

Motivations and Differential Participation in a Community Currency System: The Dynamics within a Local Social Movement Organization*

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Abstract

Community currency is an understudied, alternative social movement. These local networks are grassroots, collective efforts to form an alternative market with the hopes of empowering the economically marginalized and building social capital. Original data collected from members of a local currency system are employed to investigate their various motivations to join and the congruence between motivating factors and various forms of participation. Four categories of motivations are identified and multivariate models are estimated to assess which are the most salient predictors of differential participation. The results provide some support for the congruence hypothesis. As Knoke (1988) predicted, member motivations play a role in shaping forms of participation. This evidence is used to draw larger implications for social movement research.

Keywords: Community Currency; Differential Participation; Social Movements

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Introduction

This research investigates the dynamics within a local social movement organization. Community currencies are grassroots, collective efforts to form an alternative market with the hopes of empowering the economically marginalized and building social capital. Interest in community currencies skyrocketed during the economic recession at the end of the first decade in the 21st century. Yet despite the proliferation of movement research, community currencies and “alternative” social movements as a whole, remain understudied. Also, it is rare for researchers to collect detailed data on different stages of engagement from movement participants. This study will investigate the relationship between motivating factors and differential participation within a local social movement organization (SMO).

Over 150 community currency systems (also known as local currencies) have been launched in the U.S. alone in the past 20 years. Most advocates of these “do-it-yourself” networks stress the economic benefits for the under/unemployed and local economies. This framing has made these alternative markets appealing to anti-capitalists, global justice movement participants, as well as “buy local,” independent business proponents (see Shuman 1998; Starr 2001; Leyshon and Lee 2003; North 2006; Seyfang 2009). Community currency advocates also tend to stress the social benefits of participation for isolated populations such as the elderly. In an era of declining social capital, this argument has also appealed to those stressing the importance of community (see Boyle 1999; Cahn 2000; Putnam and Feldstein 2003; Raddon 2003).ⁱ

Membership survey data and organizational records from a “Time Bank” are employed here to investigate the association between motivations and participation. The first research question concerns inputs and will contribute to the larger literature on why people join social movements. What are the various motivations for participants of local currencies and which are most salient? Studies using activist surveys do exist, yet few contain a wide enough variety of specific indicators to adjudicate the salience of differing motivations for joining. Four different sets of motivating factors are investigated here: economic/instrumental, ideological/value, social, and altruistic.

The second research question concerns differential participation within this local SMO. Do specific motivations predict parallel forms of participation? There are various ways and degrees that activists participate in movements. Differential participation in multiple movement activities remains understudied in the literature. This study will test Knoke’s (1988; 1990) hypothesis about a possible congruence between motivations and parallel forms of participation. Four different forms of participation are tested for their alignment with the four sets of motivating factors.

This study is part of the emerging trend of exploring the internal processes and dynamics of SMOs (see Caniglia and Carmin 2005). Following Wiltfang and McAdam’s (1991) call, this paper studies variation among activists within a single movement. Movement research has tended to imply that participants are homogeneous by focusing more on the recruitment question and the activist versus nonactivist distinction. The next section provides an overview of community currency with an argument that such efforts

constitute an *alternative* social movement. Next, the relevant previous research and theoretical literature on motivations and participation are reviewed.

Community Currency

In the past two decades, local currencies have been a growing form of community engagement in the United States. The practice has a long history though. From the tenth through the thirteenth century, most of Europe had local currencies existing alongside centralized money (Rushkoff 2009). In the U.S., early colonial settlers' use of corn and wampum as a medium of exchange and the issuance of scrip during the Great Depression are additional examples of different forms of local currency (Swann and Witt 1995; Shuman 1998; North 2007). Terminology varies tremendously in the popular media, but “complementary currency” is an umbrella term that has been adopted in the scholarly literature.

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

Local or community currency systems are one form of complementary currency. While all systems differ somewhat, each is premised on an alternative, local currency as a

medium for the exchange of services and goods. Unlike conventional bartering (where two actors trade directly with one another), local currencies expand commerce by connecting a network of people (and often businesses). Participants publicize the goods or services they wish to offer (and in some systems, obtain) through a website, directory, newsletter, or notice board. Interested parties contact one another, negotiate the transaction, and then arrange it. The recipient “pays” and the provider receives credit that can be used for making purchases from other participants in the system.

Advocates argue that these local associations permit people to effectively utilize their time and skills by providing services or selling goods outside of the mainstream cash economy. The retired, unemployed, and underemployed can be full participants in these alternative economies. Since national currencies are a scarce commodity, community currencies have the potential to increase one’s purchasing power. Instead of formal, bureaucratic employment relations based on economic capital, local currencies are voluntary organizations that can redefine work, foster community relations, and build social capital (Seyfang 2001; 2009). By supporting the talents of local residents and businesses, community currencies keep money in the community and help strengthen the local economy.

Since the early 1980s, there have been three basic types of community currency systems in operation across the world: Local Exchange Trading Systems (LETS), Time Banks, and Hours systems (Meeker-Lowry 1996). There are also many hybrid models as communities tend to tailor these networks for their own specific needs.ⁱⁱ McCarthy and

Zald's (2002: 540) general SMO framework is a useful one when considering the nuts and bolts of different local currency systems:

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

With the exception of geographic scope, LETS, Time Banks, and Hours systems vary considerably across the other three SMO variables. By definition, each of these three types is focused on the local (though oftentimes there is collaboration and even some trading between different networks).

LETS began in British Columbia in the early 1980s and have been the most popular and widespread form of local currency schemes. They tend to be stand-alone groups administered by volunteers. Some have organizational members (local businesses and nonprofit agencies), but all stress individual, member to member trading. These local currencies are usually pegged to the national currency and are tracked electronically or by a checkbook system through a centralized administrator. While never being widely pursued in the U.S. (Solomon 1996), it is estimated that there have been thousands of LETS systems started across the world (Cohen-Mitchell 2000; UNILETS Online 2009). Researchers have concluded that LETS activity peaked in the mid-1990s and a substantial proportion of LETS are no longer operating (Seyfang 2002; North 2003; Seyfang 2009).

