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## CALGARY DOLLARS: ECONOMIC AND SOCIAL CAPITAL BENEFITS

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### ABSTRACT

The Calgary Dollars complementary currency, which began in 1996, contributes to the knowledge of complementary currencies through repeated measurement of social and economic capital outcomes. This brief article provides a literature review and references some relevant government endorsements of complementary currency including the City of Calgary and the Alberta provincial complementary currency of 1936. Summaries of demographics and participants quotations are provided. Calgary research findings from 2002/2003, 2009, and 2010 are reviewed. Economic capital benefits are found to include complementary currency purchases as well as national currency and barter transactions resulting from Calgary Dollars participation. The findings suggest that both social and economic capital benefits are realized by Calgary Dollars participants and that benefits increase with the length of participation.

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## INTRODUCTION TO CALGARY DOLLARS

Calgary Dollars is a complementary currency program that seeks to improve economic stability, enhance social inclusion, and increase bridging social capital, thereby strengthening participants' ability to withstand social and economic crises or generally improving their quality of life. Calgary Dollars programming includes management of online listings, providing marketing assistance and skills building, producing collective promotions, and by bringing participants together at a monthly Calgary Dollars Market. These activities provide opportunities for participants to socialize and build relationships of trust with other community members; network with people from diverse socio-economic backgrounds and learn new skills, and engage in cross-generational and cross-cultural activities among participants (Younie, 2010).

## LITERATURE REVIEW

Research indicates that complementary currencies are an effective tool for enhancing economic well-being and reducing social isolation among participants (Zagata, 2004) and provide specific benefits to vulnerable populations (Li & Dong, 2007; Quintiliani, 2002). Complementary currencies build social capital among vulnerable populations primarily when those population groups are specifically targeted for participation (Seyfang, 2002; van Kuik, 2009). Research suggests that providing programming within a geographical context increases participation by vulnerable population groups (Cooper & Rhodes, 2009). It is important to note that once effectively engaged, participants from vulnerable groups are as active as other participants (Collom, 2008).

Reciprocity is a core value of complementary currencies that is of particular relevance for vulnerable populations. Participants do not only receive services - as is often the case for seniors, people with disabilities, or people on social assistance - but rather are also required to give services or items for sale. This reciprocity contributes positively to participants' self-esteem (van Kuik, 2009). The elderly in particular appear to appreciate reciprocity and therefore benefit in terms of bonding social capital as a result of participation in complementary currencies (Collom, 2008). Being able to "help others" is consistently identified as a significant benefit by complementary currency participants (Wheatley, 2005).

Complementary currencies simultaneously address relative poverty and social exclusion by enabling participants to engage in economic citizenship. Participants earn income from productive work while engaging in new social networks. Membership in the local economy contributes to a sense of unity, builds self-esteem, increases negotiation and business skills, and provides participants with a stronger social identity (Zagata, 2004).

Complementary currencies also enhance community well-being by strengthening the local economy, encouraging a more equitable distribution of wealth, rewarding labour

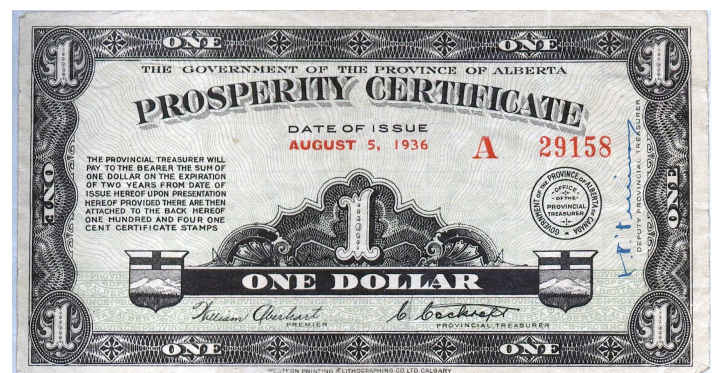
that is often undervalued or unpaid (especially women's and seniors' labour), and building relationships of trust and support among community members (Collom, 2008; Gomez, 2006). Complementary currencies also provide participants with opportunities to use creative talents and preserve local culture (Quintiliani, 2002).

## GOVERNMENT SUPPORT FOR COMPLEMENTARY CURRENCIES

Complementary currencies are widely recognized as an effective means of building social and economic resiliency for individuals and communities. Government leaders endorsing complementary currencies include the Mayor of New York City, the Prime Minister of Great Britain, and the Mayor of Curitiba, Brazil. In Alberta, complementary currencies have been supported by both the municipal and provincial governments.

