

Lepofsky, J. & Bates, L. (2005). Helping Everyone Have PLENTY: Addressing Distribution and Circulation in an HOURS-based Local Currency System. *International Journal of Community Currency Research* 9, 1. <https://doi.org/10.15133/j.ijccr.2005.002>

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Helping Everyone Have PLENTY:  
Addressing Distribution and Circulation in an HOURS-based Local  
Currency System<sup>1</sup>

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**ABSTRACT**

This paper summarizes research conducted by the authors who served as the ad-hoc Disbursement Task Force created by NCPlenty, Inc., the non-profit managing agency for a local currency system in central North Carolina, USA. NCPlenty, Inc. began printing a scrip-based local currency called the PLENTY in October 2002. The PLENTY, or Piedmont Local EcoNomy Tender, is based on the Ithaca HOURS currency and has faced circulation and distribution issues similar to other HOURS-based systems in the US. While at the start of the PLENTY's first year of circulation the number of participating individuals and businesses nearly doubled and a vibrant exchange network existed, by the end of this year the growth seemed to plateau rather than continue to expand. This paper examines the hindrances to distribution and circulation within the PLENTY community economy, offers proposals for improving the currency, and relates the lessons of the PLENTY to other complementary currency endeavors.

## **Helping Everyone Have PLENTY: Addressing Distribution and Circulation in an HOURS-based Local Currency System**

### **INTRODUCTION**

NCPlenty, Inc., a nonprofit community economic development agency, began printing and circulating a scrip-based local currency called the PLENTY in central North Carolina in October 2002. The PLENTY, or Piedmont Local EcoNomy Tender, is based on the Ithaca HOURS complementary currency and has faced similar circulation and distribution issues as other HOURS-based systems in the US.<sup>2</sup> While at the start of the PLENTY's first year of circulation the number of participating individuals and businesses nearly doubled and a vibrant exchange network existed, by the end of this year the growth seemed to plateau rather than continue to expand. NCPlenty, Inc. formed a Disbursement Task Force in August 2003, just before the start of the PLENTY's second year of circulation, and charged the Task Force with addressing several needs identified by the NCPlenty, Inc., Board of Trustees. The goals of the research included: "Measur[ing] the flow of the PLENTY since its introduction in October 2002, assessing the effectiveness of the current rate of disbursement. Identify[ing] issues impending free circulation and suggest[ing] solutions where possible... Utilizing the above, recommend a Disbursement Policy for NCPlenty, Inc.'s second year that data suggests will maximize the economic benefits of the PLENTY for the local community." (NCPlenty, 2003)

The formulation of these goals stemmed from an earlier study conducted by NCPlenty, Inc. This previous survey of the membership indicated that circulation of the PLENTY needed to be increased in order to achieve the desired goal of two exchanges of any given PLENTY bill per fiscal year.<sup>3</sup> Because the membership in the PLENTY network doubled since the original survey was conducted—injecting twice the number of PLENTYs into circulation<sup>4</sup>—new information was needed to illuminate two key issues: 1) the impact of this increase in number of PLENTYs available, especially in terms of its effect on per bill usage rate and exchange; and, 2) the initial disbursement rate of 5 PLENTYs to new members, considering whether adjustments would increase the per bill usage rate. This paper addresses these issues and makes recommendations that are specific to the case of the PLENTY but may be useful to other complementary currency practitioners.

Data used in this report comes from data previously collected by NC Plenty, Inc. as well as information gathered between August and November 2003 by the authors who served as the organization's Disbursement Task Force. Previously existing data includes results from previous surveys and member profile information on file at NCPlenty, Inc. Newly gathered information includes key-informant interviews with representatives from participating businesses and phone surveys with over one-third of the PLENTY membership. Additionally, since this study was completed, the lead author has joined the Board of Trustees as an Advisory Member and has continued to collect data through interviews and participant observation as part of an on-going study of the PLENTY community economy.

## THE PLENTY AND COMPLEMENTARY CURRENCIES

It is important to analyze results gathered from this research in light of other local currencies. Ithaca's HOURS serves as the most significant and best-publicized local currency in the U.S., due in large part to its success within Ithaca and its strategic marketing to interested people in other parts of the country (Lietaer, 2001, Jacob et al., 2004). The now defunct Berkeley BREAD of California offers some useful examples of how the managing non-profit of a local currency can manage the currency and keep it circulating, which are being followed through in the Burlington BREAD project in Vermont (Costanza et al., forthcoming). Unfortunately, fewer than 20% of HOURS-style local currencies in the U.S. started since 1990 still exist (Collom, forthcoming), so resources remain limited to obtain "success story" case studies and concomitant lessons learned. However, the PLENTY itself represents an important success story given the rapid increase in membership within the first year, the value of PLENTY circulating (estimated by the authors to be nearly \$20,000), and the excitement expressed by members and curious area residents to the researchers. As such, the PLENTY can serve as a useful model for other local currency practitioners who wish to understand their success and limitations and who do not want to be compared directly to the Ithaca HOURS case.<sup>5</sup>

