund, and the Family and Community Support Service of Calgary (see: <http://www.calgarydollars.ca/outcomes/>). Conversely,

HOURS-based (and LETS) LCSs in the U.S. rely, for the most part, on volunteers to operate and maintain the systems.

Loan and Grant Programs

Calgary Dollars had issued a total of 11 grants to community-based organizations (CBOs) and 4 loans to local small-business owners and individuals between June, 2000 and June, 2005. The grant recipient organizations ranged from a formal organization to an ad hoc ‘organization’ of people coordinating a single event. These organizations can be categorized into three broad categories; arts, activist and community service organizations.⁵ Grant awards ranged from C\$ 200 to 3000 and the purposes varied from support of a specific event to general support of a CBO or project. The specific uses of the individual grants were to assist in the general cost, promotion and/or advertisement of projects, to hire or contract services, and/or to purchase goods for the projects.

Like other HOURS-based LCSs with loan and/or grant program(s) the C\$ Circulation Committee determines when it would be appropriate to offer loans and/or grants and what amount should be offered through these services. However, the actual decision as to whether or not a specific applicant will be awarded a loan or grant is made at a potluck through a democratic process involving the system members in attendance.

The application process differs slightly between that for grants and for loans. After a specific *grant* application has been approved by the Circulation Committee, the C\$ staff member that is in charge of coordinating the next scheduled potluck announces the proposed grant and invites a representative of the CBO applying for the grant to describe the specific project or event, an overall description of his/her organization, and the event or activity that the proposed grant will fund to the attendees at the potluck. The C\$ members in attendance are then permitted to ask questions, provide feedback on the project, and vote to approve or reject the application. According to both of the grant recipients interviewed for this study and a C\$ staff member, none of the grant applications have ever been rejected through this process. As one grant recipient stated:

“... I’ve never seen any turned down. Um, I think just the nature of local currency - that it encourages projects which people *want* to support.”

From the perspective of system coordinators and staff, one benefit of C\$ a grant is that they are seen as a way to promote C\$ by providing funding to CBOs and community projects:

“When people see that C\$ is granting to an event or a project they identify with it provides a concrete example of the purpose of complimentary currencies... it’s a unique way of demonstrating the value of C\$. (C\$ *system coordinator*)

The C\$ *loan* program is handled slightly differently than the grant program due to the fact that the impact of loans is much different on the system than that of grants:

“There isn’t an issuance framework for local currency, so there is no formula for determining how much you can grant without causing inflation in the currency. We did use the grant issuance framework from Ithaca HOURS [i.e. 10% of total of non-loan and grant LC in circulation is offered as grants and/or loans – Glover, 1995a] at one point but we do not currently use that formula because *the economic impact of loans is entirely different than grants.... the economic impact of loans is negligible* because those C\$ are already in circulation and they will be loaned to a member and repaid.” (C\$ system coordinator - *emphasis added*)

Probe question:

So you’re saying that there should be a separate issuance framework for loans and for grants, rather than that which is outlined in the ‘Ithaca HOURS model’ [i.e. Glover, 1995]?

“Absolutely that’s what I’m saying. *The economic impact of loans is very minimal; the economic impact of grants is very substantial.* The grants are new money to the system that is all of a sudden injected into the system...[W]e don’t have nearly enough grant applications to start pushing the limit of the 10% that has been suggested by the HOURS model [Glover, 1995a]. We don’t have a problem with too many grant applications; we have a problem with not knowing how much we can issue in grants. (C\$ system coordinator - *emphasis added*).

Ithaca HOURS

Community Setting and History of System

Ithaca is located just south of the Finger Lakes in Tompkins County in upstate New York and has a population of approximately 30,000. The city is home to Cornell University and Ithaca College, with a combined enrollment of over 25,000 students. The political climate is often described as being progressive (Jacob, et al 2004a). According to the U. S. Census Bureau (2000), the median household income in Ithaca is more than \$20,000 less than that of the nation as a whole and over 40 percent of Ithacans earn an income below the national poverty level.

