



The Allstate Parent-Teen Driving Contract



GET YOURS

• Complete Forecast | Home Pa



OregonLive.com
Everything Oregon

SEARCH: **GO!** →

NEWS BIZ SPORTS **H.S. SPORTS** FORUMS BLOGS VIDEO ENTERTAINMENT LIVING JOBS

[OregonLive.com - Site Index](#)



Multimedia

AUDIO AND VIDEO
FROM *The Oregonian*

- [About The Author](#)
- [Subscribe **RSS**](#)
- [Multimedia Home](#)

Latest Posts

- [Funny money in the Rose City](#)
- [Tonya gets a kick out of her story](#)
- [Digging up cannons at Arch Cape Beach](#)
- [Scappoose firefighters train for charity stair climb](#)
- [TriMet video shows car entering MAX tunnel](#) □

Categories

- [Breaking News \(RSS\)](#)
- [College football \(RSS\)](#)
- [Life Stories \(RSS\)](#)
- [Living to the End \(RSS\)](#)
- [Prep football \(RSS\)](#)
- [Sports \(RSS\)](#)
- [State Fair \(RSS\)](#)
- [Trail Blazers \(RSS\)](#)

Favorite Links

Archived Posts

Funny money in the Rose City

Posted by [The Oregonian](#) February 22, 2008 16:40PM

Joseph Rose of The Oregonian takes viewers on a tour of local currency efforts here and elsewhere. Learn why it's legal and how it works -- and why it often fails.

And for more about instances where the movement is surviving despite the challenges, read on below the video...



So, this group called [PDX Currency](#) thinks Portland is ready for a currency revolution.

As you know from the story in The Sunday Oregonian -- yes, you should probably read that first -- getting people to carry local currency is a challenge, no matter how

much they're into sustainability and supporting neighborhood businesses. Such efforts fail far more often than they succeed.

But before you dismiss the Portland experiment as another high-minded affair destined to crash, you should know that there have been success stories.

Consider:

* Today, 17 years after it launched, more than 900 businesses accept Ithaca Hours in Ithaca, N.Y.

* In the Berkshire region of Massachusetts, BerkShares scrip, which is interchangeable with federal currency at a rate of 90 cents for every note, is accepted by more than 500 businesses and is credited by some with saving many of those businesses in recent years.

* The people behind Cascadia Hours, which sports more than 100 members, say they started Portland's first local currency in the 1990s and are still going strong.

That last one comes with a big caveat, since Cascadia Hours is more of a social group than a true alternative currency. Members trade their services for "time-bank" credits and certificates that can be used for services offered by others on the group's Web site and at dinner auctions.

Ed Collom, an assistant professor of sociology at the University of Southern Maine who runs an [Oingo Boingo fan site](#) in his spare time, said it's hard to know if local currencies in general are on the upswing. But based on [his research](#), the ingredients for a resurgence could be in place.

People are increasingly anxious about globalization and the loss of community, he said. They're also freaked out about the decline of the U.S. dollar and slide of the economy in general.

Charlie Stephens, a former policy analyst for the Oregon Department of Energy and a current member of the PDX Currency steering committee, takes it a step further.

"The federal reserve has lost control of the money supply," he says earnestly. "What we're living on right now is a giant pile of hallucinated wealth."

If the dollar collapses, Stephens is convinced a local currency would help the local economy weather the storm. Alluding to the days before the Great Depression, he said, "1928 and 1929 are the closest comparison to what's happening right now."

Of course, if River Hours in Hood River are any indication, we can only hope local currency won't have to save the economy any time soon.

Before the currency launched in 2004, the nonprofit board behind the effort spent a year soliciting donations. Roughly 60 residents and business owners from Hood River and other Gorge communities invested in the program as "members," getting their names listed in a trade directory and providing \$1,500 in seed money to print the first bills.

Nearly four years later, the board meets regularly and the treasurer monitors how much money is circulating and where it's being spent. Yet growth remains sluggish.

"The challenge as a volunteer is to make the time to speak one-on-one with everyone," said Moria Reynolds, owner of local graphics, printing and distributing business who volunteers as chief marketer for the River Hours' nonprofit board.

"The challenge then becomes how does the business handle the new funds in their register."

Her suggestion to business owners: Use the River Hours as part of their "till float," allowing employees to get comfortable with it and offer customers the currency as change. "When customers see River Hours in their wallets," she said, "they will think, 'Where can I use these, and return to the businesses where they got them.'"

(Or, Moria, they could end up feeling the same way you used to feel when you found one of those worthless Canadian quarters in your pocket after getting change at 7-11. Although that was before the collapse of the U.S. dollar. Anyway, we digress.)

Of course, there isn't exactly a fortune in River Hours swimming around. The project started with a meager 200 Hours -- each hour is worth \$10, a rate that the board has decided is fair wage for an hour's work. Today, 1,509 Hours, or about \$15,000, is in circulation.

The group says slow growth is intentional, a way to keep inflation in check, rather than having too many bills that might eventually be worth about the same as Monopoly money. The community won't use or accept currency that it doesn't have faith in, backers point out.

Still, Stacy Mitchell, a senior researcher with the Minneapolis-based Institute for Local Self-Reliance and author of "Big Box Swindle," said there's a value in getting money into people's hands sooner rather than later.

"One of the most powerful aspects of local currency is the educational aspect," she said. "It gets people thinking about the money flow in their community."

-- Joseph Rose; josephrose@news.oregonian.com

[Print This Page](#) | [Send To A Friend](#) | [Permalink \(Learn More\)](#)
Share: [Reddit](#) | [Digg](#) | [del.icio.us](#) | [Google](#) | [Yahoo](#) | [What is this?](#)

COMMENTS (0)

[Post a comment](#)

Username (Don't Have a Username? [Sign up here](#)):

Password:

Remember Me

Login

Reset



[Home](#) | [News](#) | [Sports](#) | [Forums](#) | [Blogs](#) | [Multimedia](#) | [Entertainment](#) | [Jobs](#) | [Autos](#) | [Real Estate](#) | [Complete Forecast](#) | [Site Index](#) | [RSS Feeds](#) | [RSS Terms & Conditions](#) | [About Us](#) | [Contact Us](#)

[The Oregonian - The Oregonian Business Center](#) | [Hillsboro Argus](#)

© 2008 Oregon Live LLC. All Rights Reserved. Use of this site constitutes Policy. Community Rules apply to all content you upload or otherwise submit to this site. C