The limits of this current paper in addressing all aspects of the PLENTY's distribution and circulation are manifold. It is most important to acknowledge the lack of knowledge about local currency dynamics with which the information gathered can be compared and analyzed. While local currencies have been paid increasing attention by academic researchers, much of this research is newly available and inconclusive. While the extant literature is growing and insightful, the literature tends to provide descriptive case studies with limited information on the reasons for what works and what doesn't within various complementary currencies.<sup>6</sup> Furthermore, the overwhelming majority of research into the dynamics of local currencies has taken place in the UK, Australia, and New Zealand (Leyshon et al., 2003, Pacione, 1998, Lee, 1996, Lee et al., 2004, Thorne, 1996, Williams, 1997). This is notable for two reasons: the LETS (Local Exchange and Trading Schemes) programs have proliferated much faster and much wider in these places than in the US where HOURS-based systems have been a leading model (Collom, forthcoming), and local currencies there are an important part of government-sponsored urban redevelopment efforts (and therefore much more attention is directed at understanding dynamics and measuring impact) (Seyfang, 2002, Williams et al., 2001, Jackson, 1997). While the geography within research literature is expanding (North, 2004, Lietaer, 2004, Raddon, 2003) this paper can be considered a contribution to the slowly growing knowledge base about complementary currencies in the U.S. However, the authors acknowledge that complementary currencies are rapidly changing experiments in action (much of what we like about them) so the recommendations in this paper must be taken as provisional.

Another limitation towards broad generalization of this paper stems from the uniqueness of the PLENTY. Most other complementary currencies in the US remain contained in a very discrete geographical area (i.e. a neighborhood or a town/city). The PLENTY, by contrast, is a regional currency in the sense that it covers several counties within the central North Carolina piedmont and flows through multiple towns and cities (see Appendix 1). Indeed, one interview respondent describes the PLENTY's scope as a

“corridor” stretching between the towns of Hillsborough and Pittsboro (some 45 minutes to an hour drive apart) that make up a regional conurbation. While the physical space within this reach might not necessarily be any greater than the spatial scope of the local currencies in cities such as Baltimore, MD or Berkeley, CA, the way in which the PLENTY engages peoples’ geographical imaginations about place and the local scale is quite different. Rather than being easily inserted into a place identified as having a broad spatial scope, the PLENTY (purposefully) asks people to rethink the separation between area towns like Hillsborough, Carrboro, Saxapahaw, and Pittsboro and to understand these distinct places as part of a local region known as the Piedmont.<sup>7</sup> This is an important, but unique, function of the PLENTY and makes comparison to other local currencies tenuous (perhaps the emergent *regio* regional currencies in Germany might serve as better comparisons). The authors do not assume that what works for other complementary currencies will work for the PLENTY. As such, this paper should be treated as a set of recommendations without a clear sense of cause and effect. Nonetheless, we present these findings and recommendations because we believe that they are the best suggestions we can offer to aid NCPLENTY, Inc. in its continued management of the PLENTY and such ideas may find use in the wider complementary currency community of practice.

The authors conducted key informant interviews representing 8 storefront businesses within the PLENTY network (all identified by the NCPLENTY, Inc. Board of Trustees as major transactors of PLENTYs—a belief that held to be true during the course of the research and subsequent study). Two key businesses were unable to be reached for interview and one business refused the interview. The authors’ survey of PLENTY members was designed to closely mirror the member survey conducted in March 2003. Because of the low rate of repeat observations, it is important to note that the two surveys should be considered snapshots of the PLENTY network at each time, and are not directly comparable as changes in individual business members’ behavior. This paper highlights key themes across the interviews and surveys and points to policy recommendations to address each theme. We first provide a picture of the PLENTY network after one year, then attempt to explain the findings by examining the public face of the PLENTY and the way the PLENTY works in the local economy.

## **WITHIN THE PLENTY NETWORK: PARTICIPATION, CIRCULATION, AND DISTRIBUTION**

In March of 2003, non-participation rates among surveyed businesses were fairly high. Approximately 25% of businesses were neither accepting nor spending any PLENTYs. Among certain business types, the figure was higher—the personal service businesses, which include counseling and various forms of physical and mental therapy, were notable for having a 50% non-participation rate. Overall acceptance rates were low. Only 32% of businesses had accepted any PLENTY. At the time, 37% of all members were spending at low levels—below the initial 5 PLENTY allocation—and had not accepted any PLENTY.

The November 2003 survey shows some improvements to the participation in the PLENTY network. Most strikingly, 92% of the survey respondents are now participating in some way in the PLENTY network.<sup>8</sup> 90% of respondents have spent some PLENTY.

Additionally, PLENTY spending rates are increasing, with more members spending in amounts greater than the initial 5 PLENTY allocation. After one year, 46.8% of members spent their initial disbursement or less, but 30% spent between 5-25 PLENTYs. The number of people spending greater than 5 PLENTYs has increased since the first survey, probably because of increased outlets available.

**Spending levels by acceptance levels, Nov. 2003**

Amt. spent	None	Less than 5 P	5-10 P	10-50 P	Over 50 P
Amt. accepted					
None	8.5%	36.2%	10.64%	8.51%	0
Less than 5 P	0	6.38%	4.26%	2.13%	0
5-10 P	0	4.26%	0	2.13%	0
10-50 P	0	0	0	4.26%	2.13%
Over 50 P	0	0	0	2.13%	6.38%

However, the overall acceptance rates remain low at 32%. The proportion of businesses receiving PLENTYs for goods or services has not improved, according to the November survey. The typical pattern for a member at the end of the first year of the currency is to have spent at low to moderate levels and accepted no PLENTY over the year.

A key estimation of interest is the overall size of the PLENTY economy. We can provide a rough estimate of the amount of PLENTY spent over the year with reported spending and acceptance levels. We account for spending by the original bill holder and subsequent spending in the network to reach a total spending amount of \$16,500 to \$24,500 between October 2002 and October 2003. It is not possible to provide a more precise estimate because of estimated response rates by members and having only a sample of members' transactions.

