



**WELCOME
TO THE
INDIE
REVOLUTION**

YOUR INDIE JOURNAL FOR

MARCH

THEME OF THE MONTH IS

**LOCAL, SUSTAINABLE, &
SOCIALLY-RESPONSIBLE
FINANCE**



BEYOND SHOPPING:

WAYS TO INVEST IN THE COMMUNITY THAT DON'T COST YOU ANYTHING (AND MAY MAKE YOU SOME MONEY!)

Dear Indie Revolutionaries,

We hope you discovered and enjoyed some new local music in February. Perhaps you heard a new band, tried a new instrument, danced your bootie off, or sang karaoke in Koreatown. If you did, don't forget to write it down in your journal and save it for the end-of-year celebration. And remember, the RPM listening parties are still to come on March 28! See the events page for more details.

For the month of March, we explore local, sustainable, and socially-responsible finance. Most of our 2009 Indie Revolution involves conscious, community-building ways to spend your money, but this month, sandwiched between a stimulus package and tax day, surrounded by economic news, we talk about other ways your money impacts the local community. And we take a bit of a break from spending.

As BALLE and AMIBA members and supporters, we've encountered quite a few inspiring stories from across the U.S. on how people have banded together to take their local economy into their own hands and make it stronger than before, and we've gotten great advice about how to make a difference with your everyday financial decisions.

Keeping the revolution alive,

"Capital as such is not evil; it is its wrong use that is evil. Capital in some form or other will always be needed."

~Mahatma Gandhi

EAST BAY EXPRESS

EastBayExpress.com

SBA
Sustainable
Business
Alliance

SustainableBiz.org



BuyLocalBerkeley.com

**oakland
grown**

ShopOakland.com/oaklandgrown

COMMUNITY BANK WHAT?

A GLOSSARY

What is a community bank?

Unlike huge multi-state and multi-national banks, community banks are locally owned and operated banking institutions. These community banks offer all of the standard banking services including checking, savings, loans and mortgages, safe deposit boxes, etc.

All lending decisions are made locally by people who understand the unique challenges and financial needs of the business people and residents who live and work in the community. This fact often makes it easier to obtain a loan that might not be written by a bigger bank. More: Independent Community Bankers Association <http://www.icba.org/>

What is a community development bank?

Community development banks provide capital to rebuild economically distressed communities through targeted lending and investing. They are for-profit corporations with community representation on their boards of directors. Depending on their individual charter, banks are regulated by some combination of the FDIC, the Federal Reserve, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, and state banking agencies. Their deposits are insured by the FDIC. More: Community Development Bankers Association www.communitydevelopmentbanks.org

What is a credit union?

A credit union is a non-profit financial cooperative, owned exclusively by its members, designed to pool savings to create a source of credit at reasonable rates. Credit unions are often local because many of them have memberships based on where people live. While providing maximum service at minimum cost, the Credit Union returns all net income to members through increased services, higher dividends and lower loan rates. Credit unions generally offer their members the same services as traditional banks. More: National Credit Union Administration <http://www.ncua.gov/>

What is a CDFI and why do I care?

Community Development Financial Institutions (CDFIs) are specialized financial institutions whose core purpose is to provide financial products and services to people and communities underserved by traditional financial markets. The CDFI Fund certifies CDFIs who meet six criteria which include pursuing a primary mission of community development and providing financing as a primary line of business. Both community development banks and credit unions can apply for CDFI certification. Loan funds, venture capital funds, and microenterprise loan funds can also be certified as CDFIs. <http://cdfi.org>

Insurance and Safety of Your Money

These days most people want to know that the money they have in their banks is safely insured by the federal government. Fortunately, community banks, community development banks, and credit unions can be insured just like the big banks. You may actually feel safer with your money at these local community institutions because you know where it's being invested, and you can talk to the executives in charge. The two types of insurance to look for are FDIC and NSUIF. The FDIC (Federal Deposit Insurance Corporation) insures banks, and the National Credit Union Administration (NCUA) insures credit unions.