The growth of LETS in the late 1980s inspired a community activist to establish a printed local currency system in Ithaca, New York in 1991 (see Glover 2000). Ithaca Hours is a paper currency whose value is linked to the U.S. dollar (each “One Hour” Ithaca bill is equivalent to \$10). Since its founding, over 10,000 Hours have been issued and thousands of participants (including 400 businesses) have exchanged the currency. This model of community currency spread rapidly across the United States during the 1990s. As of 2004, 82 Hours systems had been attempted across the U.S. However, only 17 (a 20.7% survival rate) were still active (Collom 2005). Nearly all Hours systems are stand-alone, run by volunteers, and have a mix of organizational and individual members.

The Time Banking concept was originated in 1980 by a law professor and former special counsel and speechwriter for Attorney General Robert Kennedy. The first Time Bank was launched in Miami, Florida in the mid-1980s (see Cahn and Rowe 1996; Cahn 2000). This model of local currency is flexible and there is a wide range of different programs. Participants earn and spend the egalitarian electronic currency (Time Dollars) that is recorded in a database and measured in the amount of time that is required to provide a service, rather than the monetary value of the service. A paid staff is required to recruit participants, provide orientation, organize events, match providers and recipients as needed, track the hours, and distribute statements to members. This formal organizational structure contributes to the higher success rate of Time Banks over LETS and Hours systems (see Collom 2005; 2007; Seyfang 2009).

The earliest Time Banks were “service credit banking” programs. These agency-based programs are mostly intra-generational, recruiting older persons to help other older

people remain independent and in their homes (Coughlin and Meiners 1990). Today, most Time Banks continue to be based in existing institutions (such as hospitals, schools, churches, or social service agencies) and target the socially and economically marginalized—the young, the elderly, the poor, and the disabled (Seyfang and Smith 2002; Seyfang 2009; Lasker et al., forthcoming).

Some service credit banking programs and institution-based Time Banks have different primary principles than LETS and Hours systems. As discussed earlier, local currencies have been advocated for their larger impact on the local economy and for building social capital among all neighbors (not targeting specific groups). However, some Time Banks are stand-alone, “neighbor-to-neighbor” networks with organizational and individual members. These types look very similar to LETS or Hours systems (with the exception of the paid staff). Overall, there are currently 71 Time Banks in the U.S. (Time Banks USA 2009). Time Banks UK began in 1998 and currently has 108 active programs and another 95 in development (Time Banking UK 2009).

Community currency is a unique type of social movement. In Starr’s (2001) survey of anti-corporate movements, community currency is characterized as a “relocalization” movement. Seyfang (2009) ties it to local food and alternative housing as forms of sustainable consumption. Leyshon and Lee (2003) also see local currencies, “day-to-day experiments in performing the economy otherwise” (2003: 16), as part of the anti-globalization movement in terms of both their activists and their goals. Community currency has been an ongoing topic at the World Social Forum, a global network of individuals and organizations involved in the process of seeking and building alternatives

(Leite 2005). Local currencies have been used at some of the annual gatherings and are an existing part of their larger vision of a solidarity economy sector.

The closest parallel to local currencies in the social movements literature seems to be with what have been called “communal” (Kanter 1972) or “communitarian” (Zablocki 1980) social movements. These movements seek “to establish small-scale social systems to remedy [the] ills of the larger society” (Kanter 1972: 62) and “to live according to their own value systems outside of established social institutions” (Appelbaum and Chambliss 1995: 544).

The definitive characteristic of communal movements is that they build alternatives to mainstream social institutions. Therefore, such movements can also be labeled simply as “alternative.” As Rothschild-Whitt (1979: 510) states:

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

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

the conditions and terms of their everyday lives (see also Flacks 1988). While it has yet to be stressed in the larger literature, the alternative versus oppositional dichotomy (see Williams 1973) is an important one when considering social movements. Other notable alternative social movements include communal living (see Zablocki 1980), community supported agriculture or “box schemes” (see Purdue et al. 1997), and the growing home schooling movement (see Collom and Mitchell 2005).

Motivations and Differential Participation

Reviewing the literatures surrounding the determinants of individual activism, Marx and McAdam (1994) argue that there are two categories of important factors: the social organization of one’s life and psychological aspects or attitudes that may predispose one to participation. The former has received considerable empirical attention as microstructural factors such as social network ties and biographical availability have been employed to predict differential participation (see Wilfang and McAdam 1991; Opp and Gern 1993; Barkan, Cohn, and Whitaker 1995; Passy and Giugni 2001; Cohn, Barkan, and Halteman 2003; Jennings and Andersen 2003). The latter, motivational aspects, have been the subject of considerable theoretical work, but have been more difficult to study empirically.

Knoke and Wright-Isak (1982) formulated a “predisposition/opportunity” model which posits that individuals choose their involvements in collective action organizations through three decision-making processes: rational cost-benefit calculations, affective ties to the collectivity, and desires to conform to group norms. Coinciding with these

motivations, organizations attract members by offering three types of incentives: utilitarian, social, and normative.

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

Knoke (1988; 1990) also hypothesized that there should be a congruence between these motivators and an individual's involvement in collective action organizations. There are various ways and degrees that activists participate in movements and these contributions should match members' motivations. "The underlying principle is again a congruence between the types of inducements provided, member motivations, and their involvements" (Knoke 1988: 316). For example, those motivated primarily by social and recreational benefits are expected to be more likely to have higher rates of internal participation such as attending meetings and working on group projects. Aside from the major categories of motivators (utilitarian, social, and normative), Knoke (1988; 1990) notes the difficulty of developing an exhaustive list of motivation items given the tremendous diversity of collective action organizations.