### **Uneven Participation and Distribution Among Members**

Part of the impetus to create our Task Force stemmed from the perception that PLENTYs were getting stuck at a few businesses and are no longer in circulation. In addition to identifying this trend in the earlier research done by NCPlenty, Inc., this current research points to the same phenomenon. As business acceptance rates are low, it is no surprise that just a few members dominate the PLENTY network. Three businesses dominate the PLENTY network's economy—Weaver Street Market (a cooperative grocery and restaurant inn Carrboro), Blast (an internet service provider based in Pittsboro), and the Pittsboro General Store (a restaurant and music venue in downtown Pittsboro). With 51 respondents, 10 reported that they spent PLENTYs at the Pittsboro General Store and 35 spent PLENTYs at Weaver Street Market. Another smaller group reported spending at Blast internet provider.

In order to measure the accumulation of PLENTYs that hinders circulation, we asked businesses how many PLENTYs they have on hand. This gives us a sense of whether business members are recirculating PLENTYs by spending, giving change to customers, and receiving change themselves. A full 20% of business members report

having no PLENTYs left. This indicates that they were able to find outlets for spending, but have either not accepted any PLENTYs or have not continued to participate in the network by obtaining more PLENTYs. Another 61% of businesses have less than 5 PLENTYs on hand. However, according to its own financial data, Weaver Street Market was holding over 75 PLENTYs at the time of this study (a number that steadily increased until very recently with a large transaction with an apparel supplier). With a total PLENTY allocation of under 900 PLENTYs, Weaver Street Market was holding close to 10% of the total PLENTYs available in the economy at the time of the study. This large store of PLENTYs indicates a barrier to circulation, as too much of the supply of PLENTYs is “stuck” at this business. While the amount of PLENTYs held at the Market is not as dramatic as expected, there remains a strong desire on the part of the business and the organization to recirculate these PLENTYs into the network.<sup>9</sup>

While Weaver Street Market is a significant stopping point for any given PLENTY—limiting the desired per bill usage rate—there are other businesses that absorb many PLENTYs as well. One of note is the Pittsboro General Store and Café which appears to be the *de facto* PLENTY bank for the Pittsboro area (a town in the southern section of the PLENTY region). While this business has not yet reduced its acceptance rate to curtail the inflow of PLENTYs, there is a strong desire expressed by several informants that Pittsboro needs greater circulation beyond the Pittsboro General Store and Café in order to remain in existence.

In addition to the over accumulation at businesses such as Weaver Street Market and Pittsboro General Store, there is a related problem of under representation by many PLENTY businesses in the circulation of the currency. While the authors’ survey reveals a high number of businesses within the PLENTY network that represent primary sources of income, there are many business-members that have not accepted any PLENTYs, or who spend the PLENTY solely at Weaver Street Market (adding to its accumulation problem).<sup>10</sup> The low rate of acceptance at businesses has not improved over the year according to comparisons of the two surveys.

Indeed, one respondent referred indirectly to several other businesses as “one-time” users who only contribute to the inflation of the currency system.<sup>11</sup> There was a general concern expressed by respondents that the PLENTY network needs more “legitimate” businesses involved. The term “legitimate” has two meanings here: (1) businesses with “mainstream” legitimacy such as a local, family run hardware store and (2) businesses that have been created solely for the purpose of entering into the PLENTY network. The latter of these can be considered in light of the discussion on the limits to individual participants within the PLENTY network—if more opportunities existed for individuals to participate, this would reduce the number of non-“legitimate” (in the second meaning) businesses in the network. These non-“legitimate” businesses have been identified by respondents as many of the interpersonal services such as tutoring or baking that are not the main source of income for the members registered through these businesses.<sup>12</sup>

### **Regional Geographic Range and Circulation Throughout Network**

As noted above, one of the unique characteristics of the PLENTY is that it is a regional currency. While this is a strength in many ways—greater expanse and diversity of members, more contributions to local community building and economic

development—the current overaccumulation problem is exacerbated by this larger geographical area. While little can, or should, be done to alter the spatial scope of the PLENTY, it is important for NCPlenty, Inc. and other practitioners to be aware of how the broad spending range of the currency contributes to the dynamics affecting its circulation. The PLENTY is currently focused around the Carrboro area (both in member location and member use). Sixty percent of businesses surveyed are located in Carrboro and Chapel Hill, with only 10% in Pittsboro and a handful in Hillsborough and Durham. It is also important to note that this broad range is unevenly utilized. As noted above, one respondent described the PLENTY range as a “corridor” between Hillsborough and Pittsboro. This geographical imaginary of where the PLENTY is valuable renders many places (most notably Durham) within the PLENTY region invisible and therefore effectively outside the PLENTY network.

Survey respondents reported that they do travel to spend their PLENTYs. Over half of respondents make at least some PLENTY purchases from businesses in other towns. However, with the dominance of Weaver Street Market and the Pittsboro General Store, members in Carrboro and Pittsboro contribute to the 43% of respondents who spend PLENTYs only in their own town. While Weaver Street Market can draw customers from many places, some respondents outside the Carrboro area noted that they would not drive to Carrboro to spend PLENTYs other than at Weaver Street Market. However, the future creation of the cooperative grocery Chatham Marketplace in Pittsboro and the planned Hillsborough branch of Weaver Street Market in the next two years should help decenter the significance of Carrboro.

NCPlenty, Inc. should bear these spatial factors in mind when managing the PLENTY and consider how the organizations’ decisions impact what one respondent described as those “absolutely on the fringes” of the PLENTY network. NCPlenty, Inc. could target businesses outside of Carrboro for outreach and membership drives to aid in a more even spatial distribution of members and per bill use. We do want to emphasize, however, that we point this geographical dynamic out as it is relevant to the issues we are addressing in the current paper; we in no way want to discourage the regional scope of the PLENTY.