The Great Depression (1929–1941) was a time of economic hardship in North America and Europe, leading to the proliferation of complementary currency systems. Currencies were printed in communities and regions across the continent to stimulate economies in which people wanted to work but where the currency supply had been severely restricted.

Alberta's Social Credit Government, under Premier William Aberhart, introduced "Prosperity Certificates" in 1936 in an attempt to alleviate the effects of the Great Depression. The design was informed by a 1933 booklet written by Yale Economics professor and advisor to President Roosevelt, Irving Fisher entitled *Stamp Scrip* (Fisher, 1933). The Alberta Government introduced the Certificates into circulation by using them to pay part of the salaries of provincial civil servants. Each week the holder of a note was required to affix a one cent stamp to the back of each note to maintain its validity. This cost of possession, or demurrage, represents a negative interest charge, intended to increase the velocity of currency circulation for increased economic benefit. The Canadian Government threatened to take action against the province for printing the certificates and the initiative was terminated. Of the 357,680 certificates issued, all but 19,639 were redeemed (Wright, 2000).



Prosperity Certificate - Alberta 1936

Calgary Dollars was unanimously endorsed by Calgary City Council in 2000. Alderman Jon Lord brought forward a notice of motion to City Council commending Calgary Dollars as a successful community economic development tool: "[Calgary Dollars] has been doing an admirable job of running this venture, which has great potential to help marginally employed or unemployed people with skills or services to offer, and to help alleviate poverty and other social problems" (May 2000). As of the time of writing, Calgary Dollars is accepted for the purchase of limited Calgary Transit tickets as a result of this endorsement. It is also a guideline for administrators of the Province of Alberta's Assured Income for the Severely Handicapped (AISH) that Calgary Dollars income are not deducted from monthly payments, unlike national currency income, recognizing the social benefits of participation.

In 1971, Mayor Jaime Lerner of Curitiba, Brazil, began using complementary currencies to address poverty and unemployment. Over the next 25 years, Curitiba achieved an economic growth rate 40% higher than any other city in Brazil while keeping the same municipal tax rate as the rest of the country. By 1999, the average Curitibaño earned an income at least 30% higher than the country's minimum salary (Lietaer, 1999).

Former Prime Minister Tony Blair endorsed the UK's LETS currency system in his 1999 speech to the National Council for Voluntary Organizations as "showing the way towards rebuilding human capital and making the links between rebuilding communities and rebuilding economic opportunity" (as cited on LETS Link UK). As leading complementary currency scholar Dr. Gill Seyfang stated in 2003, "in Great Britain, some governmental policies tackling problems of relative poverty and social exclusion actually count on the local currency systems... they enable people to earn income from productive work and so satisfy their needs; they also support social inclusion by enabling people to join networks of the local society" (as cited in Zagata, 2004, p. 482).

Most recently in the United States, Mayor Michael Bloomberg personally launched New York's complementary currency system, TimeBanks NYC, in August 2010. NYC Service's website banner states: "Everybody's Got Something to Offer: Use your time, passion, skills and willingness to help to address New York City's most pressing needs" ([nycservice.org](http://nycservice.org)).

## CALGARY DOLLARS: MEASUREMENT OF SOCIAL AND ECONOMIC CAPITAL

Calgary Dollars, originally called the Bow Chinook Barter Community (BCBC), began with 100 participants on January 13, 1996 and simultaneously began annual measurement of community impacts. Majority funding for Calgary Dollars has been received from the City of Calgary and the Calgary and Area United Way. United Way funding for Calgary Dollars, which originated from the Sustained Poverty Reduction Portfolio, began as a pilot in 1996 and concludes in 2011. Funding for Calgary Dollars from the City of Calgary, through the department of Family and Community Support Services, began in 2003 and continues to date. Both funders have required data collection, outcomes measurement and annual reporting.

In 2002/2003 data was collected to compare Calgary Dollars with complementary currencies in Nelson, British Columbia and Ithaca, New York. In 2010 Calgary Dollars participant data was collected on marketing, demographics, social capital and economic capital variables. Social capital data was also collected through a series of focus groups with Calgary Dollars participants in 2009.

### 2002/2003 Research Findings

A typical complementary currency participant from the three systems had children, a partner, and was approximately 40 years old. They held a bachelor's degree but earned less than \$20,000 per year. These respondents sympathized with the goals of activist groups and realized this in the form of recycling, limiting consumption and composting, among other activities. Their principles were reflected politically in their support for Green politics and progressive politics in general. Their spirituality was not associated with a religious group or church and most did not attend religious services of any kind. When asked about subjective well-being, this sample reported high levels of life satisfaction.