Ithaca HOURS was designed by Paul Glover in 1991 and the HOURS model has since been initiated in communities throughout the world, primarily in the U.S. and Canada. Ithaca HOURS has received a great deal of attention since its introduction and is

considered by many to be one of the most successful contemporary community currency experiments (e.g. Jacob, et al, 2004b). Each Ithaca hour is valued equivalent to \$10 U.S. and denominations of 1/10, 1/8, 1/4, 1/2, 1, and 2 hour notes are currently in circulation with a value equivalent to \$1.25, \$2.50, \$5, \$10, and \$20 respectively. Since 1991, “approximately \$100,000 in Ithaca HOURS have been put into circulation, facilitating several million dollars worth in transactions” (Burke, 2005).

Loan and Grant Programs

Ithaca HOURS has had active loan and grant programs since its first grant was issued in December, 1991. By 2005, it is estimated that the system had issued over 100 grants to local CBOs and groups (Glover, personal communication, June, 2005). Due to organizational changes within the system and a lack of formal documentation, the total number of loans issued by the system is apparently unknown. This is the primary reason only one Ithaca HOURS loan recipient was interviewed for this study.

Six Ithaca HOURS grant recipients were interviewed for this study (Table 2). The general focus of these CBOs can be categorized into the same three categories as the organizations that have received grants from C\$ (i.e. activism, arts and community service). These six grants were awarded between 2002 and 2005 and ranged from 20 to 100 HOURS, or equivalent to \$200 to \$1000 each. I was informed by several Ithaca HOURS members that this sample could be considered representative of the Ithaca HOURS grants awarded since 1991.

Four of the events or programs funded through these grants previously had received grants from Ithaca HOURS, and four of these programs or events relied on the HOURS grant as the only source of funding. The purpose of four of the grants was to demonstrate recognition or appreciation of the recipient organization’s volunteers by presenting volunteers with the currency itself or, in one instance, goods or services purchased with HOURS.

Characteristics of Ithaca HOURS Grant Recipients Participating in Study

Focus of Organization	Amount (in USD)	Year Issued	Purpose	Previously Funded	Only Source
Activism	\$300	2005	volunteer recognition	yes	yes
Comm. service	\$1000	2002	volunteer recognition	no	yes
Activism/Arts	\$200	2005	volunteer recognition	yes	no
Arts	\$300	2003	general support	yes	yes
Activism/Comm. service	\$300	2003	general support	no	no
Activism	\$300	2004	volunteer recognition	yes	yes

Table 2: Characteristics of the six Ithaca HOURS grants recipient CBOs and initiatives participating in this study.

Cross-Case Results⁶

Through a cross-case comparison of the C\$ and Ithaca HOURS loan and grant programs based on the interviews conducted in this study, the themes identified by informants between and within the units of analysis (i.e. the loan and grant programs) can be summarized. Three themes were common to both Ithaca HOURS and C\$ loan *and* grant interviewees: 1) LCS loans and grants were seen as preferable to other sources of loans/grants, 2) recipients had a desire to promote the LCS as a result of the loan or grant, and 3) the loan or grant allowed recipient to help other system members. Quotes from individual informants are presented below to provide the reader with specific examples of these major themes apparent in both cases. These quotes are, of course, selective; however, they are representative of the major cross-case themes apparent throughout this research.

Loan/Grant Preferable to other sources

All three loan recipients interviewed noted that the LCS loan was preferable to a loan through a bank, government agency⁷, or a loan from family or friends. To be sure, the amounts available in HOURS-based LCS loans are generally lower than the amounts offered by banks. Nonetheless, interviewees from both systems did compare these services to bank loans and other sources that charge interest and/or require a credit check.

All grant recipients interviewed identified the fact the LCS grant was preferable to other, usually nonlocal, sources such as government, private and foundation grants. The primary reason they gave for this was that these granting institutions were not familiar, or even concerned with, the work that the CBO or group was seeking to fund. Grant recipient informants viewed an LCS grant preferable because it was much less time-consuming, a 'friendlier' process and more likely to be funded. John⁸, a C\$ grant recipient, compared the advantages of a C\$ grant to an application for a government grant:

“The process is much easier. The result was successful as opposed to failure. So I put a lot more effort into the [government grant] than the C\$ grant and it [government grant] was not successful. The [government grant] form is 8 pages long, there's [sic] liability issues and deadlines and meetings and other things. None of that stuff was required by C\$.”