## THE PUBLIC FACE OF THE PLENTY: AWARENESS AND OUTREACH

### Low Public Awareness of PLENTY

By far the most prevalent commentary about the circulation of PLENTY and the general functioning of the PLENTY network focuses on the low public awareness of the currency. While this is to be expected of an initiative that is both new to the area and conceptually different as a form of local economic development and community building, respondents stressed the need for greater public awareness. Respondents identify both non-member businesses and the general public as groups that need greater awareness about the PLENTY.

Most informants point to the role that NCPlenty, Inc. can play in increasing this public awareness. Comments range from the need for increased signage in businesses, with routine contact with members to inquire about sign/literature/publicity needs, to more sponsored forums that bring business owners together to discuss the PLENTY. One

informant noted the need for advertisement directly on PLENTY notes in the form of NCPlenty, Inc.'s website url.

While several informants note the ways in which current signage has sparked conversations with customers about the PLENTY (and generating interest and some new members) or the ways in which individual initiative brings more awareness, many informants maintain that NCPlenty needs a sustained outreach to the public. One informant suggested that NCPlenty could mirror the work done in Ithaca and other places: to hire a part-time employee of NCPlenty to lead and conduct outreach activities. At least one informant directly identified the lack of awareness with a perceived ineffective fundraising strategy (and expressed the need for better fundraising to aid in better awareness). Several informants stated that they do not often have exchanges in PLENTYs because not enough people know about it or know how to obtain PLENTYs.

### **Barriers for Individual Users of PLENTY**

Related to the low public profile identified by informants, interviewees noted the barriers (perceived or actual) that exist for *individuals* to obtain and use PLENTYs. The most readily identified is the general structure of the PLENTY network as a business-to-business (B2B) network that limits the participation of individual consumers. In fact, in gathering information from business members, we cannot directly reach participants in the network who are not producers in the PLENTY economy, but are solely consumers—for example, individuals in the community who receive change from businesses in PLENTYs. We have some idea of the potential contribution of these individuals to the PLENTY network economy and about their spending habits and generalize from that information.

Given that the PLENTY network is centered on businesses, rather than incorporating individual consumers, it is striking that 82% of members report their spending in PLENTYs is mostly for personal use, not for business expenses, because their business suppliers do not accept PLENTYs. Since so many of the member businesses are providing personal services or consumer goods, increasing individual's methods for entering the PLENTY system and spending in PLENTY should improve circulation in the PLENTY network.

In a B2B system, there are limited ways that individual consumers can access PLENTY notes (especially given the low public awareness discussed above). One respondent struggled to answer his own questions: "Why does an individual want to get involved in the PLENTY?...What is the benefit for the individual?" Some informants were not clear how an individual could obtain PLENTYs (though most had exchanged dollars for PLENTYs through their respective businesses). Since the primary mechanism for an individual to obtain a PLENTY is through direct dollar-to-PLENTY exchanges with member-businesses, it is up to the individual consumer to solicit such a transaction. Some informants noted the success of this mechanism at the initial implementation of the PLENTY (and that even still "a few folks ask" for PLENTY in change or swap dollars for PLENTYs), but this trend seems to be steadily declining as the novelty of the currency fades with time. One informant suggested that NCPlenty, Inc. establish a formal bank or credit union with a physical location, though other informants remain satisfied with their business operating as an informal bank for the PLENTY (as long as there is sustained outflow of PLENTYs).

## THE PLENTY AND LOCAL ECONOMICS: ACCOUNTING FOR CHANGE

### PLENTY Not Understood for Accounting Purposes

Several respondents noted that the first concern expressed by potential members is wariness about incorporating PLENTYs into their legal accounting ledgers. While the authors recognize that NCPlenty, Inc. has directed significant resources into explaining how the PLENTY can be easily accounted for alongside dollars, the research undertaken for this study reveals that this is still a concern for some members and potential members. In part, confusion is a response to the very new concept of a local currency in the area (as evidenced by the many people who ask if it is a legal initiative, including some current members) and will be overcome through sustained outreach efforts and an increase in the public profile of the PLENTY. Given the prevalence of this theme in our research, it is important for NCPlenty, Inc. to be sensitive of the issue as outreach events and materials get designed and implemented.

An aspect of this confusion also emerges as a lack of clarity about the PLENTY's unique notes and value. A small, but adamant, number of interview and survey respondents expressed frustration about the actual currency notes. These criticisms ranged from the size of the notes (won't fit in wallet with dollars), the design of the notes (members would rather keep them for aesthetic value than use them), to the more relevant concern that having an entirely separate set of currency notes complicates people's lives when they desire simplicity. These comments illuminate the various ways members think about the PLENTY as a currency vis-à-vis dollars: while they are interested in having a source of money that locks value into a local area, many respondents do not necessarily treat the PLENTY as "real" money itself, but as a supplement to dollar money similar to coupons or gift certificates. Indeed, a few respondents in both the research we conducted and the previous survey noted their giving away of PLENTYs (often with the proviso that it can be used at a specific business, such as Weaver Street Market). This issue will be addressed in more detail below and indicates a related gift economy alongside the PLENTY community economy in the area.