As part of his National Association Study, Knoke (1988) fielded 23 motivation items to more than 14,000 members of 35 national associations (n=8,746). A factor analysis identified six different sets of motivations that were summed into scales. As expected, one scale represented normative motivations and another one social

motivations. There were four different sets of utilitarian motivations: material, occupational, information, and lobbying. These motivational scales were employed as predictors of five measures of differential participation: an internal participation scale, an external participation scale, number of hours spent working for the group, amount of money contributed to the organization, and commitment to the organization. Knoke reports substantial evidence of the congruence between types of motivations and participation. “This selectivity suggests that members are attracted to, or seek out, those inducements that are most closely related to their central interests in an organization” (Knoke 1988: 326).

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

As Klandermans (2004) notes, there are few studies that attempt to systematically assess the relative importance of these various motivating factors. This dearth is due largely to methodological issues—it is difficult to obtain a sizable longitudinal dataset with a control group (this would enable before and after comparisons of participants and non-participants). As employed by Knoke (1988; 1990), cross-sectional surveys of activist motivations after they have joined movements are more common (for more recent

examples, see Lowe and Ginsberg 2002; Collom and Mitchell 2005; Biggs 2006; Bramble 2006). While these “after” measures may be contaminated by the experience of participation (Pierce and Converse 1990), such evidence still makes a contribution to solving the puzzle of why people join movements and how they participate in them in different ways. Nonetheless, these existing studies do not employ a theoretical framework intended to develop a replicable list of motivational items. Their items are ad hoc, specific to the movement being studied.

There are four previous studies that are similar to Knoke’s attempt to thoroughly investigate motivations and their impact on participation.ⁱⁱⁱ Barkan, Cohn, and Whitaker (1995) studied the motivations and participation of members in a national anti-hunger organization, Bread for the World. They administered a mailed questionnaire to a sample of members in 1984 (n=1,060). Three different motivation scales (each based on two items) were derived from a factor analysis: policy incentives, relief incentives, and solidary incentives. They found that each motivation scale was a significant predictor of participation in lobbying activities on behalf of the organization: “lobbying is higher for members with greater interests in policy and solidary incentives, and lower for members joining BFW to provide direct relief to the hungry” (Barkan, Cohn, and Whitaker 1995: 127). In a related study, Cohn, Barkan, and Halteman (2003) employ the same motivation scales to predict five additional forms of participation. Of their 18 hypotheses on the associations between the three types of motivations and the six forms of participation, 15 were supported in multivariate models.

Gross (1995) surveyed members of two organizations, one pro-choice and one pro-life, in the same U.S. state in 1992 to determine their incentive preferences. Thirteen items were fielded that were intended to represent five categories of motivations: material/tangible incentives, solidarity incentives, norms of personal identity, norms of democratic citizenship, and norms of social justice. A factor analysis produced only three scales (the material and solidarity items were combined as were the personal identity and democratic citizenship ones). The results indicated that the material/solidarity motivations were most important, impacting all five measured forms of pro-choice/pro-life activism. Despite having multiple motivational scales and multiple participation scales, Gross did not hypothesize nor discuss the possibility that there may be congruence between types of motivations and participation.

In their analysis of panel data (collected in 1987-1988 and again in 1989-1990) from a representative survey of adults in West Germany, Finkel and Muller (1998) measured “seven selective incentives that individuals may perceive as material, social, or psychological ‘payoffs’ from collective political action” (1998: 42). Since this was a random sample survey, respondents were asked about their motivations for general, potential political action. Their 14 items resulted in the following scales: financial gain, expectations of others, group encouragement, gain knowledge, stand up for beliefs, entertainment, and internal behavioral norms. Only one of these scales had a statistically significant impact on their general protest participation scale.

As far as local currency groups are concerned, no systematic motivational research exists. However, there are five previous studies of LETS that include some

evidence (mostly gained through open-ended questions) as to why participants joined their network. The most comprehensive study of LETS in the UK is based on a 1999 membership survey of 26 systems (Williams et al. 2001). Overall, the authors find that 25% of members join for ideological reasons, “as an act of resistance to various mainstream ‘others,’ such as capitalism, materialism, globalisation and the profit motive” (Williams et al. 2001: 24). Seventy percent report joining for economic reasons (to receive goods and services and use skills) and about 3% join explicitly to improve their employability in the labor market.

Gran (1998) administered a membership survey to four Norwegian LETS. The findings indicate that respondents emphasize short-term altruistic motives much more than self-centered motives. Liesch and Birch (2000) report findings from a survey of the members of multiple LETS in Australia. The primary reasons stated were to build a stronger community and encourage local initiative.

Two case studies of individual LETS also measure motivations. Williams (1996) finds that 51.6% cite economic reasons, 30.6% cite social reasons, and 30.6% ideological reasons. Caldwell (2000) develops a motivational taxonomy that contrasts economic motivations with ecological ones and self-interest motivations versus altruistic reasons. She finds that “16 people could be classified as motivated by economic self-interest, 25 people as motivated by economic altruism, 25 people as motivated by ecological self-interest and 33 people could be classified as motivated by ecological altruism.”

Overall, there are few generic, replicable motivation items for survey use available in the social movement literature. Moreover, the existing community currency

research varies considerably in methodological sophistication, measurements, and results. Therefore, the literature review was expanded to include volunteering motivations. Motivations to volunteer have been studied extensively and there is a large inventory of potential reasons that have been formulated and empirically investigated.

The use of the volunteering literature in a social movement analysis should be relatively uncontroversial. Participation in voluntary associations has many parallels to participation in SMOs (Wilson 2000). Indeed, there is considerable conceptual overlap in studying these phenomena since SMOs are one form of voluntary association. For example, consider a well-known definition of an SMO:

A social movement organization (SMO) is a complex, or formal, organization that identifies its goals with the preferences of a social movement or a countermovement and attempts to implement those goals (McCarthy and Zald 1977: 1218).

