

## Time banks: towards a new community glue

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### Introduction

Imagine you could get a prescription from your doctor for a friendly visit or for a regular lift to the shops.

No, it's not a further drain on NHS spending – it's a service provided by volunteers using a time bank at the Rushey Green Health Centre in south east London.

The bank is the brainchild of the New Economics Foundation, with support from the Kings Fund, the Lloyds-TSB Foundation and the Carnegie Trust and others, borrowing from a successful idea that is fast becoming mainstream in the USA and Japan. Rushey Green is the sixth time bank in the UK. Fair Shares run four in Gloucestershire. There is also the Hour Bank in Peckham, and similar schemes about to launch in Newcastle and Watford. And many more in the early stages behind them.

It's too early to say whether the idea will catch on here quite as it has in America, but Rushey Green and Fair Shares may be the first symptoms of a new way of carrying out regeneration. In fact, time banks may be a critical link in the way we make places socially and environmentally sustainable.

But first, how do they work? A bit like LETS, but with a difference: while LETS uses barter exchanges as the model, time banks use loyalty points – the time credits don't have to add up at the end. They are primarily a measure of the effort people put in, and measuring motivates – but the credits can also be spent on help from others. That's why they're called 'banks': you put money in; you can take it out in the form of help.

There are now getting on for 1,000 time banks running around the world, exchanging credits called anything from *time dollars* in the USA to *hureai kippu* ('ticket for caring relationship') in Japan. At its simplest, the idea uses a broker at the end of the phone, and allows people to earn time credits for each hour they help out in their local community – anything from peer tutoring by schoolchildren to telephone counselling by housebound older people.

Credits can be spent on help for yourself when you need it, or donated back to the system (most are). Because time banks match an hour for an hour, this is in some ways the opposite of volunteering – everyone has something to offer, and there is no division between givers and receivers; just participants. Banks make it possible for people – especially older people – to ask for help, but they also let them give back. LSE director Anthony Giddens describes the time dollars system in *The Third Way* like this:

"Volunteers who take part in charitable work are 'paid' in time donated by other volunteer workers. A computer system registers every 'time dollar' earned and spent and provides participants with regular accounts. Time dollars are tax free and can be accumulated to pay for health care as well as other health services ..."

The originator of the idea, Washington law professor Edgar Cahn, describes the idea as working like a blood bank or babysitting club:

"Help a neighbour and then, when you need it, a neighbour – most likely a different one – will help you. The system is based on equality: one hour of help means one time dollar, whether the task is grocery shopping or making out a tax return .... Credits are kept in individual accounts in a 'bank' on a personal computer. Credits and debits are tallied regularly. Some banks provide monthly balance statements, recording the flow of good deeds."

The result is a parallel economy, using time as the medium of exchange, which can measure and build social capital. But it also creates a reciprocal relationship between people and institutions, as well as between people and people, which volunteering is not able to achieve. It need not be – and usually isn't – an idea that stands alone. That means time banks are able to:

- ❖ Work in housing estates, schools, and health centres – anywhere where people’s active participation is needed to succeed – to deliver the volunteers which make a difference.
- ❖ Link together a range of different local volunteer or other projects.
- ❖ Underpin a range of self-help training courses, or a network of phone counsellors, or volunteer health advisors – whatever is needed locally.
- ❖ Allow almost anybody in society, including the elderly and housebound, to give something back – to make a contribution and feel needed. The evidence is that feeling needed is a critical missing piece of the social capital jigsaw.
- ❖ Create trust: time banks are one of the few ideas on offer that is actually able to rebuild social capital.

### **The Rushey Green Time Bank**

Every doctor knows the same problem very well. Some people come back again and again to the surgery, often with a range of minor symptoms, sometimes with the same ones, and time after time they are sent away with pills. But the doctor knows very well what the problem is - and it's a problem physicians are powerless to do anything about. The patients may well have something physically wrong with them, but the real problem is that they are miserable, lonely or isolated.

Medical professionals are often, by default, expected to pick up and solve these kinds of psychic problems of modern society. Their inability to do so is frustrating for them professionally, and they don't help the needy patients either - but they are at least a reasonably friendly face asking them what they feel. For a health service, it's an expensive way of going about things. But what can they do?

