



CHART: HOW TIME BANKING OFFSETS THE EXTERNAL COSTS OF MONEY

Core Values: Specs for a medium of exchange to drive a new non-market economy

- **Tap all assets**
- **All = respect differences as strengths**
- **Generate and reward contribution - reinforce work ethic**
- **Drive exchanges based on reciprocity, obligation, caring, love**
- **Build social networks, support systems, linkages,**
- **Community = be there for each other**

\$ Characteristics	Problem or External Cost of Money	Time Dollar Characteristics
All-Purpose	Can buy guns, drugs, bribe officials	Limited Purpose
Highly Mobile	Money leaves neighborhoods, communities too quickly	Locally anchored
Pricing: value of hour varies based on scarcity, skill	Caring, love, civic engagement are devalued; market pricing embodies market values.	All hours valued equally; compensation includes psychic reward
Currency convertible to \$	Convertible means taxable. Ability to Convert to dollars drives out value of altruism, psychic rewards.	No conversion possible; use discounts & member benefits.
Paper money	Leaves no tract; parties stay strangers. No memory = No trust	Electronic currency: Building trust requires memory so that present is shaped by the future
Work force membership = Age, credentials	Persons not in workforce have essential contributions to make.	Children, elderly, disabled are contributors; can earn Time Dollars
Money bears Interest	Interest makes money a valuable commodity ; drives up transaction costs; rewards speculation, arbitrage, derivatives	No Interest makes other transactions possible
Monetary Debt = enforceable at law.	Breaking one=s word is fine, so long as damages are paid. Obligation is based on enforceability and damages, not honor and trust. Cost of lawyers is steep.	Moral Obligation may be safer than Legal Obligation. One=s word is one=s Bond.
Taxable	Taxes set limits on affordable public goods and services. Available public dollars set a limit on affordable public expenditures and services. That is one problem.	Time Dollars that reward caring and civic participation are not taxable.
Monetary (barter) Exchanges	Barter exchanges have monetary value. Barter and barter currencies were used to avoid taxes until the IRS caught on and started taxing barter. Neighbors helping neighbors and family members helping family are forms of exchange we wish to encourage. Taxing such exchanges would discourage mutual self-help.	The IRS has determined that Time Dollar exchanges are not commercial exchanges. They are not taxed as barter.