Voluntary associations have been defined more generally as “a group of people who share an interest and have agreed to pursue it jointly” (Pearce 1993: 18) or “formally-organized collectivities whose members join for limited purposes... Voluntary associations frequently undertake collective action... (Knoke and Wright-Isak 1982: 210).^{iv}

In addition to SMOs being a type of voluntary association, participation in local currencies has also been compared to volunteering. Some early advocates viewed the participants as “volunteers” (see Cahn and Rowe 1996) and, as discussed earlier, the first programs in the U.S. were “service credit programs” which usually had the term

“volunteer” in their titles. Nonetheless, the premise of local currencies is that participants must give and *receive* (spend the currency), so the volunteering frame does not fit perfectly. Transactions in these networks are nearly always initiated by a request from the recipient, not the provider (or “volunteer”). Indeed, these networks simply will not function unless participants request things. Coordinators often have to remind their memberships to spend the currency regularly.

As Wilson (2000) notes, whether “volunteers” can receive material rewards is open to debate. Smith (1981) argues that being a volunteer is a matter of degree. At the one end, “pure” volunteers “would be individuals receiving no remuneration whatsoever while performing very valuable services” (pg. 23). On the other (less than pure) end, volunteers engage in “activities that have a market value greater than any remuneration received for such activities” (pg. 23). Since Time Dollars are an egalitarian currency (based on the amount of time it takes to provide a service), the value of these credits is difficult to determine.

Two other distinctions in the volunteering literature also do not seem very applicable to local currencies. First, there are the differences that Wilson (2000) notes between associational volunteers (members working for their organization) and program volunteers (members working on behalf of their organization). Neither of these neatly fit the experience within community currency networks. Finally, the dichotomy between self-oriented versus community-oriented forms of voluntarism (see Janoski and Wilson 1995) provide little clarification to this puzzle. Local currency systems are advocated for both their individual and community benefits. Despite these ambiguities, the

volunteering literature does provide some insight into the puzzle to be investigated here, so it was consulted in an attempt to learn more about potential motivations to participate in SMOs.

There are several key studies of motivations to volunteer conducted by psychologists that have resulted in broad categories of motivations as well as specific survey items. Cnaan and Goldberg-Glen (1991) distinguish between altruistic, egoistic, social, and material-egoistic motivations. Omoto and Snyder (1995) sort motivations to volunteer into five categories: values, understanding, personal development, community concern, and esteem enhancement reasons. Clary et al. (1998) have developed the Volunteer Functions Inventory which contains six different sets of reasons: protective, values, career, social, understanding, and enhancement.

Using the previous social movement, community currency and volunteering research as a basis, the author compiled all of the motivation items from the 12 relevant studies cited above. The items not applicable to participation in a community currency system were deleted from the inventory. Items that were similar to each other were deleted or synthesized into new ones. After this process there were 22 relevant motivational items that were sorted into four broad categories suggested by the previous research: economic/instrumental, ideological/value, social, and altruistic.

(Table 1 About Here)

Table 1 lists the items under their broader categories. The author added eight additional items derived from the literature by advocates of community currencies. The analysis below begins with a factor analysis of these motivational items. Next, Knoke's

(1988; 1990) congruence hypothesis is tested in multivariate models. It is expected that economic/instrumental motivations, ideological/value motivations, social motivations, and altruistic motivations will predict parallel forms of participation within this local SMO. Those more motivated by economic/instrumental reasons are expected to engage in more transactions in the Time Bank. Those with greater ideological/value motivations are expected to display greater organizational commitment. Participants with greater interests in social incentives are expected to attend the Time Bank's social events more often. Finally, members more motivated by altruistic reasons are expected to be more willing to engage in fundraising for the organization.

Data and Methods

For this case study, a stand-alone Time Bank with individual and organizational members and a general mission (with no specific constituency) was selected. The Time Bank chosen is one of the "neighbor-to-neighbor" models (Cahn and Rowe 1996) and is quite similar to the typical Hours or LETS systems.^v Since Time Banks (unlike Hours systems) record every transaction that occurs, it is the only form of community currency in the U.S. for which transaction data is obtainable. The author was granted access to an electronic copy of the Time Bank's database containing membership and transaction records. Transactions within this particular system began in January 1998. Therefore, the exchange data analyzed here covers 105 months (35 quarters) of trading activity (up through September 2006). The top ten types of services and goods exchanged in this period at this Time Bank are: healthcare services, office/business support, transportation,

cooking, housekeeping/chores, computer assistance, minor home repair, tickets to events, items sold, and haircuts.

In Fall 2006, the author fielded a comprehensive, online membership survey (through surveymonkey.com). Time Bank members with email addresses received an email invitation to take the survey. Those without email received a postal mail invitation. Members were encouraged to go to the Time Bank office or to visit a public library to take the survey if they lacked Internet access. A print version of the survey was also created and distributed to those who preferred to complete the survey by hand. In addition to the invitations, the survey was advertised in the Time Bank office, in one of their newsletters, and in several of their weekly membership email messages. All respondents received a Time Dollar (the electronic currency of Time Banks) for completing the survey and two prize drawings were held for respondents as an additional incentive. A statement preceding the survey assured respondents that their responses would be confidential, but they could not be anonymous. The first question of the survey asked for their name so that they could be entered in the prize drawings, awarded a Time Dollar, and have their responses linked with their trading activity.^{vi}

The size of the total target population was 440 individual members. A total of 235 members completed the survey. Therefore, the response rate was 53%.^{vii} Respondents are representative of the total membership population on the four available indicators (sex, age, participation length, and total transactions).^{viii} It took respondents 26 minutes to complete the survey on average and half completed it in 23 minutes or less. The survey was divided into six sections: motivations, engagement, outcomes,

satisfaction, community experience, and demographics. Most questions were closed-ended and had standardized response categories arranged in a tabular format to facilitate timely completion.

Independent Variables

The thirty motivation items in Table 1 were fielded as following: “We would like to begin by learning what *originally* motivated you to join this Time Bank. Please think about which of the following reasons caused you to join. To what extent did you hope to:” Responses were coded as following: “not at all” (1), “very little” (2), “to some extent” (3), “to a great extent” (4).^{ix} These thirty variables were subjected to a principal components factor analysis. Table 2 presents the rotated matrix (loadings >.30).