### Is the PLENTY a viable note of economic transaction?

One respondent summarized the sentiments of many study participants by describing attempts to use PLENTYs as like a game. While this respondent commented further that "it's not like Monopoly money, but it's fun to use," posits a less trivial understanding of the currency, these comments capture how many people think about the PLENTY: it is not *real* money and can be given away, hung on the wall as a work of art, or used to start conversations about local economics and community. This perspective is not overwhelming (and the success of NCPlenty, Inc. in expanding its network of users so quickly is testament to the seriousness with which people treat the currency) but it is pervasive, even among those who use the currency heavily. Several people noted that they would forget that they have PLENTY to spend or not realize that they could use PLENTY for goods and services beyond those offered at Weaver Street Market. Though this might appear to be a discouraging sign, the authors believe that this attitude can be channeled into more successful management and circulation strategies.

In expanding its outreach and public relations efforts as outlined above, NCPlenty, Inc. can draw upon this lighter side of economic life as a benefit. While current outreach materials point to a different economic experience through the PLENTY than what is often accomplished through dollars, future public outreach can focus more directly on the “fun” that can be had when using PLENTYs. This fun should be articulated through the social, community building goals of NCPlenty, Inc.: using the PLENTY is a way for people to interact, to identify themselves as living in a common space, and to support each others social and economic life. Outreach materials, or forums such as “loops” (see below) can be expressed as outlets of “fun” in which area residents exchange their PLENTYs and in doing so, share experiences. These experiences may not be life-altering, grand encounters, but small moments of humane interaction. This is a significant value that the PLENTY as a medium of exchange can offer the local economy which dollars do not necessarily contribute. This value needs to be highlighted through the language and meanings people are already giving to the medium. If people think about the PLENTY as a game, NCPlenty, Inc. should welcome this expression and encourage it.

What remains necessary for NCPlenty, Inc. is to increase the awareness about how playing games with the PLENTY can and does contribute to increased economic wealth for business-members and individuals in the area. This is where the game metaphor as it appears to be currently employed reaches its limits as a useful mechanism for increasing the per bill usage rate and currency circulation. The way in which many think about the PLENTY, as noted above, is as a supplement to their economic experiences. It is a game to be played. But it is not a necessary supplement to their economic lives and can easily be forgotten about or not played at all (even if that means that a portion of the money in a member’s pocket stays unused). What NCPlenty, Inc. can do is approach outreach activities as a way to convince current and potential users that the PLENTY represents a necessary game to be played. Using the PLENTY is like a game and can be fun, but there are also serious stakes in the game: locating wealth in the area, sustaining local businesses, and extending the social relations that make the area a place in which life occurs. Of course, the game metaphor may not be the best way to shift how serious people take the PLENTY, but NCPlenty, Inc. should increase awareness about the way the PLENTY is meaningful and viable medium of value and exchange through similar modes of understanding that PLENTY patrons’ use.

### **Discrepancy Between Who “Needs” the PLENTY and Who Uses the PLENTY**

The understanding of the PLENTY as a tool for community economic development requires further clarification of why such community economic development is desired and who will benefit from this mode of development. Several respondents to surveys and interviews expressed concern that the PLENTY is being passed among an elite group of area residents who are financially stable and already members of a community of interest. This issue directs attention to a discrepancy between who “needs” the PLENTY and the related local economic development and who is actually using the PLENTY.

Several respondents identified two main strata of the area’s population and provided general portraits: one strata consists of highly educated, relatively wealthier, artistic, “cosmopolitan” residents who have only recently (within the last generation)

arrived in the area and who work in the tertiary economy. The other strata consists of less educated, relatively poorer, pragmatic, closed-minded residents who have lived in the area for several generations and who either work in the secondary sector or are un- and underemployed. Respondents expressed concern that the PLENTY is a “hippie” or countercultural experiment and therefore not attractive to those who do not wish to participate in alternative activities. This caricature of the region’s population expresses a real divide between area businesses and the area businesses involved in the PLENTY network and should be taken seriously, especially as a statement about the current members’ view of themselves and the initiative overall.

While the PLENTY is accepted at more outlets that provide necessary goods such as food than found in many US local currencies, there remains a general concern that the mainstay of businesses involved caters to a unique and relatively financially stable community. Indeed, many respondents noted that the initiative is generally successful but that true success will be achieved when more “middle America” businesses join. Often, the businesses identified as either mainstream or “middle America” provides goods and services in a local market niche considered to be immediately threatened by national and multinational competitors.<sup>13</sup> As one person stated at the 2<sup>nd</sup> Annual Membership meeting, success will be when PLENTYs are considered part of capitalism with “homespun values” rather than an anti-capitalist form of “hippie money”.

While this issue is beyond the scope of the disbursement policies we set out to address, it does speak to a general anxiety expressed by members about the viability of the initiative to sustain either community building or local economic development. The authors posit that NCPlenty, Inc. can clarify how it defines the community to be built and what economic benefits it hopes to create through greater specificity in public documents as well as increased outreach to underrepresented businesses and area populations within the current network (especially in the less financially stable parts of the city of Durham). The PLENTY can be a useful tool to question the reality of this divide and break down its effects on how and where people interact in the area. In clarifying what community building and economic development means and how it is to take place, NCPlenty, Inc. can further its mission and help foster a sustainable, strong network of people who regularly use the PLENTY as a medium of exchange and create both social and economic value for themselves and those in the region.

## RECOMMENDATIONS

We present the following recommendations as actions that NCPlenty, Inc. can take to manage the PLENTY and accomplish increased circulation and per bill usage. These recommendations fall into three major categories: increasing participation in the PLENTY network, improving circulation of the PLENTY, and the management of future disbursement of PLENTY. We hope that these recommendations can be instructive for other complementary currency practitioners, especially those working with scrip-based systems.