The average respondent earned and spent \$200 annually in complementary currency and had between one and four transactions each month. Most respondents felt that the currency had increased their access to goods and services and brought them customers while a minority felt the system had allowed them to dispose of unwanted items and use skills they would not have otherwise used. Of the five social capital variables measured, there was strong agreement that complementary currency participation had increased their friendships, relationships of trust, loyalty to others in the system, and their ability to help others. Attendance at complementary currency events was identified as an important variable because it appeared to have a significant influence on respondents' reports of social capital and economic capital.

In 2002/2003 purposive in-person interviews were conducted with 137 participants from three communities: Ithaca, NY, Nelson, BC, and Calgary, AB. Geographic, demographic, economic, social and subjective well-being vari-

ables were analyzed using univariate, bivariate, and multivariate methods to determine potential relationships. Subjective well-being is a broad term that encompasses the various ways people evaluate their lives, including concepts such as life satisfaction, pleasant emotions, satisfaction with domains such as work and health, feelings of fulfillment and meaning, and low levels of unpleasant emotions (Diener & Seligman, 2005). Substantial social and modest economic capital increases resulted from increased complementary currency participation. Attendance at complementary currency events was positively associated with many of the social capital, economic capital, and subjective well-being variables. Respondents asserted the positive influence of complementary currency participation on their life satisfaction.

To explore the qualitative impact of participating in complementary currency systems researcher Dr. Jeffrey Jacobs and his staff extended his analysis to include mindfulness. Mindfulness, described as increased self-awareness and personal engagement in daily tasks, was rated highly in the values of participants. Research findings showed significant correlations between both the social capital and economic capital benefits of complementary currency and mindfulness. The data from the three complementary currency systems suggest that complementary currency participation fosters mindfulness and the deepest forms of life satisfaction. (Wheatley, 2006)

### 2009 Research Findings

In 2009 Calgary Dollars focus group interviews with 40 participants, 78% expressed that their main reason for participating in Calgary Dollars was community-related. Moreover, 68% said that Calgary Dollars had given them a way to meet people.

Focus group data revealed that Calgary Dollars allows participants to find new ways to contribute, increase involvement, connect, and be proactive in the local community. In addition, some participants stated that the social aspect and sense of "true community" are what persuaded them to attend Calgary Dollars events (Tam & Vornbrock, 2009). The following excerpts from focus group interview notes further highlight some of the social capital benefits of Calgary Dollars experienced by participants:

"I like creating a network of local businesses that support each other....Creating relationships that are less about money and more about what we want to share in a community."

"There seems to be a lot of people that are caring, a lot of aspects of life that are nurtured here that just don't happen elsewhere. Awareness of others, awareness of issues... it's taking care of issues."

"I've met people who look forward to seeing me come and I look forward to seeing them come [to Calgary Dollars events]."

"The priority is more social than anything else. I like to come here and talk about stuff that is happening in the city and I find that a lot of the people have similar values."

"I like coming here because of the people. Lived out of town for awhile and lost contact, now I'm back in town and starting to get to know people again."

Complementary currency transactions have been shown to enhance the social skills of participants, improving their social capital. The level of interaction required in transactions is a likely contributor to this (Wheatley, 2005). As one 2009 focus group participant explained:

One of the things that has always stood out for me is that if I go somewhere that accepts Calgary Dollars, I get to connect with people. Calgary Dollars gives us an additional thing that you don't get from federal currency in that both the people involved, whether it's me and a cashier or whatever, know that we're interested in local community. It's that sort of social grease for making connections in community. We get to know each other. Federal currency doesn't start the same kind of conversations.

According to another Calgary Dollars member, complementary currency has great value for new members in the community. She commented:

"I started attending the Bow Chinook Barter Community potluck markets in 1998. I had just moved to Calgary and a friend had told me about a resource centre called The Arusha Centre. He said that I would find a compatible group that is sympathetic to my point of view at one of their barter events. I had made some greeting cards to sell and brought them along to set up a table. I set up a table, sold some of my cards, and bought some blocks for my little boy. Participating in Calgary Dollars back then helped me to meet new people and learn to call Calgary home."

### 2010 Research Findings

In 2010, 222 of the 448 registered Calgary Dollars participants with active listings as of August 2010 were surveyed using an online survey system. All participants were contacted by email and phone and invited to provide input.

Data analysis showed that participants increased economic and social capital as a result of Calgary Dollars participation. They earned Calgary Dollars income that was augmented by the federal currency and barter transactions which combined to markedly improve participants' financial wealth. Calgary Dollars participation also resulted in job references, potential for financial crisis support, and an increase in the skills needed for improved economic participation such as marketing skills.