(Table 2 About Here)

Motivations to join this Time Bank are somewhat more complex than the previous literature’s four broad categories suggested. Three different factors emerged from the nine economic/instrumental motivation items. Two factors were identified from the eight ideological/value motivations and one item (promote a more equal society) did not load highly on any one factor. As expected, the nine social motivation items and the four altruistic items each constitute one factor. Descriptive statistics for these items and the resulting scales are presented in the Results section below.

Three standard demographic variables from the survey and one from the Time Bank’s database are included in the multivariate models as control variables. Since they help describe the respondents, their distributions will be briefly reported. As is usually the case in local currency groups, women greatly outnumber men: 82.6% report being

female and 17.4% male.^x The average age of respondents is 46.62 years. The membership is also largely low-income. One-third of all respondents have annual household incomes of less than \$20,000 and only one-quarter have household incomes of \$50,000 or higher.^{xi} The last control variable is membership length. This comes from the Time Bank's database and is measured in quarters (ranging from 1 to 35). The average respondent has been a member of this Time Bank for 11.88 quarters (nearly 3 years).

Dependent Variables

The core of all local currency systems is the exchanges that occur among members. The number of transactions engaged in is a quantitative measure of economic/instrumental activism within the system and will serve as the first dependent variable. There have been over 22,000 transactions in this Time Bank since its inception. Using the transaction data from the Time Bank's database, each respondent's average number of transactions (providing or receiving services) per quarter was computed in order to control for the time bias of a total transactions measure. This variable ranges from no transactions (0) up to 11 or more per quarter. The average respondent engages in 3.6 transactions per quarter. At the low end, 7% of respondents have never been involved in an exchange and 27.9% average only one per quarter. At the high end, nearly one-fourth (23.1%) engaged in six or more transactions per quarter on average (7% complete 11 or more exchanges per quarter on average).

The second measure of differential participation is social event attendance. This dependent variable is a more informal indicator of engagement and is expected to be

congruent with social motivations. This Time Bank has monthly potlucks and other social gatherings on a regular basis. Respondents were asked how frequently they attend the Time Bank's social events. Nearly one-third (30.6%) responded "never," 43.2% indicate "hardly ever," 24% chose "sometimes," and only 2.2% responded "often" or "always."

Commitment to this local SMO is the next dependent variable. Organizational commitment is Knoke's (1988) measure of participation that corresponds with ideological/value motivations, so it is replicated here. Eight relevant items from the Organizational Commitment Questionnaire (OCQ) were fielded (see Mowday, Steers, and Porter 1979).^{xii} These eight items have high internal consistency ($\alpha = .86$), so a single scale was constructed. Since "strongly agree" is coded "1," the low scale average (1.66) demonstrates a high level of organizational commitment among these Time Bankers.

Finally, the fourth measure of differential participation concerns fundraising. In the months preceding the membership survey, the Time Bank administrators launched several fundraising efforts and stressed the need for them to the membership. Since this was a new initiative, the membership survey asked about potential behavior, rather than actual: "How likely are you to participate (by donating your time or money) in future fundraising efforts at this Time Bank?" Most responded positively: 38.3% chose "somewhat" and 30.2% "very likely." This type of measure has been used in other studies of differential participation (see Knoke 1988; Cohn, Barkan, and Halteman 2003) and corresponds with altruistic motivations here.

The Results section begins by reporting the descriptive statistics from the motivations to join questions and scales. Next, the seven scales (representing the four sets of motivating factors: economic/instrumental, ideological/value, social, and altruistic) are used as predictors of the four different indicators of differential participation in OLS regression models.

Results

Table 3 provides the average scores for the motivation questions and the seven simple additive scales.^{xiii} The single most popular motivating factor was to “expand your purchasing power through an alternative currency.” More than half (58.5%) replied “to a great extent” and another 29.3% responded “to some extent.” The next most popular item is: “act on your personal values, convictions, or beliefs.”

(Table 3 About Here)

The mean scores of the scales indicate that member needs and values motivations are the most popular reasons for joining this Time Bank. On the needs scale, 82.2% of respondents fall between the values 3 (“to some extent”) and 4 (“to a great extent”). The vast majority of members are motivated by their economic needs. Likewise, 82.5% of respondents fall on the high end (between 3 and 4) of the values motivations scale. Most members of this Time Bank also became involved in this form of community engagement to act on their values and create a better society. These two scales are followed in popularity by the altruistic and want-based motivations. Social reasons are the least

popular motivating factor at this Time Bank. Only 15.7% of respondents fall between the high values of 3 (“to some extent”) and 4 (“to a great extent”) on this scale.

Table 4 provides the results for the congruence hypothesis test. Here, the seven motivational scales (from the four categories) are used as predictors of the four differential participation variables in OLS regression models with the four control variables.^{xiv} For the congruence hypothesis to be supported, more statistically significant associations should be found within the boxed regions of the table (representing congruent associations) than outside of them. In the first model, those who were more likely to have joined due to their needs engage in more transactions on average. As the only significant motivational predictor in this model, there is support for the congruence hypothesis here. Three of the control variables are statistically significant as well. On average, younger members engage in more transactions. Respondents with low household incomes are also more likely to exchange more often. Those who have been members longer also engage in more quarterly transactions on average. Just over 10% of the variance in the dependent variable is explained by the predictors, each of which have similar influence according to the beta-weights.

(Table 4 About Here)

In the second model, those who were more motivated by social incentives are indeed more likely to attend the Time Bank’s social events. Also, those with altruistic motivations are less likely to attend social events. Therefore, this model also provides evidence supporting the congruence hypothesis. Participation length has a positive

association and is the strongest in this model which explains 15.5% of the variance in social event attendance.

The third model in Table 4 indicates that there are three significant predictors of organizational commitment. Those more motivated by needs and by their values are more likely to be committed to this Time Bank. The needs association is an “incongruent” one. The impact of value motivations is stronger and is anticipated by the congruence hypothesis. Also, female participants are more committed to the Time Bank than are males. This model is the most robust of the four, explaining nearly one-quarter of the variance in organizational commitment.