Rushey Green might provide at least part of an answer. What if doctors could write prescriptions for their elderly or lonely patients - not just for pills - but also in time dollars? What if they could realise that what a patient needed more than anything else was a regular visit, or a walking partner, and could write out a prescription for just that? Maybe they don't need company at all, but they desperately need help with their groceries. And with food in the house, they may need the doctor a little less.

The time bank is already working well and about 40 participants are already earning time dollars. Providing prescriptions in time dollars, which can be fulfilled at the time bank - in the doctor's surgery - could make a real difference to people's lives in a suburb of London where loneliness is a serious problem for older people.

Rushey Green is a very transitory neighbourhood, which adds to the sense of isolation. Over a third of the patients registered at the health centre - run under the National Health Service - change every year. The time bank is designed to link them up to tackle some of the problems that doctors can't begin to solve by themselves. If it works it may help the doctors and their cash-strapped budgets too.

The idea of using time banks for health has now been in operation for well over a decade. There is now a considerable amount of research data in the USA, much of it being prepared for publication by Mark Meiners of the University of Maryland. The achievements of informal care driven by time banks are impressive - though there are also a number of unanswered questions and challenges ahead.

The benefits fall into three broad categories - those for the recipient, those for the volunteer and those for the organisation.

#### *Health benefits for patients*

The original target of many of these US health programmes was older people, helping them to remain independent and living at home for as long as possible. This intertwining of medical and social benefits has more recently begun to unravel into more specific benefits, some of which are more measurable than others - ranging from simple companionship to hard measurable medical outputs.

It is clear that there are some aspects of health which, no matter what the medical professionals might claim, simply can't be bought. That means that time banks can benefit not just the poor, but also the relatively well-off. Both can suffer from loneliness and isolation. Providing these for people - especially those who are isolated and living a

long way from their families - can dramatically improve their lives. It can also, of course, improve their health, but that is more difficult to prove.

Even without hard figures, helping make sure patients understand and follow their dosage instructions is a very useful extra arm to medical practice. It can also save the health service money by reducing accidental admissions to hospital that were clearly avoidable if patients had been able to be looked after better at home.

To summarise, the health benefits to patients of time banks include:

- ❖ psychic benefits from friendship, companionship and being able from home to be useful to somebody else.
- ❖ basic non-medical services that enable people to live more independently.
- ❖ managing conditions like diabetes or asthma.
- ❖ early warning for more serious health problems.
- ❖ influence from peers, which may be much more powerful than anything professionals might say.

#### *Health benefits for volunteers*

The health benefits for the volunteers - many of whom will also be recipients - are more difficult to judge. But given the high satisfaction rating for this kind of service - Member to Member in Brooklyn regularly tracks between 96 and 100 per cent - there are likely to be a number of improvements beyond simple feel good. These were apparent enough to Elderplan to be able to reduce their insurance premiums by 25 per cent to people taking part in time dollars

Being a time dollar volunteer means, above all, that older people can remain active for longer. They can feel useful when they would otherwise be sitting at home watching television. They are in closer contact with neighbours, many of whom clearly need them. These benefits can also apply equally to younger people: seniors do not have a monopoly of isolation.

#### *Benefits for the wider community*

There is evidence that linking people up with each other in this way can increase the trust in a community and build what economist Robert Putnam describes as 'social capital' - the underpinning to many other economic and social benefits. Earning time dollars can be empowering for a community, as the ambitious training programme run by MORE in St Louis shows. It can also link up the generations, both in grandparenting projects and some of the more unusual applications. In the Care Xchange in Los Angeles, teenagers who help seniors are able to cash in their time dollars getting their tattoos removed

There is the other important factor that keeping people healthier can save the taxpayer money, now and in the future. In the same way, supporting carers looking after relatives at home is a considerably cheaper option than letting them sink or swim by themselves.

#### **Time banking and participation**

Fifteen years since the former Kennedy speech-writer Edgar Cahn developed the idea, time banks are showing signs of increasing importance for tackling two other intractable problems.