### **Increasing Participation in the PLENTY Network**

The authors have encouraged NCPlenty, Inc to follow the example of other local currency systems and implement more ways for individuals to obtain PLENTYs. This

recommendation can be realized in a number of ways without radically altering the structure of the PLENTY system. The network needs outlets where individuals can obtain PLENTYs, such as community service events through which participants can earn PLENTYs without being associated with a business-member, or the creation of a formal category of “consumer-members” who would receive a smaller disbursement when joining (see, for example, what Berkeley BREAD attempted).

Increased publicity about the PLENTY in general will add to public awareness of the PLENTY, leading to growing numbers of individual users. Several businesses noted their need for more PLENTY signs and member directories to give out to customers who ask about the currency. NC Plenty, Inc. should systematize contact with members to replenish their printed materials for this type of informal outreach.

The types of businesses accepting PLENTYs also affects the individual’s ability to spend PLENTYs, and recruitment efforts should be tailored to maximize participation. Businesses that are not receiving PLENTYs are largely in personal services, such as massage or counseling, and child care and educational services. Some respondents noted that they were unlikely to change their use of a personal service provider, indicating that these may not be types of businesses that individuals will seek out solely through the PLENTY member directory. These patterns indicate that the types of businesses in the network may be skewed compared to individuals’ spending habits. Weaver Street Market is a center of PLENTY because it offers necessities; the addition of two more co-op groceries will be a boon to the network. Additional types of businesses mentioned by survey and interview respondents were hardware stores and five-and-dime-type stores that would compete with a Wal-Mart big box store. Another category suggested by respondents was restaurants—the success of Pittsboro General Store supports this idea. Recruitment efforts should be directed at businesses that provide necessities and restaurants.

Several interviewees noted that outreach to business owners may be best accomplished by established business members, who would have the best understanding of potential concerns and questions. We suggest encouraging members to do outreach in their areas in order to stretch the resources of the NCPlenty organization. These members should be supplied with any printed materials of the organization, including member directories. Another possibility is to have a more formalized business orientation program that touts the benefits to the business and addresses questions about legal issues and accounting procedures. Such an orientation could include current members who are successfully managing their business in PLENTY. A few respondents mentioned speaking with the business manager of Weaver Street Market about setting up a system for handling their PLENTYs. The organization could get maximum benefit from her expertise and she could more efficiently use her time by addressing a larger group in a formal program on using the PLENTY as a business.

### **Improving Circulation in the PLENTY Network**

It is clear that there is an uneven distribution of PLENTYs among the membership, which has economic ramifications when there is not enough currency available in circulation. Steps are needed to reduce this situation and recirculate the already floated PLENTY bills. One important strategy is to encourage more “loops” within the PLENTY network. Such “loops” stem from an informal gathering of

PLENTY members at the Pittsboro General Store to strategize how to circulate their PLENTYs among the group. This idea has been discussed by the NCPlenty Board as a way to encourage the economic and social benefits of PLENTY use. The authors recommend that NCPlenty, Inc. take an active position in forming loops within the three main locations of PLENTY use: Carrboro, Hillsborough, and Pittsboro as a first response to reduce overaccumulation within these smaller areas.

We believe that NCPlenty, Inc. can successfully sponsor several loops within these three locations. This can be accomplished by a five step process:

- 1) Identify one PLENTY member in each area with an overaccumulation of PLENTYs (we recommend Weaver Street Market in Carrboro, James Pharmacy Restaurant in Hillsborough, and the Pittsboro General Store and Café in Pittsboro)
- 2) Buy back the initial disbursement amount of PLENTYs (5 PLENTYs) from these three business-members at the exchange rate of \$10 to 1 PLENTY
- 3) Establish a “loop fund” for each area using the purchased PLENTYs
- 4) Solicit for a small group of business-members among the entire membership to join a “loop” in each of the three areas by allowing current business-members to identify themselves as willing participants on a first-come-first-serve basis to obtain the 5 PLENTYs for use within each “loop” free of charge
- 5) Host an initial “loop” meeting with the business-members in each area in which the business-members create a mutually agreed upon plan for the construction and maintenance of their respective “loops” that would include expected exchanges between “loop” participants, mechanisms for other members to join the “loops”, and expected time frame for the existence of “loops”. Such plans need not be contracts but should be in some written form to aid in the development stage.

A related issue in circulation is the various ways in which PLENTYs are accounted for by businesses, in terms of how businesses handle exchanges made in both dollars and PLENTYs and exchanges made in amounts different than the available PLENTY note denominations. Respondents indicated that there are two primary ways in which businesses make transactions in PLENTY and account for these transactions in their total PLENTY holdings.

An example to compare the two methods is a customer purchasing goods for \$7.50 with a 1P note. One method is to treat dollars and PLENTYs as interchangeable sets of currencies representing equal value. The business would either give change as \$2.50 or as a ¼P note. If change is given in dollars, the business has increased its hold of PLENTYs by 1P— ¼P more than the value of the sale. More PLENTYs enter the business holdings than are directed out, a contributing factor to over accumulation. The second method is to treat dollars and PLENTYs as two separate currencies but with equal purchasing power. When the customer purchases goods worth \$7.50 with a 1P note, the business would give change as ¼P. Change is given in the currency used for payment. In this second method, the PLENTY income and outflow is closer to balanced, partially limiting overaccumulation.