You may be happy to know that according to the FDIC "Since the start of the FDIC in 1933, no depositor has ever lost a penny of insured deposits," and according to the NCUA "Not one penny of insured savings has ever been lost by a member of a federally insured credit union." To determine whether an institution is insured and understand exactly what is insured, visit: www.fdic.gov and www.ncua.gov.

OUR MUNDANE FINANCIAL CHOICES

Just what happens to the money we deposit in banks, pay on our credit cards, or - if we're lucky - invest in retirement plans? The short answer: It's being lent to businesses big and small, homeowners, governments, individuals and other entities. Put all of our saving, investing, and borrowing decisions together, and we have the backbone of our economy.

Where we park our money has a huge impact on society. Fortunately, we can steer

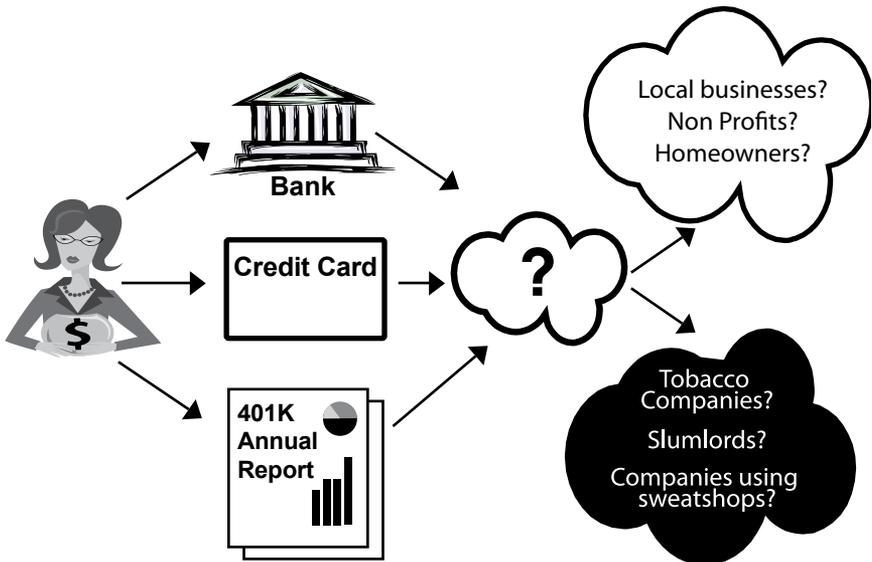
our money toward the world we want to see. Do we want our money to be invested in our own community to create local jobs? Do we want it to grow companies that treat their employees well? Do we want it to support pro-environmental initiatives?

The good news: Making a difference by parking our money with an institution that reflects our values is pretty easy. It's easier than volunteering or working for a good cause, or even consciously shopping.

DO YOUR FINANCIAL INSTITUTIONS RE-INVEST YOUR MONEY TO DO GOOD?

**We Save,
Borrow,
and Invest
Our Money**

**Banks, lenders and investors
re-invest our money
somewhere...**



TRULY SHAPE OUR SOCIETY

Sure, our financial decisions take a bit of thought in the beginning, and then some attention to make sure things are going okay. But luckily they aren't daily decisions, or weekly meetings. They are managed by institutions and experts we choose.

And more good news: These actions don't require us to spend money. We're just choosing where to keep it. We are all compelled to put our money somewhere safe, somewhere that it is well governed, has

community interests at heart and reflect our values.

Luckily, the bay area offers many socially, environmentally and community conscious options for all of these things. See the Ideas pages in this journal for some concrete things you can do, and some resources to help you along the way.