The last model predicts fundraising potential. Those who were more likely to have joined due to social incentives and those more motivated by values are more likely to report a willingness to give time or money to the Time Bank. Neither of these associations support the congruence hypothesis and the expected association with altruistic motivations is not statistically significant.

Overall, Knoke’s (1988; 1990) hypothesis concerning the congruence between participants’ motivations for joining collective action organizations and the types of participation they engage in receives some support in this Time Bank. Three of the differential participation measures are predicted by their corresponding motivational scales and there are minimal incongruent effects on these three measures.

Discussion and Conclusion

This study has investigated the dynamics within a Time Bank (a local SMO) and contributes to several underdeveloped areas in the literature. It focuses on an understudied, alternative social movement, provides an in-depth investigation of participant motivations, and studies differential participation in multiple movement activities. The analysis reported on here may provide guidance for future research on motivations and highlights the utility of other literatures, in this case the volunteering one, for social movement research.

The motivation items fielded in the membership survey illustrate the varied incentives underlying social movement participation. The vast majority of these Time Bank members are motivated by their needs. Consistent with the media attention on these DIY networks today, participants primarily join for economic reasons.^{xv} However, most also report becoming involved in this form of community engagement to act on their values and create a better society. This movement ideology is an intriguing counter to the economic, more self-interest motivations. Using the language of Klandermans (2004), the role of “instrumentality” and “ideology” in motivating individuals to participate is more important here than “identity” (represented as social motivations here).

Knoke’s (1988) congruence hypothesis receives some support in this Time Bank: three of the differential participation measures are predicted by corresponding motivational factors in Table 4 and there are minimal incongruent motivational effects there. Participants’ activism within this alternative movement does somewhat reflect

their original interests in joining. Is this positive or negative or both? On the one hand, it appears that the organization has been successful since member's participation does basically mirror their motivations. So, for example, those joining out of economic necessity do engage in more transactions. On the other hand, "incongruent" effects could also be interesting. It seems that if participants were having a transformational experience, they would be engaging in the organization in different ways than which they originally intended.

Since the congruent effects were expected, only the three incongruent effects will be interpreted here.^{xvi} It was found that those more motivated by their needs are more likely to be committed to this Time Bank. This could be an indirect indicator of the efficacy of the Time Bank in helping people to meet their needs. Those in need may be somewhat reliant on this organization and are therefore committed to it. The results in Table 4 also indicated that those joining for social reasons and those more motivated by values are more likely to report a willingness to give time or money to the Time Bank. Why would these motivations, but not altruistic ones, predict this fundraising potential? Perhaps the altruistic participants are more interested in direct service to other members rather than helping the office with fundraising. Those with social motivations could be interpreting this as another opportunity to spend time with people. Members who are more motivated by their values may see this service to the organization as an important to keep this particular SMO and the larger movement viable. All of the results here certainly suggest that differential participation deserves to be thoroughly investigated and

the role of motivations and their congruence should be focused on particularly in future social movement research.

In addition to the impact of motivations, the demographic variables had some interesting effects upon participation as well. Most notably, younger members engage in more transactions on average, those with low household incomes exchange more often, and women report greater organizational commitment than men. There is only one other study that investigates the determinants of differential participation in a local currency system. In their case study of an institution-based Time Bank, Lasker et al. (forthcoming), also explore the demographic determinants of transactions as well as attachment to the Time Bank. While exchange activity did not differ by age, they did find a similar, negative income effect on transactions as well as greater organizational attachment by female participants. The fact that both studies present evidence that low-income participants engage in more transactions suggests that Time Banks are producing economic benefits for those who need them most.

The gender dynamics within these networks are also intriguing. It is perhaps not surprising that women greatly outnumber men in these systems. As Raddon (2003) argues, local currencies offer more opportunities for women given their greater experience with informal, nonmarket labor and the devaluation of their labor in the formal economy. Moreover, in the U.S., women are more likely to volunteer than men (Wilson 2000) and many voluntary organizations are homogeneous as the result of recruitment by friendship ties (McPherson and Smith-Lovin 1987). An unanswered empirical question is whether the strength of women's numbers in these systems and the

strength of their commitment deters men from joining. To the extent that men and women are likely to offer different types of services within these systems (see Lee 1996), a lack of male participants is likely to constrain the accessibility of particular services. Therefore, future researchers as well as local currency practitioners should pay close attention to these gender dynamics.

This study has attempted to make a small contribution to the growing literature on social movements. Clearly, this research is not without its limitations. This particular SMO is more successful than most local currency groups. It has a larger membership and has lasted much longer (nearly nine years at the time of the survey) than the vast majority of all community currency systems. Ideally, multiple systems should be studied and if possible, at the formation stage, to avoid the potential bias of motivation questions measured after substantial involvement within a movement (see Pierce and Converse 1990). Ultimately, additional alternative social movement cases should be investigated as we will learn more about the people who counter the status quo by making history directly through their everyday lives.

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Endnotes

ⁱ To a lesser extent, the ecological benefits of local currencies have also been stressed by advocates (see Bowring 1998; Seyfang 2001; North 2006; Seyfang 2009).

ⁱⁱ For example, see North's (2007) discussion of the large-scale barter networks of 2000-2003 in Argentina. In the United States, the BerkShares project in Western Massachusetts has also received much publicity lately. However, this model is quite different from the other types of local currencies since membership is limited to businesses. Instead of a neighbor-to-neighbor network, it is a printed discount scrip (see Solomon 1996) or "buy-local-and-get-a-discount" program. Rushkoff (2009) distinguishes these scrip programs with exchange rates for regular dollars from LETS, Hours, and Time Banks. He argues that the latter are "even more promising" since they are "quite literally earned into existence" (Rushkoff 2009: 238).

ⁱⁱⁱ Similarly, Volunteering motivations have been used as independent variables to predict the intensity or duration of the volunteer effort (see Omoto and Snyder 1995; Clary et al. 1996; Clary et al. 1998; Houle, Sagarin, Kaplan 2005).