The first is the problem of participation. It is becoming increasingly clear that no major professional endeavour - whether it is regenerating cities, curing people or tackling crime - can succeed without the active involvement of the people who are supposed to benefit from it. Yet, despite a generation of gestures in that direction, they are far more often regarded as 'problem' people.

Their opinions are occasionally canvassed - usually once the professionals have made their decisions. But they are rarely involved in the delivery of the services, and almost never trusted as equal partners in the enterprise or asked to give anything back themselves. What could they possibly have that anyone could want, says the powerful and unspoken message? Then we wonder why the crime gets worse, the new estate crumbles away or people don't stay healthy. Time banks are a way of encouraging and measuring this vital involvement. Edgar Cahn calls the process 'co-production'.

You can see it in Chicago where problem schoolchildren in 17 inner city schools are paid in 'time dollars' for their work as tutors to other children. They spend their earnings on refurbished computers, but their grades also tend to improve. Their self-esteem goes up, and for some unexpected reason, bullying slumps. Their parents earn as well, by helping out at the school.

Cahn has himself taken over part of the youth court from the District of Columbia, which - like the Chicago public school system - has been groaning under a surfeit of violence and a shortage of money and ideas. Defendants are tried for minor offences by other teenagers, who are paid for doing so in time dollars, and dole out community service punishments for which they are paid in time dollars. They also use these earnings to buy a refurbished computer. The youth court is now handling about half the teenagers arrested for the first time in the District of Columbia.

One of the most impressive stories has been that of the Washington law firm Holland & Knight, which won an American Bar Association award for their time dollar project, organised under the company's pro bono programme. Of course, they could have done the work for the community group for nothing, which would have been their normal practice. But it was a big job, which meant closing crack houses, unfreezing the grant money allocated for refurbishing a local playground, cleaning-up local police corruption and keeping the neighbourhood school open - and they needed local involvement for it to work. So they charged a retainer in time.

By the end, they had billed the equivalent of \$230,000 in time dollars. This was paid off by the local community by helping with the clean-up, providing a night escort service for old people, campaigning for better street lighting, taking down the car numbers of drug dealers, school tutoring and much else besides. Lawyers were motivated to organise this innovative scheme because they knew that every hour they put in would generate another hour of self-help in the community.

### **Time Banking – joining up funny money with real money**

The second area goes beyond all this to prop up sustainability. Time credits, like loyalty points, can reward sustainable behaviour – just as they can reward and measure people's otherwise voluntary contribution to local life. The Brazilian city of Curitiba, for example, tackles its serious garbage problem by paying tokens for pre-sorted rubbish. The tokens can be spent on food parcels and bus trips, and as a result 70 per cent of the city's households take part, and children scour the streets for rubbish they can cash in.

The future will probably see the time bank method adapted on a much broader city-wide front, so that local authority backed electronic 'tokens' are earned on a smartcard – along the lines of some of the latest ideas being promoted by the New Economics Foundation. They could be earned just as time credits can be earned now – in local schools and hospitals or by befriending or phone counselling. But they could also be earned staying loyal to small town centre shops, or recycling electrical equipment, or using public transport rather than driving. They could be spent in the usual way – but also buying access to council sports centres, or surplus local stock, or the refurbished electrical equipment that other people have recycled.

These kinds of micro-economies can begin to work to support sustainability in just the same way that big currencies – dollars, pounds and euros – work to undermine it. At one level they support sustainable behaviour. But they also help make sure local resources are used as assets and made to work more efficiently. And as long as they stay local, based on a network of time banks, they can support local trust, and use people's time more effectively too – especially those people the market thinks have nothing to offer.

Edgar Cahn puts it like this: *"Market economics values what is scarce - not the real work of society, which is caring, loving, being a citizen, a neighbour and a human being. That work will, I hope, never be so scarce that the market value goes high, so we have to find a way of rewarding contributions to it."*

Pulling all these different functions together can create a powerful infrastructure that supports a range of different aspects of the informal 'social' economy across a city region like Nottingham's. Take the example of St Louis. Being burned out of your home can be an appalling experience for any family. Even if you can find somewhere else to live, you

have nothing else left, but when they live near Grace Hill in St Louis, the aftermath can be a little less terrible. When that happened in September 1999 to one family who were members of the MORE system, Grace Hill's Member Organised Resource Exchange, the local neighbourhood decided that they would use time dollars to help set them up again.