Businesses should be encouraged to give change for PLENTYs in PLENTY notes so they hold the currency only in the amount of the value of goods purchased and recirculate the change for future spending. This is particularly important for businesses that accept less than 100% of purchase in PLENTY. If a business gives change in dollars

for PLENTY purchases, they are negating the policy that intends to avoid accumulation. For example, with a 50% acceptance policy, if a customer pays for a \$10 purchase with 1 PLENTY and \$5, but receives change for the PLENTY note in dollars (change of \$5), s/he has in effect just paid for the purchase entirely with PLENTYs. Only by giving back  $\frac{1}{2}$  P is the 50% acceptance policy actualized. The authors have encouraged NCPlenty, Inc. to endorse a standard currency system of accounting (not require) and provide training workshops for business-members on how to properly account for their PLENTYs.

### **Managing Future Disbursement of the PLENTY**

From our research, we see no reason why the 5 PLENTY disbursement rate needs to be changed if the management of disbursements is altered in the ways outlined above. In examining the results from our own research as well as those from the previously conducted membership survey, it seems that a change in the disbursement amount will not impact the fact that 1/3 of the PLENTYs in circulation are not being used. More important that changing the number of PLENTYs released into the system is making sure that as many PLENTYs made available are getting used.

In addition to the “loop” strategy, it appears necessary for NCPlenty, Inc. to stop injecting new PLENTYs into the system until the current uneven distribution is reduced. Because NCPlenty, Inc. still needs to provide new members with the currency at an initial disbursement, the organization should draw these PLENTYs from a source other than its own bank and the cache of first edition PLENTY notes. Rather, NCPlenty, Inc. should attempt to recirculate already available but uncirculating bills. NCPlenty, Inc. can do this in two main ways:

- 1) NCPlenty, Inc. can buy PLENTYs as needed from Weaver Street Market or other high accumulation businesses to recirculate through disbursements to new members; and/or
- 2) NCPlenty, Inc. can offer to buy back 5P from any members who still have their initial disbursement amount.

This latter suggestion should only be done as new disbursements are needed and on a one-to-one correlation between buy-backs and new disbursements. It essentially allows members to opt out of the network entirely. The second option should only be done for members still having the initial disbursement amount—though the offer should be made known to the whole membership—in order to prevent members from trading dollars for PLENTYs in smaller increments and resulting in an influx of PLENTY notes into the NCPlenty, Inc. bank and out of circulation. This can reduce the effect of “one time” members without reducing the overall amount of PLENTYs currently available.

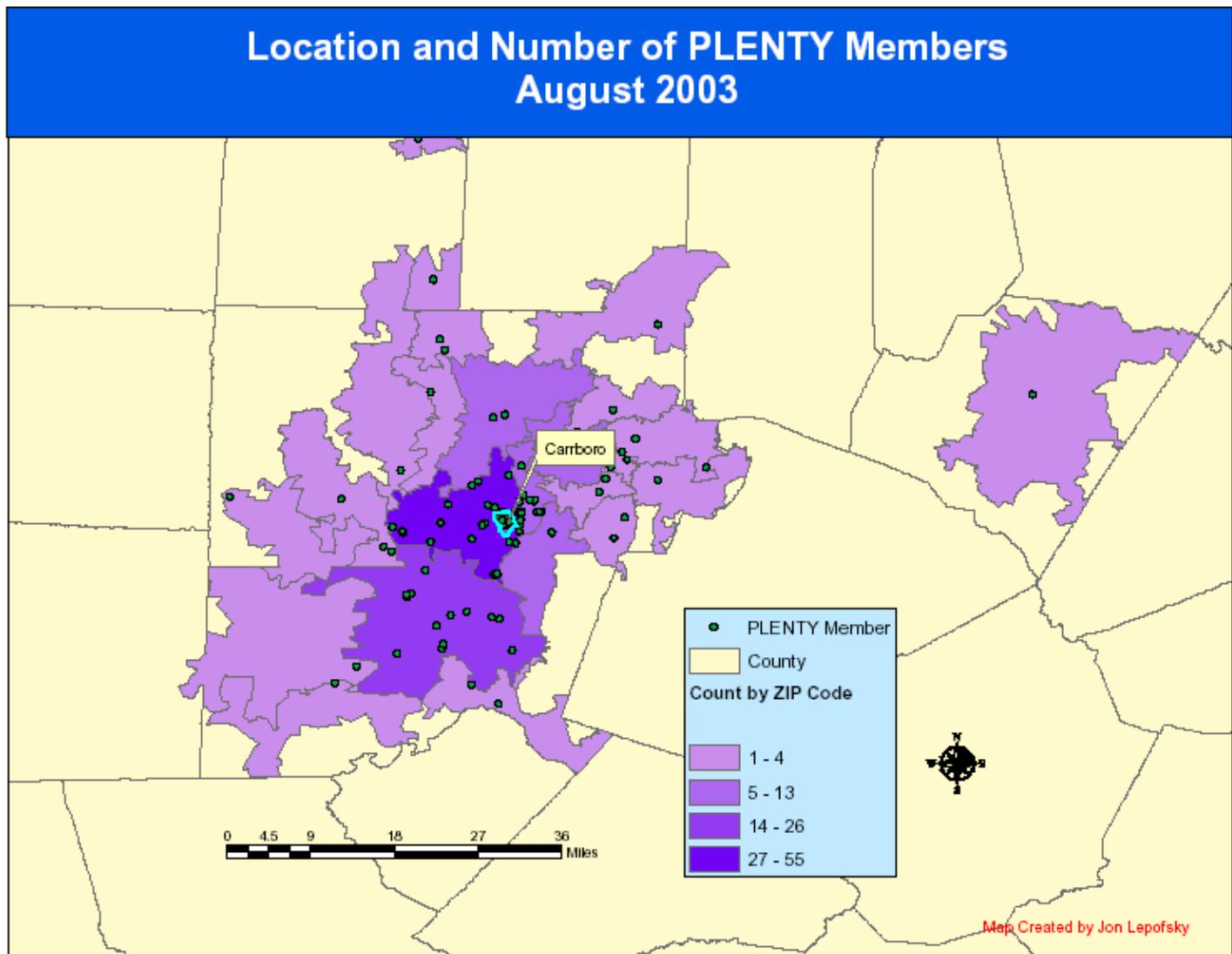
## **CONCLUSION**

Year 1 for the PLENTY had been very successful. Yet, as with any new initiative, there have been challenges and obstacles to achieving the desired outcomes. This paper has addressed many of the pressing concerns as expressed by both the NCPlenty, Inc. Board of Trustees and the membership of the PLENTY network. We have outlined