^{iv} See also Knoke's (1990) discussion of "collective action organizations" and Burstein (1999) on "interest organizations."

^v This Time Bank's directory of services looks quite similar to that of Ithaca Hours. There is a wide range of services being offered and alternative healthcare services (i.e., massage and acupuncture) are very popular. Also, like Ithaca, the city where this Time Bank is based is politically progressive (Greens are active and represented in local politics) and tolerant (gay and lesbian rights issues are salient).

^{vi} After the survey was completed, a list of respondents was provided to the Time Bank so that they could award the Time Dollar and conduct the prize drawings. Summaries of the survey results were presented to the Time Bank in anonymous form. After the survey the researcher linked the transaction records with the survey responses by their name. After the linking of the two datasets, all names were deleted and the identities of the respondents were protected.

^{vii} This response rate is respectable. A recent membership survey at a smaller U.S. Time Bank yielded a 47% response rate (see Lasker et al., forthcoming). Surveys of the members of two Time Banks in the UK yielded 21% and 28% response rates (see Seyfang and Smith 2002). In the major study of LETS in the UK, the memberships of 26 systems were surveyed. The resulting overall response rate was 34% (see Williams et al. 2001).

^{viii} The gender distribution from the sample is 82.6% female and 17.4% male compared to 81.2% and 18.9% in the population within the Time Bank database. The average age of the survey respondents is 46.6 years; in the population it is 44.6 years. The average participation length is 1,086 days within the membership as a whole. Among survey respondents it is 1,108. The average Time Bank member has engaged in 44.5 total transactions compared to 48.5 for the sample of survey respondents. One-sample t-tests were computed for each of these variables to test for statistically significant differences

between the sample and the larger population. None were even remotely close to approaching significance.

^{ix} The few missing values were replaced with the median score in order to preserve cases.

^x Lasker et al. (forthcoming) report that 83.1% of respondents to their Time Bank survey are female. Two-thirds of Time Bank participants and two-thirds of LETS members in the UK are women (Williams et al. 2001; Seyfang and Smith 2002).

^{xi} Seventeen percent of respondents did not answer this question. Multiple dummy variables were experimented with in the regression models, but they did not change the results. Therefore, a single dummy variable of less than \$20,000 a year (“1”) versus more than \$20,000 (“0”) was constructed. The missing values were included in the “more than \$20,000” category, changing the percentage of those with less than \$20,000 to 29% of the sample as shown in Table 2.

^{xii} The items (with four responses ranging from “strongly agree” to “strongly disagree”) are: Time banking is an important reflection of who I am, I am willing to work harder to help my Time Bank succeed, I feel very loyalty to this organization (reverse coded), I am proud to tell others I am part of this organization, I like to think of myself as similar to other members, I find that my values and the organization’s are similar, I really care about the fate of this organization, and I plan to remain a member for a number of years.

^{xiii} The item, “promote a more equal society,” was dropped and not included in any of the scales since it did not load highly on any one factor.

^{xiv} Multicollinearity does not pose a significant problem in any of the multivariate models presented. For the models in Table 4, the variance inflation factor for each of the predictors is small (highest is 1.89) and well within acceptable levels (less than 10; see Belsley, Kuh, and Welsch 1980; contact the author for a copy of the collinearity diagnostics).

^{xv} Consider the following recent headlines from the popular media: “Recession Currencies Rise” (Weil 2009), “Local Currencies Cash in on Recession” (Riccardi 2009), “Tough Times Lead to Local Currencies” (Schwartz 2009), “Communities Print their Own Currencies to Keep Cash Flowing” (Bello 2009), and “Banking Your Time to Save You Money” (NPR Marketplace Money 2009).

^{xvi} The finding that those who were more motivated by altruism report lower attendance of social events is not actually “incongruent.” Though it falls outside of the box in Table 4, the negative association indicates that the more altruistic members are not seeking social incentives through their participation.

Table 1. Synthesized Survey Items Measuring Participants' Motivations for Joining Time Bank

	<i>Previous Study</i>
<u>Economic/Instrumental Motivations</u>	
Expand your purchasing power through an alternative currency	2, 6, 8, 11
Obtain needed services that you could not perform yourself	2, 11
Obtain needed services or goods that you could not afford	2, 11
Obtain services or goods that you would rather not have to pay cash for	*
Obtain services or goods that you would not normally pay cash for	*
Improve the local economy	2, 9, 11
Help establish trust among people	*
Learn new skills from others	2, 3, 4
Use or improve skills that you did not get to use regularly	2-4, 6, 10
<u>Ideological/Value Motivations</u>	
Act on your personal values, convictions, or beliefs	5, 7, 10
Create a better society	4
Be more independent from large corporations	11
Be more independent from government	11
Promote a more equal society	2, 4
Help build community in our region	*
Contribute to the quality of life in our region	*
Be part of a larger movement for social change	*
<u>Social Motivations</u>	
Meet new people or make friends	2-4, 6-11
Spend more time with like-minded people	1, 3, 7, 9, 10
Experience new activities in group settings	4
Feel better about yourself	3, 4, 10
Feel needed or useful	3, 9, 10
Have something worthwhile to do with your free time	4
Feel less lonely	3, 4, 10
Spend more time with acquaintances or friends who were already members	3, 7
Have a good time doing things in a social setting	8
<u>Altruistic Motivations</u>	
Give back to the community	4
Help people in need	3, 9, 10
Gain satisfaction from helping others	*
Use your skills to do something for others	*

Key: 1) Barkan, Cohn, and Whitaker (1995); 2) Caldwell (2000); 3) Clary et al. (1998); 4) Cnaan and Goldberg-Glen (1991); 5) Finkel and Muller (1998); 6) Gran (1998); 7) Gross (1995); 8) Knoke (1988); 9) Liesch and Birch (2000); 10) Omoto and Snyder (1995); 11) Williams (1996); 12) Williams et al. (2001); *Developed by author