Local members donated their time dollars, and they were able to use these to buy the food and clothing and other badly needed equipment to set the family up again. It was an extraordinary example of how the system has matured, according to Betty Marver, MORE's managing director, Neighbourhood Organisation Programmes:

"This was a community that has nothing, which were still able to give these things to people. They made the decision. It was impressive. We are not a charity agency. We don't see ourselves as giving things away to people, but to empower people to do things themselves, and this is what they've done. This is why time dollars work so well - it's an exchange of dignity."

MORE has been successful in joining up wasted people assets with wasted things. Although many of these same pre-requisites don't exist in the UK in quite the same way, there are tax advantages donating surplus stock to charities – even if it's simply by avoiding the Landfill Tax that would be payable if it was dumped, as four million workable computers are in the UK every year.

Commercial barter is also increasingly active in the UK with the EU-funded Scottish Organisational Currency System (SOCS) and the arrival of the Australian Bartercard. Barter has been organising its exchanges on the internet recently as well, with web sites like Itex.com and Ubarter.com allowing people to check their trade dollar balances and link up with each other and buy goods with 'trade dollars'.

Time banks operate like all kinds of alternative money. Their purpose is to be information systems to link up all that enormous unmet need in communities with the unused resources that the market economy ignores. With barter currencies like SOCS or Bartercard, those unused resources are surplus stock or date-sensitive services – hotel rooms, flights. With time credits the unused resources are human. They are the enormous range of untapped skills, time and care among old people, young people or unemployed people – often people who desperately want to be useful – which is currently wasted by the market.

### **A Time Bank for Nottingham**

A Nottingham Time Bank could knit together these ideas for an ambitious regional project that takes the best from all over the world, and uses it to boost volunteering in a whole new way. The idea would be to build a wider network around a core series of individual time banks across the city-region – borrowing, where appropriate, some of the latest ideas and experience from the USA. One20's ambitious Timebank campaign goes ahead this year, with major backing from the BBC and Home Office, using some of the rhetoric of time banks and time dollars to exhort people to 'bank' their time. The campaign can be expected to popularise the idea further.

The government's Active Community Unit is also backing the idea – and as a result, we can expect a range of time banks across the Midlands over the next three years. They will be in health centres, schools, community centres, libraries, housing estates, sports centres, hospitals, supermarkets – and started by both the public and private sectors.

Isn't that enough? Maybe it is, but experience from St Louis, Brooklyn and Chicago suggest that we could do more, by setting up another region-wide infrastructure that knits the time banks together – partly for mutual support, but partly also to extend their coverage and reach. We imagine that the regional time bank network would also be linked to a similar institution covering the growing Midlands community financial sector. NEF's London Re-building Society will be launched later this year, with the task of underpinning and extending the capacity of community financial institutions to make loans. A regional time bank network linked to a similar institution in the Midlands would mean that all the needs for red-lined disadvantaged communities could be met from a one-stop shop – from micro-business loans and mortgages right down to volunteer help, recycled computers or furniture or skill exchanges.

The time bank network would then be able to guarantee the time credits earned there so that they could be spent – in certain circumstances – in all the time banks rather than just the local one. But it could also:

- ❖ **SUPPORT**, train, monitor and evaluate all the time banks across the region.
- ❖ **BROKER** volunteer time between different organisations, if particular specialist help is available in one neighbourhood but needed in another.
- ❖ **ORGANISE** a common website that allows participants to check their balances online.
- ❖ **ADMINISTER** a stream of recycled or surplus goods, via the Internet or catalogues, to encourage people to spend their time credits.
- ❖ **DISTRIBUTE** newly donated hours, via nation-wide media campaigns like Timebank.
- ❖ **FUNNEL** volunteer help to organisations that need the participation of local people to work effectively – from doctor's surgeries and schools to major redevelopment schemes.
- ❖ **LINK** into training programmes so that people are able to provide themselves with new skills – paid for with their own time and effort helping others.

