

# Marketplace

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## Banking your time to save you money



You say your neighbor wants help with her gardens, and you're pretty good at fixing cars. Some communities are quantifying this kind of neighborly good will. Paul Rockower checked out the barter system at a time bank in Los Angeles.

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Echo Park in Los Angeles. (Echo Park Time Bank)

### *TEXT OF STORY*

**TESS VIGELAND:** And we have one more banking story. I promise. And this one won't take a lot of your time. The time it will take, well, that's valuable, isn't it? I mean, time is money. So what if you could deposit and withdraw things like good deeds, or special skills, in a bank? In some communities you can. It's called -- duh -- time banking. Paul Rockower spent some time learning about it.



Dr. Edgar Cahn, founder of Time Banks.

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**PAUL ROCKOWER:** That's Carrie Grace, busy on the sewing machine hemming

clothes.

**CARRIE GRACE:** And we just fit the jeans and he's happy with them. So now I'm gonna just put a gold stitching around the bottom of the jeans edge.

She won't be paid for this work. Carrie's a member of the Echo Park Time Bank in Los Angeles, and she'll earn something called Time Dollars instead.

**GRACE:** I, in turn, will use my Time Dollars that I make to have a guy in the Time Banking network with us, come over and give my cat a diabetic shot once a day.

Carrie does costume work for movies and TV shows, and the hours are really long. Her cat, Jean Grey, recently became diabetic and need shots twice a day. Carrie's not always home to give them.

**GRACE:** This has been a real lifesaver for me. Instead of paying someone through the veterinarian office or leaving work, which -- I really -- it's impossible for me to do.

She's not just trading sewing for pet care. Carrie can go online to the Echo Park Time Bank website and browse lots of listings of what other members can do for her. I caught up with one of the bank's co-founders, Lisa Gerstein.

**LISA GERSTEIN:** Say I cut your hair for two hours, it's a long hair cut, you would give me two Time Dollars with which I could go back into the community and get basically any other service that anybody in the community had to offer. So that's carpentry. That's legal services. That's babysitting.

The Echo Park Time Bank has 75 members. That's triple what it had six months ago.

Membership is limited to certain ZIP codes. The organizers want to balance growth with maintaining an intimate group. They get together for potlucks and other events to socialize and strengthen the network. You'll find time banks in 44 states and in 32 countries. The nonprofit Time Banks USA offers start-up kits for communities that express an interest. Dr. Edgar Cahn is its founder and CEO.

**EDGAR CAHN:** There are two ways to value time. One is the market value. But for all of us there are domains in our life that are beyond market value. Family, neighborhood, community are critical. They may be invisible, they may not be part of the GDP, but they may be the most important asset we have.

Cahn says Time Banking is about teaching communities to meet their own needs:

**CAHN:** I remember when Time Banking got started, a priest saying to his congregation, "I have good news for you and bad news for you, and I can sum it up in the same sentence: We have no money, all we have is each other."

And during an economic downturn, time banks can be especially appealing. Echo Park Time Bank co-founder Autumn Rooney has seen a spike in membership since the financial crisis began.

**AUTUMN ROONEY:** There's a lot of people who are losing their jobs right now and having financial problems. And this can be a real relief for people in small ways, and it's just a very timely thing to be creating Time Bank right now.

**ED COLLUM:** It's reasonable that we would expect to see a rise in these local currency systems in tough economic times.

Professor Ed Collom is a sociologist at the University of Southern Maine. He studies

social movements like time banking.

**COLLUM:** The idea is that time is valuable. And a lot of people have extra time to give and to do productive things. But many people don't have extra money to buy even the basic necessities.

And that's where time banks step in with their own brand of financial bailout.

In Los Angeles, I'm Paul Rockower for Marketplace Money.

#### COMMENTS

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By Colin Oatley  
From Ann Arbor, MB, 02/28/2009

A correction to my earlier comment: I should have written 13 years, not 23 years. Otherwise, my comments still apply.

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By Colin Oatley  
From Ann Arbor, MI, 02/28/2009

I was surprised to hear no mention of income taxes in this story, because bartered transactions are taxable in the same way that cash transactions are taxable. So I went to the Echo Park Time Bank web site, where I found no mention of taxes, but I did find a link to timebanks.org, which contains a copy of an IRS private letter ruling, issued in 1996. The IRS letter indicates that a certain unnamed time bank following a certain set of rules is itself exempt, and its member's transactions are exempt from federal income tax. Interesting, but is this 23-year-old letter applicable to similar time banks today? I found nothing on the IRS.gov site to answer that question. I'd be interested to hear if your reporter could dig a bit deeper into the tax question.

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