In response to a probe question, (*So the fact that the C\$ grant was much easier was a major consideration in applying for a grant in C\$ then?*), he responded:

[Becoming noticeably excited, speaking faster and more impassioned]

“Absolutely, because the project was 100% volunteer-run and the effort... [brief pause - thinking of how to express idea] the fact is that

volunteer projects are prioritized... I'm sure there is opportunities... but you have to put all your effort into a very limited number of things that will be successful and the damage done to a volunteer-run organization from a grant application that failed like the [government grant] is huge, right?...

That ends organizations, if you have a couple of committed people that put a bunch of time into grant applications then the project isn't getting run, the [specific] aren't getting [specific] and promoted because the energy is going into finding grant money. I mean if that grant fails then it may be that that whole project is damaged by it. ***So it's a very substantial thing to say that it was easy and successful to apply for a C\$ grant than to apply for a cash grant.*** (Informant's emphasis)

Desire to promote LCS as a result of loan or grant

All loan and grant informants in both systems expressed a desire to promote the LCS in general as a result of receiving the loan or grant. The following quotes from one C\$ loan recipient and one Ithaca HOURS grant recipient illustrate this point. Karen, a C\$ loan recipient expressed a desire to promote the C\$ program in general because of her experience with the loan process:

“I felt trusted and accepted – I felt it was possible, that it was easy – I wanted to tell everybody to join C\$. Not just to get a loan, but because it's a system that works – that is about making things easier and treating people with respect and having respect for currency.”

This desire to promote the LCS in general was also expressed by Linda, an Ithaca HOURS grant recipient, who presented volunteers participating in an event for which the grant was used, claimed that:

“...it was nice to promote [HOURS] in that way and we gave all the [individuals who were given HOURS in recognition of their participation in the event] directories along with the HOURS and gave them a few ideas where they could spend them...”

Helping others

A third theme that was common to loan recipients and grant recipients in both systems was a perceived benefit, as a result of the loan or grant, of being able to help others in the system. Bill, a C\$ loan recipient, began setting up a booth at C\$ potlucks primarily because of the C\$ 10 that he received, which he used to help pay his loan back;

however, he recalled the following story that illustrates the opportunity to help people that his attendance at the potlucks presented to him.

“I had a table at last night’s potluck and I shared it with two women who are on [government assistance]. It’s a way for them to supplement their income. [Government assistance] only gives them enough for the basics and that’s it and this way they get to socialize, they make a little bit of money and they buy vegetables and eggs and stuff. I met them both at the potluck and for the past 6 potlucks or so I have taken them with me to give them a break. At the end of the month I take _____ down to the bottle depot because she collects bottles for extra money. You wouldn’t believe what a \$100 worth of bottles looks like [laughs]. I try to help them out. In that way it’s good too because they get to socialize, they make a little bit of money, it’s not much but a little, sometimes they trade stuff for food, and they have the potluck - they get to eat good food too. There are a lot of good aspects about the club socially...”

Loan Recipients

Seven major themes were identified as being important in the process of applying for, receiving and repaying a loan by one or more of the three loan recipients interviewed (Table 3). The three themes which were common to loan and grant recipients in both systems have been discussed in the previous section.

All three loan recipients identified that the loan, of course, provided needed funds; a ‘price-based’ rationale. Both C\$ loan recipients identified potlucks as central to their experience of the loan and the system in general. Karen saw the potlucks primarily as a way to promote her business and secondarily as a way to socialize, meet people and “have fun.” Bill identified the opportunity to socialize, meet, and help people as the primary advantage of the potlucks and the opportunity to promote his business as secondary. Both C\$ loan recipients first heard of the loan program at a potluck where a system coordinator described the loan and grant programs.

The Ithaca HOURS loan recipient interviewed identified a strong ‘community building’ benefit to the HOURS system in general. The communal and moral rationales that were engaged by this loan recipient were integral to his overall experience of the Ithaca HOURS system itself. This is illustrated in the sense of freedom and empowerment he experienced as a result of receiving an HOURS loan:

“It [HOURS loan] takes a lot of the anxiety out of borrowing money, which is a big part of what the local currency system is trying to do in general. You know we have this thing in society where people have the feeling that money controls them and this says “no you control money.” So that’s a lot of it, it just takes the anxiety out of borrowing money.