RESOURCES

Community Banking & Credit Unions

Independent Community Bankers Association - www.icba.org

Community Development Bankers Association - www.communitydevelopmentbanks.org

National Credit Union Administration - www.ncua.gov

National Federation of Community Development Credit Unions - www.cdcu.coop

Community Development Financial Institution Fund - www.cdfifund.gov, www.cdfi.org

Federal Savings Insurance

www.fdic.gov

www.ncua.gov

Community Investing - Loan Funds, Venture Funds and More

Community Investing Center – www.communityinvest.org

Basics Guide - www.coopamerica.org/PDF/GuideInvestCommunities.pdf

Socially Responsible Investing

The Social Investment Forum - <http://www.socialinvest.org/directory/>

Basics Guide - <http://www.socialinvest.org/resources/sriguide/>

Social Funds - <http://www.socialfunds.com>

Find East Bay socially responsible financial advisors: www.greenbiz.ca.gov/ShopGreenAC.html

Investing Clubs

Better Investing - <http://www.betterinvesting.org>

Bartering

BizXchange - www.bizx.com

IMS Barter - www.imsbarter.com

IDEAS FOR MAKING SOME COMMUNITY-

Saving and Banking

- Switch to a community bank, community development bank, or credit union. You could start by moving 10%, then gradually phasing out.

Credit Cards & Borrowing

- Move your credit card debt to a credit card offered by a community bank or credit union. Ask your bank or other local banks or credit unions if they offer credit cards!
- Move your car loans, mortgage, etc. to a local community bank or credit union, or if you're getting a new loan, get it there.

Investing

Most retirement and investment options offer at least a few socially responsible choices.

- Check on your 401k or retirement fund, if you have one – Does your provider offer socially responsible investments? What is your money supporting right now?
- Talk to local financial advisors who specialize in socially responsible investing – the Bay Area has several. They can help you tailor your investing to match your values. For example there are funds that can
 - Stay in the state to invest locally
 - Invest in socially-responsible businesses
 - Focus on environmental causes
 - Align with your faith

Find East Bay socially responsible financial advisors from the Bay Area Green Business Program: <http://www.greenbiz.ca.gov/ShopGreenAC.html>

- Consider investing in a **community loan fund or venture capital fund** to support the revitalization of low income communities. These are funds that allow people to make investments in local activities that contribute to a healthy local economy, such as businesses that create jobs in the community, affordable housing initiatives. As the names imply, loan funds offer loans, and venture capital funds provide equity in promising growing businesses. Either way, you are one of multiple investors, and can think of it like another investment, but more local and perhaps more tangible. A type of socially responsible investing, but specific to community development. More info at www.communityinvest.org
- Join an investing club, and use your collective funds to invest in local businesses or projects you care about. More info available from BetterInvesting <http://www.betterinvesting.org>

CONSCIOUS FINANCIAL CHOICES

Lending

- Become a lender yourself! You can directly lend money to local businesses and individuals through one of several online peer-to-peer lending tools which allow you to lend money to small businesses and individuals. You can search by geography on these sites to find someone local. You can make money and know exactly who you're helping and why. This is a new field, so there isn't an industry source – research any peer-to-peer lending company thoroughly and seek advice from professionals.
- Keep your eyes and ears open for creative ways to help local business by helping yourself. Like Awaken Café's Creator Card, which has helped this sustainable arts café in Oakland raise capital to open their business while giving people coffee and a voice! For example, a \$100 card gets you \$110 in coffee, invitations to VIP events, plus a chance to participate in discussions about the café's development. A10% return plus community – pretty good these days.

Spending

- Ask a merchant which method of payment they prefer, but these are some good rules, and these choices don't cost you anything.
- Cash first. Cash keeps more of your money with the local merchant instead of sending it to Visa and the other financial intermediaries that make credit card processing work.
- Say debit instead of credit – this is less expensive for merchants. Entering your pin number reduces risk and therefore reduces the rate the merchant pays.
- Recognize that rewards cards cost local merchants more money. When you are getting airline miles and other rewards points on your credit card, the merchant pays more to process that card.
- Think about bartering when you don't have the cash.

Giving

- Donate to a local micro-lending organization. These local non-profit organizations provide loans to local small businesses, which then gets repaid and lent out again – your money has a huge impact over and over again!

