

# *Local currency programs catching on in communities*

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Peter James sees problems in how the money system works. But rather than sit around complaining, the Germantown small-business manager is doing something about it.

James recently started a local currency called Just Money. He has signed up nine other Germantown companies to back the currency and accept it for at least a portion of payment for food, products and services.

"It's entirely legal," said James, general manager of Crystal Clear Automation, a software, Web site design and automation business. "I see money losing its value where they have to create more to keep everything constant. ... This is a way to provide an alternative currency that hopefully will



keep its value and support local businesses at the same time.”

Local currency was widely used in the early 1900s, according to the E. F. Schumacher Society, a Great Barrington, Mass., organization that works on boosting local communities. There are at least 10 cities or areas in the United States that use their own currency, including Philadelphia and Ithaca, N.Y., society officials say. The Germantown program is not the first in Maryland. One in Baltimore called Baltimore Hours began in 2001 but ended in 2003, according to published reports.

Another in Mount Rainier called Anacostia Hours formed in October and is going “very well,” said Mary Parker, a member of the Anacostia Hours board of directors.

“The idea is to keep the money locally,” said Parker, who accepts the currency for English as a second language instruction and an organic cracker product she developed. “There is a movement to make local areas sustainable so they are not dependent on Wal-Mart and other large corporations.”

Anacostia Hours, started by Japanese language instructor and artist Sayuri Miyazaki, has grown to include more than 50 businesses and services. Most are in Mount Rainier, but some are in surrounding communities such as Hyattsville, Brentwood and Cheverly.

Like discount coupons

Peter Finkhauser, co-owner of The French Quarter Café on Century Boulevard in Germantown, called the Just Money currency an interesting concept. He views it more or less as similar to discount coupons.

“We accept 10 percent on orders,” Finkhauser said. “So if a meal costs \$50, a customer can use \$5 in the local currency to pay,” using regular currency to cover the balance.

A Germantown printer printed the local currency, which carries the signature of a business owner who backs it. James issues the currency to local merchants in the form of an interest-free loan, and the businesses then distribute the currency to key customers to use like discount coupons. James also gives it to people to try out.

“Right now, it’s more or less promotional currency, until we get established,” James said.

Most businesses in the program give the 10 percent discount; at his company, James accepts 100 percent of the currency on custom software, as well as Web site design and automation labor services. Once the notes are redeemed, business owners can choose to “pay off” their loan and turn in the Just Money to James or put the currency back in circulation, he said.

Just Money is not a replacement for Federal Reserve notes, as it can’t be used for payments such as taxes and mortgages, James said. “It can supplement the limited supply of money in circulation and demonstrate how a ‘just’ currency is better for the local economy and community,” he said.

Some currencies that have been established, such as Ithaca Hours, which dates to 1991, employ local banks to exchange the currency. About \$100,000 in Ithaca Hours has been put

into circulation at some 600 businesses that include a credit union, health club, clothing stores and food co-op, according to the Schumacher Society.

Parker and James said they hope their currency programs grow in popularity to that of Ithaca's. Anacostia Hours does have a "bank," the Dar Es Salaam Books and Health Center in Mount Rainier, where people can replace damaged notes and change them into smaller bills, Parker said.

"It started a little slowly, but we have built up nicely," she said.