### Demographics

Demographic analysis showed that the sample consisted of 69% women; 84% Caucasian; 5% First Nations, Métis, Non-status, or C-31 status; 96% English speaking; 36% married; 31% single; 93% graduated high school; 44% with a bachelor's degree; 53% working at paid job or business, and; 9% self-employed. 74% of respondents have lived in Calgary over 10 years and they reside in 120 of the 215 neighbourhoods in Calgary. Of all respondents, 20% joined Calgary Dollars prior to 2005 and 54% had joined since 2009.

The average household income in Calgary in 2010 was just over \$122,00 and for Calgary Dollars participants 20% were between \$12,000 and \$24,00/yr, 20% between \$24,000 and \$36,000/yr, and only 20% over \$60,000. Since the beginning of Calgary Dollars, participants have been below average income earners. In 2010 for single Calgarians, the LICO was \$24,570 or \$13.50 per hour without benefits. Of the general population, 14% of Calgarians were under the LICO as were 16% of children. 67 of the 222 (or 30%) of Calgary Dollars participants' households were under the federal low-income cut off (LICO), roughly twice the rate in the general population. It was therefore projected that 134 households among the Calgary Dollars membership were under LICO.

### Economic Capital Data Highlights

- 24% earned an average of C\$12 – C\$240/year (34% for those participants who had joined Calgary Dollars prior to 2005).
- 10% earned an average of C\$240-C\$600/year (16% for those participants who had joined Calgary Dollars prior to 2005).
- 41% earned an average of C\$0 per month (40% for those participants who had joined Calgary Dollars prior to 2005). Of these, 54% earned between C\$12 and C\$6000/year and 28% earned C\$2400 or more annually (reflecting the difference between respondent calculation of average monthly and annual income figures).
- 37% earned barter income as a result of C\$. (59% for those participants who had joined Calgary Dollars prior to 2005).
- 40% earned between \$120 and \$12,000 in bartered goods and services per year.
- 20% earned between \$600 and \$6000 in annual barter activity.
- 27% earned between \$120 and \$12,000/year in federal currency as a result of C\$ activity.
- 22% earned Canadian dollars as a result of C\$ activity (50% for those participants who had joined Calgary Dollars prior to 2005).

- 37% use their C\$ for food purchases (68% for those participants who had joined Calgary Dollars prior to 2005). It is worth noting that although there are numerous food sources within Calgary Dollars, the most frequented locations are two health food grocery stores where organic, locally-grown food is emphasized. These healthy, but often expensive, food choices are made more affordable by Calgary Dollars. Furthermore, local business is supported as participants are connected to these enterprises.

### Social Capital

The social capital benefits reported by Calgary Dollars participants were most significant. Respondents were asked to describe their experiences as Calgary Dollars participants. Interestingly, there was a 48% decrease in accessing crises services after joining Calgary Dollars, which may result from the increased access to social and economic capital. Timely access to goods, services, support and referrals aid in crisis prevention and are durable resources over time in the Calgary Dollars community. 45% of respondents stated that they agreed or strongly agreed with the statement "I have established relationships of trust with people in the community since joining Calgary Dollars" (this went up to 71% for those participants who had joined Calgary Dollars prior to 2005). When asked to agree or disagree with the statement "Since joining Calgary Dollars I am more active in community issues and initiatives. e.g. working with a group to change a city bylaw, joining my community association board, etc." 50% agreed or strongly agreed (63% for those involved prior to 2005).

The valuable social role of Calgary Dollars is further confirmed by 53% of respondents stating that they had met one or more contacts through Calgary Dollars who would lend them \$500 if needed. Also, 65% of respondents had one or more Calgary Dollars contacts who would be helpful if the respondent was looking for a job. As for cultural diversity, 59% of respondents stated that, as a result of Calgary Dollars involvement, they now had at least a few contacts who speak a different language than their own. 73% of respondents acquired contacts of a visibly different ethnic group than their own through their participation in Calgary Dollars. These findings illustrate the relationships that grow between Calgary Dollars participants.

### CONCLUSION

Despite their existence around the globe and the wealth of anecdotal evidence of their benefits, the measurable successes of individual complementary currency systems have been largely undocumented. Calgary Dollars ongoing research seeks to contribute to the existing complementary currency body of knowledge and thereby support a broader understanding of their legitimacy and efficacy.

Using various methods and measuring over time, Calgary Dollars has shown that participants benefit deeply both socially and economically as a result of their participation. They achieve greater economic stability by earning com-

plementary currency, federal currency, and from barter transactions, all the while developing valuable professional and business networks. Participants also build durable social relationships and broaden their community participation. The Calgary Dollars research also highlights the interconnectedness of these social and economic benefits. These findings encourage the creation and growth of complementary currencies in solidarity with the global demand for a resilient monetary system that supports sustainable, complete communities.

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