... the feeling of freedom about it [HOURS system], the sense of community about it – that we have this local money that all the other people loan to each other and for a small business owner to have [amount of loan] that you have interest free there is quite a bit of freedom – [it gave me] a general feeling of ease and gratitude.”

Loan Recipient Response	System of Exchange			
	Price	Moral	Assoc	Comm
1. Business received needed funds.	*			
2. Desire to promote LC system. **		C I		
3. Potluck central to experience.			C	C
4. Felt trusted and respected.		C		
5. Helping other system members. **				C
6. Preferable to other sources. **	*	C I		
7. Sense of freedom and empowerment.		I		

**C – Calgary Dollars informant.
I – Ithaca HOURS informant.**

* All informants identified a ‘price’ SOE as an important rationale.
** Identified by loan and grant recipients in both C\$ and Ithaca HOURS.

Table 3: Themes identified by Ithaca HOURS and C\$ loan recipient informants and corresponding exchange arenas engaged.

Grant Recipients

Grant recipients identified nine points most important to them in the grant process (Table 4). Several informants noted that the project or event funded by the LCS grant may not have been possible without the grant. Several grant recipients in both systems noted that they, and others in their group or organization, had an interest in the mission of the LCS and that they felt strongly about a “healthy local economy.” All of the informants who expressed this point identified this shared interest in the LCS’s mission as both a moral and communal rationale. This is because, as discussed previously, LCSs have a definitive moral basis and are ‘community-focused’ because these systems are designed to facilitate economic redistribution among its members.

All grant recipients interviewed noted that the funded project, event, or program received promotion as a result of the grant. This is because of the promotion that the LCS gives to the event through announcements at events (e.g. potlucks), advertisements in the system’s newsletter, word of mouth among system members, etc. This promotion is seen by informants as an associative benefit because their organization or event receives this benefit as a result of being a member of the LCS network and getting the grant. The

benefit of attendance and participation at potlucks was, as with the C\$ loan recipients, also central to the experience for C\$ grant recipient informants.

Receiving and spending the LC was also seen as having moral and communal benefits for Ithaca HOURS grant recipients. One grant recipient, Sara, saw the process of “exploring the community” for ways to spend HOURS as a rewarding and educational process. Dave noted that spending the LC received from the grant was a way to educate him and others by demonstrating “what money can do.” Joyce also identified an educational benefit that the grant made possible to the volunteers from her organization that received HOURS in recognition for their work. Finally, the use of LC grant program to provide a means for CBOs to acknowledge and recognize volunteer efforts was unique to Ithaca HOURS. This point will be addressed further in the concluding section.

Grant Recipient Response	System of Exchange			
	Price	Moral	Assoc	Comm
1. Project may not have been possible without LC grant.			C II II	
2. Recipient’s interest in LCS’s mission.		C C II II		C C II II
3. Funded project received promotion.			*	
4. Potluck central to experience.			C C	
5. Preferable to other sources. **	C III	C I		C I
6. Desire to promote LCS. **		C III II		II
7. Educational benefits.		III		III
8. Way to acknowledge and recognize volunteers.		IIII		
9. Helping other system members. **				C II II

C – Calgary Dollars informant.
I – Ithaca HOURS informant.

* All informants identified a ‘price’ SOE as an important rationale.
** Identified by loan and grant recipients in both C\$ and Ithaca HOURS.

Table 4: Themes identified by Ithaca HOURS and C\$ grant recipient informants and corresponding exchange arenas engaged.

CONCLUSION

Theoretical Implications

The broad theoretical value of this study is that it demonstrates the applicability of Biggart and Delbridge's (2004) typology to the analysis of not only LCSs, but to the study of "consumer-based opposition movements" (Helleiner, 2000) in general. In addition to the community currency movement (CCM), Helleiner (2000) identifies three other consumer-based opposition movements to globalization (as guided by a neoliberal agenda): 1) the fair trade movement, 2) "consumer boycott campaigns targeting products made by firms or countries that are violating human rights or violation standards," and 3) "the voluntary simplicity movement which seeks to encourage the more affluent of the world to reduce their levels of consumption and reject the materialistic values of the emerging transnational consumer culture" (Helleiner, 2000:35).