If each time bank has an average of at least 100 participants once it has been running for a year, all donating on average an hour a week – though many time banks achieve considerably more than that – then a network of 50 co-ordinated time banks across the Midlands would be injecting an extra 250,000 hours of volunteer help, building social capital and trust. With a network of 100 time banks, that figure would be half a million hours a year. Research in the USA also shows that at least a third of those taking part will never have volunteered for anything before.

**This will not, of course, replace existing systems of volunteers which are already working successfully. Nor will it interfere with the growing numbers of trained mentoring schemes – it is appealing to a quite different need: a system, which allows the people policy-makers, considered to be 'the problem' to use the assets they have at their disposal to regenerate local life.**

But it will provide enough donated hours to make a major contribution towards keeping older people healthy and living independently, cutting crime, providing community support for schools – and much more besides.

It would also provide for a recognised time 'currency' across Nottingham, which might be accepted for entry – for example – to sports centres, to cinemas or restaurants in down time. It could be used like a local leisure card, giving discounts to users. It might even be accepted in part payment for a small percentage of council tax: anything that encourages people to feel appreciated for what they are doing.

It would also directly reduce health and crime costs, and provide much-needed systems that can use the wasted talents, skills and patience of young and old alike. The costs of each bank – mainly the cost of a manager, a computer and a phone – would be more than met by the savings in healthcare, criminal justice, criminal damage and the other consequences of dwindling social capital. The early time banks in the USA have produced major savings in health spending.

But there are other specific ways in which the Nottingham time bank network could help, because it allows us to measure people's effort – and to use sweat equity as a way of providing our services:

#### *Furniture and electrical equipment*

The ratcheting Landfill Tax means that it is increasingly cost-effective for companies to make sure their old furniture, electrical equipment and computers are recycled rather than simply dumped. A new infrastructure, organised by groups like Charity Logistics in their Cyber-Cycle project, is emerging which is recycling unwanted equipment, and providing training for young people by doing so. They are also then putting this equipment back on the market.

The problem is – as the government has found out giving computer equipment away – the people who need it most often don't have the money to buy it at even much-reduced prices. But if it is simply given away, it isn't valued. To get round this dilemma, the time bank network can funnel this recycled equipment back into the community, so that it can be earned with time.

#### *Training and skill exchange*

The same kind of dilemma is causing problems for training. If you charge money for the training courses, then the people who need them can't afford them. If you don't, they tend to value the experience less – and often don't complete the course. The answer is that you can charge them for the courses in time credits, earned helping out in the local community – or even provide them with loans in time credits that they have to pay off by teaching somebody else.

The time bank network could provide the co-ordination for a range of training courses – from work skills to health and self-help – which are available in return for time credits or part time credits. Information about them can be made available on the website. It would also include under its auspices some of the new experimental Skill Swap centres, where people swap know-how or training with each other, without having to resort to cash.

#### *Individual Learning Accounts*

The government's ILAs are only at pilot stage at the moment, but they allow people in employment to put aside £25 into a training account, which the government will then 'match' with another £150 for education. Many people on low incomes find the £25 difficult to find – yet clearly some degree of commitment is necessary before giving away the £150.

Time credits are a proof of commitment and effort as much as ordinary money – probably more so. The time bank network would then be able to provide members with £150 training money from the government, thanks to sweat equity.

#### *Health*

The Nottingham time bank network would make possible a range of health initiatives involving volunteers, along the lines pioneered in the USA – which would make enormous human resources available for keeping people well. Some of the volunteer telephone counselling programmes in the USA in San Francisco, Richmond and Brooklyn have been shown to enormously cut costs of treating asthma, diabetes and arthritis. It also provides sufferers with regular advice and support, and friendship over the phone – not to mention the help it gives the often elderly volunteers who make the system work.