Spreading the Word

- Tell 5 friends or family members about what you're doing and why.

MY TOP 10 IDEAS TO USE MY FINANCES TO SUPPORT THE COMMUNITY

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EVENTS CALENDAR

MARCH

Mar. 24, Tues. 6-9pm

EcoTuesday Networking Forum

EcoTuesday is a forum for sustainable business leaders to come together to network, collaborate, and engage with one another in a structured environment.

www.ecotuesday.com

Mar. 28, Sat.

RPM Listening Parties

Listen to the new albums created by our local RPM challenge musicians.

Various locations

rpmchallenge.com/eastbayexpress

APRIL

April 3, Fri., 12:00 – 1:00pm

SBA Networking Lunch

www.sustainablebiz.org

April 7, Tues., 5:30 to 7:30

Tools for Great (!) Sustainability Managers

Justine Burt of greenwala.com

2105 Martin Luther King, Jr., Blvd., Berkeley

SBA Speaker Event

www.sustainablebiz.org

Apr. 15, Weds., 5:30 – 8:00pm

East Bay Green Drinks

Luka's Tap Room

MAY

May 1, Fri., 7:30am - 1:00pm

Mayor's Economic Summit –Showcase Oakland

Oakland chamber and City of Oakland showcase Oakland's growing industries and innovative businesses. www.OaklandPartnership.org

May 1, Fri., 12:00 – 1:00pm

SBA Networking Lunch

www.sustainablebiz.org

May 15, Fri., 5:30 – 8:30pm

Oakland Indie Awards

The Crucible

Celebrate the indie businesses and artists who give back to Oakland, eat, drink, and explore all things Oakland, and experience a fire performance at our 3rd annual awards party.

<http://oaklandunwrapped.org/indies>

COMMUNITY INVESTING: WHY NOT OWN SHARES IN OUR OWN COMMUNITY DEPARTMENT STORE?



THE MERC'S STATS

Cost per share originally offered: \$500

Number of shares sold: 800 (\$400k)

Year Shares Sold: 2001

Year Store Opened: 2002

Community Impact:

- Profitable Every Year.
- In 2007, shareholders chose to reinvest profits and double the size.
- Boosted sales at nearby stores.
- Leads and participates in all downtown events.

Excerpt from a 2008 article by Stacy Mitchell in Forum News, a publication of the National Trust for Historic Preservation.

Six years ago, Powell, Wyo. (population: 5,373), lost its only department store when Stage, a regional chain, decided to shutter a portion of its outlets. Residents suddenly faced a 50-mile round trip to the big-box stores in Cody or a 200-mile round trip to the mall in Billings, Mont., to buy many basic items.

An even bigger concern for town leaders was the cascade of economic losses the store's closure would likely set in motion. Many feared that, as residents started traveling to Cody or Billings for things they used to buy at Stage, they would purchase other goods there as well, including many of the types of products sold by Powell's remaining Main Street merchants. And so the decline of Powell's traditional downtown would accelerate, echoing what is happening in cities, towns, and villages across the country.

After trying unsuccessfully to attract one of the big store chains—all of which declined due to

the sparse population—Powell residents decided they would have to take matters into their own hands. They established a community corporation, capitalized it by selling shares to hundreds of local families, and opened their own department store called the Powell Mercantile.

The Merc, as the store is known, has not only filled a critical community need, it has also turned a profit for five years running, doubled in size, and injected new life into the downtown. "It has been hugely important to the vitality of our downtown," said Kim Capron, executive director of the Powell Valley Chamber of Commerce. "The Merc has become an anchor tenant for the whole downtown. It's such a large draw." See complete article: www.newrules.org/retail/forumnews.pdf

The success of this model has not gone unnoticed. Community-owned department stores have sprung up around the U.S., and are just one example of the creative ways we can invest in our communities.

How to Start a Community-Owned Department Store

http://www.bigboxtoolkit.com/images/pdf/community_store_howto.pdf