Table 2. Factor Analysis (Varimax Rotation Matrix) of Motivation Items

	1	2	3	4	5	6	7
<u>Economic/Instrumental Motivations</u>							
Expand your purchasing power through an alternative currency					.62		
Obtain needed services that you could not perform yourself					.85		
Obtain needed services or goods that you could not afford					.87		
Obtain services or goods that you would rather not have to pay...					.44		.74
Obtain services or goods that you would not normally pay cash for					.39		.76
Improve the local economy		.35	.58			.31	
Help establish trust among people			.51	.34			
Learn new skills from others			.69				
Use or improve skills that you did not get to use regularly	.37		.53				.35
<u>Ideological/Value Motivations</u>							
Act on your personal values, convictions, or beliefs	.78						
Create a better society	.82						
Be more independent from large corporations	.37					.79	
Be more independent from government						.79	
Promote a more equal society	.48		.35			.37	
Help build community in our region	.64		.39				
Contribute to the quality of life in our region	.80						
Be part of a larger movement for social change	.79					.34	
<u>Social Motivations</u>							
Meet new people or make friends	.69		.33				
Spend more time with like-minded people	.53		.47				
Experience new activities in group settings	.71						
Feel better about yourself	.63			.37			
Feel needed or useful	.72			.33			
Have something worthwhile to do with your free time	.66						
Feel less lonely	.77						
Spend more time with acquaintances or friends who were already...	.58						
Have a good time doing things in a social setting	.75						
<u>Altruistic Motivations</u>							
Give back to the community		.48		.55			
Help people in need			.31	.73			
Gain satisfaction from helping others	.43			.70			
Use your skills to do something for others				.67			

n = 235

Table 3. Motivations for Joining Time Bank (Scales and Items)

	<i>Mean</i>	<i>SD</i>
<u>Economic/Instrumental Motivations</u>		
<i>Needs Motivations Scale</i> ($\alpha = .79$):	3.41	.70
Expand your purchasing power through an alternative currency	3.44	.76
Obtain needed services that you could not perform yourself	3.41	.86
Obtain needed services or goods that you could not afford	3.36	.89
<i>Wants Motivations Scale</i> ($\alpha = .79$):	3.14	.80
Obtain services or goods that you would rather not have to pay cash for	3.25	.86
Obtain services or goods that you would not normally pay cash for	3.03	.90
<i>Instrumental Motivations Scale</i> ($\alpha = .71$):	2.71	.65
Improve the local economy	2.91	.86
Help establish trust among people	2.87	.92
Learn new skills from others	2.73	.82
Use or improve skills that you did not get to use regularly	2.32	.96
<u>Ideological/Value Motivations</u>		
<i>Values Motivations Scale</i> ($\alpha = .89$):	3.36	.64
Act on your personal values, convictions, or beliefs	3.43	.74
Create a better society	3.41	.79
Help build community in our region	3.26	.72
Contribute to the quality of life in our region	3.41	.75
Be part of a larger movement for social change	3.30	.81
<i>Independence Motivations Scale</i> ($\alpha = .84$):	2.65	.99
Be more independent from large corporations	2.81	1.05
Be more independent from government	2.48	1.07
<u>Social Motivations</u>		
<i>Social Motivations Scale</i> ($\alpha = .88$):	2.32	.66
Meet new people or make friends	2.73	.89
Spend more time with like-minded people	2.62	.93
Experience new activities in group settings	2.57	.90
Feel better about yourself	2.34	.96
Feel needed or useful	2.21	.99
Have something worthwhile to do with your free time	2.14	1.00
Feel less lonely	1.86	.91
Spend more time with acquaintances or friends who were already members	1.83	.88
Have a good time doing things in a social setting	2.54	.91
<u>Altruistic Motivations</u>		
<i>Altruistic Motivations Scale</i> ($\alpha = .79$):	3.15	.60
Give back to the community	3.16	.77
Help people in need	3.11	.78
Gain satisfaction from helping others	3.02	.81
Use your skills to do something for others	3.29	.72

Table 4. Multiple Regressions of Differential Participation on Motivations and Demographic Variables

	<u>Average Quarterly Transactions</u>			<u>Attendance of Social Events</u>			<u>Organizational Commitment</u>			<u>Fundraising Potential</u>		
	<i>B</i>	<i>SE</i>	<i>Beta</i>	<i>B</i>	<i>SE</i>	<i>Beta</i>	<i>B</i>	<i>SE</i>	<i>Beta</i>	<i>B</i>	<i>SE</i>	<i>Beta</i>
Needs Motivations	.75*	.38	.16	.07	.09	.06	-.12*	.05	-.18	.13	.10	.10
Wants Motivations	-.39	.31	-.09	-.09	.07	-.10	-.01	.04	-.02	-.07	.08	-.07
Instrumental Motivations	-.07	.44	-.01	.10	.10	.08	.03	.06	.03	-.05	.12	-.04
Social Motivations	.44	.41	.09	.26**	.09	.22	-.08	.06	-.11	.28**	.11	.21
Values Motivations	-.47	.46	-.09	.09	.11	.07	-.27***	.06	-.35	.36**	.12	.26
Independence Motivation	-.44	.26	-.13	-.05	.06	-.06	.02	.04	.04	-.05	.07	-.06
Altruistic Motivations	.55	.47	.10	-.29**	.11	-.22	-.04	.06	-.05	-.02	.13	-.01
Sex (F/M)	-.54	.58	-.06	.08	.13	.04	.18*	.08	.14	.00	.16	.00
Age	-.03*	.02	-.13	.00	.00	.08	.00	.00	.06	.00	.00	-.01
Income Less than \$20k	1.09*	.49	.15	-.10	.11	-.06	-.12	.07	-.11	.07	.13	.03
Participation Length	.05*	.02	.14	.02***	.01	.26	.00	.00	-.02	-.01	.01	-.11
Constant	3.63	1.97		1.34**	.45		2.97***	.27		1.34*	.53	
R-Square		.106			.155			.227			.120	

n = 235

***p<.001, **p<.01, *p<.05