

MOTHER EARTH NEWS

The Community Exchange

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By the MOTHER EARTH NEWS editors



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A community exchange can help community groups locate resources and trade support services.

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Suppose that—in some particular city—there's a carpenter who dreams of learning to play the piano... and, nearby, a music teacher who's looking for someone to advise her on how much insulation her home should have. Meanwhile, in the same metropolis, a community group that's doing energy audits is looking for help in remodeling its new offices.

Such interlocking webs of talents and needs aren't all that uncommon in large urban centers. In most cases, however, the people involved never learn about their complementary abilities and wants ... they become examples of the thousands of "resource leaks" that occur in any city when people and information aren't properly matched.

Community groups can set up an organized community exchange to help people contact others, to teach or learn skills, acquire information, swap goods, or simply get aid in planning a community project. The most successful of these organizations—The Learning Exchange (TLE) in Evanston, Illinois is now eight years old and has over 30,000 members.

Despite the success of that operation, however, the mortality rate for exchanges is extremely high. Most groups follow one of two quick routes to oblivion: They either think too big, or think too small.

Avoiding a Big Mistake

Many exchanges die of overgrowth because—as they acquire more and more members—they fail to adopt the professional business techniques necessary to cover their steadily increasing overhead costs. And those groups that do take a businesslike stance often find themselves squeezed between raising their fees to cover expenses (while perhaps losing participants and failing to accomplish some of their original social goals) and spending excessive amounts of time searching for outside subsidies.

The Evanston group avoided such a dilemma by making two decisions at the outset of its program. First, it wanted to offer a variety of easy-to-manage services, and determined that it would recruit the large membership needed to support such services. Second, TLE wanted the bulk of its working capital to come from its members, and so built the cost of soliciting the needed funds into its budget.

The types of services that TLE offers (and doesn't offer) are all related to its substantial growth. The operation isn't technically an exchange, but instead functions as a referral service. Barter is possible within the TLE system, but only on a one-to-one basis. The Learning Exchange's top administrators say that credit record systems—which are essential for multi-party barter—are "too costly and complicated to administer." The keeping of such records makes running a large-membership swap system much more difficult than operating a smaller organization.

There are Small Problems, Too

Exchanges can most effectively offer the advantages of a credit system by deliberately limiting their membership. They can also, however, make the mistake of remaining too small. An exchange needs a fair number of participants to maintain member interest. After all, people won't receive much in return for joining such a group if they have only a few other members with whom to trade. Interest can also wane when an exchange's information isn't up to date, when participant satisfaction isn't monitored, and when renewal memberships aren't followed up on. Unfortunately, "maintenance" bookkeeping is usually at a minimum (or nonexistent) in small exchanges.

That doesn't have to be the case, however. A few people with good management skills can help an exchange avoid the common "too small" problems.

David Tobin (of the Washington, D.C. Barter Project) points out that some small groups can easily cut costs by providing credits in return for labor and material contributions toward organizational overhead costs: For example, participants in a Eugene, Oregon exchange are able to get credit—instead of being paid—for putting in volunteer time in the group's office, while a print shop earned barter points by producing promotional flyers for the organization.

Through the Barter Project, Tobin can provide a limited amount of technical assistance and information to newly formed exchanges. He eventually hopes to be able to raise funds to provide seed grants to start new exchanges or "beef up" struggling organizations.

For the past several years, the good folks at the Institute for Local Self-Reliance in Washington, D.C. have worked to help urban residents gain greater control over their lives through the use of low-technology, decentralist tools and concepts. We strongly believe that more people (city dwellers and country folk alike) should be exposed to the Institute's admirable efforts . . . which is why we've made this "what's happening where" report by ILSR staffers one of MOTHER EARTH NEWS' regular features.