Supporters of the CCM and the three movements listed above all share a common belief that economic action should be guided by moral values such as equity and social justice, rather than *exclusively* by the traditional economists' concept of the "rational" economic actor concerned only with profit maximization. I contend that Biggart and Delbridge's (2004) typology would be applicable to an investigation of the economic action of individual actors in any of these "consumer-based" movements and the networks established within these movements, as well as other 'systems of exchange' that can theoretically be characterized as both 'instrumental' and 'substantive,' because it allows for the inclusion of economic action which is based in a substantive basis of action without dismissing such behavior as an "irrational" or an "anomaly."

Applied Implications

The applied benefit of this study is the potential value that it may offer to HOURS-based LCS coordinators in the development, maintenance, and/or promotion of loan and grant programs. Relatively few HOURS-based systems have active loan and grant programs and the in-depth documentation of the experiences of loan and grant recipients presented here and the findings of this study may be of interest to coordinators of these systems, or to coordinators considering implementing loan and grant programs in other HOURS systems. The development of individual LCSs is determined by the system's organizational development, community setting, and many other factors unique to each system and the degree to which the findings of this study can be generalized and applied to specific HOURS-based systems can best be determined by individuals familiar with the system. Therefore, the degree to which the findings of this study are 'transferable' to individual HOURS-based systems is left to the reader to determine.

However, two apparently innovative approaches to loan and grant programs identified in this study may be of particular interest to HOURS-based LCS coordinators, since they are likely the result of the specific organizational development of C\$ or Ithaca HOURS. These two 'innovative approaches' are: 1) a proposed program which C\$ is

pursuing to use external grant funding to ‘match’ C\$ grants with Canadian dollars; and 2) the use of Ithaca HOURS grants to honor and recognize the efforts of volunteers of a recipient organization or group. The use of Ithaca HOUR grants as a way to honor and recognize volunteer’s efforts has been discussed previously. An initiative to acquire matching funding in Canadian dollars to augment (or ‘compliment’) C\$ grants is being explored by C\$ staff. If successful, this would allow for a grant recipient who, for example, receives a C\$ 500 grant to also receive a \$500 (CA) grant, if a dollar-for-dollar match was provided by external grantors, thereby having an equivalent of \$1000 in official and complementary currency to fund their event or program. However, like the other findings of this study, the degree to which the “innovative approaches” identified here are transferable and relevant to any other HOURS-based LCSs can only be determined by individuals familiar with the organizational development and community setting of that system.

Endnotes

The term “local,” rather than “community” currency is used here since it is the term most commonly used to refer to HOURS-based systems. The term “community” currency is used throughout to refer to all community currency systems collectively (i.e. LETS, Time Dollars, HOURS, etc.).

² As with the other major types of CCS, it is difficult to determine exactly how many systems are in operation at any one time, but the attempts that I have made in the past two years to contact HOURS-based system coordinators in the U.S. in an attempt to determine the number of systems in operation have resulted in, more or less, confirming Collom’s (2005) findings in 2003.

³ The limited number of interviews conducted can be attributed to the following limitations apparent to this study: 1) C\$ had only issued a total of 4 loans and 11 grants to system members at the time of the study, 2) the number of loans issued by Ithaca HOURS, as will be discussed later, is apparently unknown (I was given several conflicting and highly disparate estimates of the number of loans awarded by Ithaca HOURS), and 3) the lack of research funding and/or additional researchers. All but the second limitation listed above was apparent, unavoidable, and carefully taken into consideration from the earliest phases of this research.

⁴ A “system coordinator” is defined here as an individual who is, or has been, directly involved with the day-to-day operations of the system and has/had been centrally involved with the loan and grant program of each system for more than five years. The system coordinator interviewed from C\$ is currently involved in the loan and grant programs and the system coordinator interviewed from Ithaca HOURS is not currently involved in this aspect of the system, but met the requirements defined above given his prior involvement in this aspect of the system.

⁵ These three categories are not mutually exclusive; for example, *Herland* (a C\$ grantee) is an organization that focuses on feminist activism in the Calgary community and sponsors an annual film and movie festival. Therefore, Herland could be classified as an arts, activist, and community service organization overall.

⁶ A detailed report of the case-specific results of the Ithaca HOURS and C\$ loan and grant interviews, including informants’ detailed quotes, is available upon request.

⁷ A C\$ informant mentioned a government agency that made small-business loans to women.

⁸ Pseudonyms have been used to maintain the confidentiality of all informants.

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