It is important to remember that:

- ❖ Time banks are not intended to replace existing volunteers. The tremendous work already carried out by volunteers would not benefit from a different system imposed on them.
- ❖ Nor are they intended to replace statutory services. They are there to improve the effectiveness of public service professionals by providing some of the missing ingredients which require people's active participation. But there are some services that grant-funded organisations or professionals simply can't provide, like friendship or neighbours. Time banks can.
- ❖ Time credits are not like money – they don't have to add up in the end, and most people don't spend them. They are more like Air Miles than real money, but they provide a concrete expression of appreciation that seems to keep people helping.
- ❖ They are local institutions, building trust and understanding among people usually in small geographical communities – the time bank network would be an enabling umbrella organisation to link them up and provide access that they can't provide on their own. Time banks must stay local.

But don't let's run before we can walk. The most important thing is to get individual time banks up and running locally where they can help. Here's a quick ten-step guide to creating a time bank of your own.

- ❖ **Look around you** and find a place where people are. It could be a school, hospital, housing estate, older people's centre. Anywhere which needs the active participation of the people who learn, live and work there to really thrive.
- ❖ **Be creative** and explore what people think needs doing. It might be an after-school club, a patient support scheme, a neighbourhood network or a practical help and DIY initiative. Make sure you get the low down on what people's priorities are before you get going. By creating a time bank to deliver these services you will be sure to secure local enthusiasm and support - the most important ingredient.
- ❖ **Make the right connections.** Talk to potential partners and explore local initiatives - people who share your concerns will want to support the project with money or in kind by donating space, office equipment or volunteer support. To get started you need a co-ordinator, a phone line, basic office equipment and basic running costs - postage, heat and light etc. Make sure to add into the equation the time contribution local people will be making through the bank.
- ❖ **Find a place to be** where your co-ordinator can set up the time bank and install the Timekeeper software which matches people up and keeps track of their time (you can download this free from NEF's website, see below). Create a tangible presence for the time bank and make it easy for people to see you and the difference you are making.
- ❖ **Recruit members.** Involve four or five of your friends or people you know. Find these people by going along to the local tenants association, sitting in the surgery waiting room or talking to parents and teachers. Show people what is achievable immediately by getting active - together, through a community clean-up or a garden tidy for elderly people. Working as a team is an ideal way for people to get to know and trust each other.
- ❖ **Explore with members** where their skills and talents lie - and also where they might need some help. You can use the Fair Shares Cartoon skills check to do this (see their website, see below). Remember the time bank is all about getting *everyone* giving and receiving, and this means *especially* those people - older people, young parents, people with disabilities - who are normally treated as a burden on the system.
- ❖ **Get active** and involved by using the energy and talents they are offering *immediately*. Link them up with people who need their help - sharing meals, helping with homework, giving lifts to the shops or just ringing up for a chat. Offer regular support and training. Use members' ideas for projects like self-help groups or after-school clubs and get them to bring their family and friends along. Encourage them by offering them time credits for each new member they recruit to the time bank. Make sure your members are part of the day-to-day management and development of the time bank so that they can tell you what is going wrong and right - and help you fix it.
- ❖ **Make your time bank enterprising** by getting local charities and businesses to sponsor you or donate unwanted goods - food, clothes, furniture - anything you can re-cycle through the time bank.
- ❖ **Measure the difference.** What difference is your time bank making to the quality of life and well being of the local community? The indicators you choose - levels of bullying, prescription rates, number of transfers off the estate or older people being admitted to hospital - is up to you, but the evidence is vital to demonstrate to your funders that they can't afford to be without you. Get the message out there. As you establish and grow the time bank you want to show people what a radical difference you can make by involving everyone in the production of the things they need most - a helping hand, a listening ear - good friends and neighbours.
- ❖ **Be part of the national time bank network** and benefit from regular updates and training. See web sites below.

**Good luck!**

### **Find out more**

*Funny Money: In Search of Alternative Cash*, by David Boyle (Harper Collins, £6.99).

[www.neweconomics.org/timemoney](http://www.neweconomics.org/timemoney) (New Economics Foundation)

[www.funny-money.co.uk](http://www.funny-money.co.uk) (David Boyle)

[www.fairshares.org.uk](http://www.fairshares.org.uk) (Fair Shares)

[www.timedollar.org](http://www.timedollar.org) (Time Dollars Institute, USA)