several suggestions, which can be implemented by NCPlenty, Inc. to manage the PLENTY in ways to increase circulation. We have made these suggestions alongside our proposal to not alter the current disbursement rate of 5P per new member. Rather, the authors believe (and draw this belief from our own research and research conducted with other local currency systems) that shifts in the management of PLENTY circulation will result in the positive outcomes desired by NCPlenty, Inc. We look forward to the continued success of the PLENTY and hope that our recommendations can move the PLENTY and other scrip-based complementary currencies into fruitful new directions.

### Appendix 1

Location and Number of PLENTY Members—August 2003<sup>14</sup>



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<sup>1</sup> We would like to thank the Board of Trustees of NCPlenty, Inc. for giving us the opportunity to conduct this study and we hope that these results prove beneficial. We would also like to thank the many members of the PLENTY network who answered our questions and provided much of the insight found below. Special thanks is extended to the members who participated in extended interviews. We would also like to acknowledge the technical assistance provided by Amanda Henley, GIS Librarian, University of North Carolina at Chapel Hill.

<sup>2</sup> The PLENTY is equivalent to US dollars and comes in three denominations: 1 PLENTY equals \$10,  $\frac{1}{2}$  PLENTY equals \$5, and  $\frac{1}{4}$  equals \$2.50. While PLENTYs have this equivalency, they are non-convertible to US dollars and we have found no evidence that anyone is changing PLENTYs into dollars to mirror the practice of exchanging dollars for PLENTYs.

<sup>3</sup> In other words, the number of times any given PLENTY bill is used as a form of currency. This will be referred to as “per bill usage” in this paper. The goal expressed by NCPlenty, Inc. in the earlier study was a per bill usage rate of 2 a year.

<sup>4</sup> Similar to other HOURS-based systems, PLENTYs enter circulation in balance with the number of members. When new members join the network and agree to accept PLENTYs the new members are provided with 5 PLENTYs. PLENTYs also enter the system through grants but this has not been a substantial mechanism for the distribution of new PLENTYs.

<sup>5</sup> It is important to note that the Ithaca HOURS generates funds by selling how-to modules based on what has occurred in Ithaca. This is significant for two reasons for this report: 1) the availability of information about the Ithaca HOURS program is controlled through this marketing, and 2) this current report emphasizes the unique contribution that the PLENTY makes to the local currency movement by achieving success on terms set by NCPlenty, Inc., rather than the experience of Ithaca. While the pros and cons of the Ithaca HOURS program are not detailed here, the authors acknowledges that there is a mythology surrounding the Ithaca program and its merits and that it is important for other local currencies to evolve with geographical nuance that might contradict the lessons learned and celebrated through the marketing of the Ithaca HOURS. That said, we in no way want to detract from what has been accomplished in Ithaca and acknowledge that the PLENTY is based in large part on HOURS, even if it is a modified version.

<sup>6</sup> Not including the online discussion forums, such the one sponsored by the *International Journal of Community Currency Research*, which tend to address technical issues of certain systems and provide a space to work through on-going experiments rather than critically reflect upon what has been created.

<sup>7</sup> This also works alongside and against the dominant geographical identification of this local region as the “Triangle”—a place-name that draws attention to the area’s famous and globally integrated Research Triangle Park and its connection to certain global, capitalist networks and away from places that are marginal to the regional identity of the Triangle.

<sup>8</sup> An important caveat to this finding: Since the non-response rate to the survey was due mainly to an inability to reach members or members’ failing to return phone calls, it is likely that the sample here is biased towards those who are active in the network.

<sup>9</sup> It is important to note that Weaver Street Market has moved to reduce its acceptance of PLENTYs with a more stringent winter acceptance policy (enacted in large part because the farmers who constitute a large outlet for the store to circulate PLENTYs are inactive during this season).

<sup>10</sup> Of businesses surveyed, over two-thirds reported the business was their primary source of income.

<sup>11</sup> “One time” users obtain 5 PLENTYs through an initial disbursement and therefore increase the amount of PLENTY in circulation, but without the subsequent (and necessary) sustained exchange of PLENTYs with other members.

<sup>12</sup> Of course, this is often the point of a complementary currency, and is the main reason that LETS and Time Banks initiatives have been given such large support in the UK (Seyfang, 2002). The goal of these programs is to take economically and socially “marginal” people (such as the chronically un- and underemployed) in pound- or dollar-scarce areas and transform their everyday, unpaid work (hobbies, cooking, household maintenance, childcare, etc.) into sources of income through the alternative currency. There seems to be a distinction between members who want to use the PLENTY as an economic tool and those who want to use it as a social tool, despite the hopes of the NCPlenty, Inc. Board of Trustees that it serves as both. This point will be taken up in greater detail below.

<sup>13</sup> The local hardware store is the typical business associated with this concern.

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<sup>14</sup> Though this map is over a year old it is still representative of the PLENTY network. Few members have joined since this production of this map and the publication of this article.