

College Students
are taking action on the
most pressing issues of our
time like the climate crisis
and social justice

But taking action to bring diversity to our
financial monoculture could be the single
most effective way to address most, if not
all, of today's urgent challenges.

Sustainable Communities Corporation

Sustainable Communities Corporation (SCC)* is launching a new economic development program powered by a new form of digital complementary currency.

Complementary currencies¹ have long been used to stabilize and revitalize local economies during financial crises by compensating for shortfalls in national currency. They keep businesses alive, allow governments to keep providing essential services, fund critical non-profit programs and boost people's spending power.

SCC would like to join with college students to pilot the program. Students can provide feedback that will help test, refine and shape the program before it is rolled out to the wider community.

**SCC is a non-profit economic development corporation.*

Currency can be Used to Buy and Sell, Just Like U.S. Dollars. But It's Much Easier to Obtain!

Ways to get currency include:

- Scholarship grants.
- Seed funding grants to student entrepreneurs wishing to launch a for-profit company or non-profit organization. Includes a workforce development program for those who would like to support entrepreneurs as team members, or prepare for other employment.
- As payment for volunteer work performed for local non-profits.
- As commissions for recruiting new account holders, both individuals and businesses.

Places to spend currency include:

- Informal, peer-to-peer transactions.
- An online marketplace (like Craigslist) where transactions are conducted in the currency.
- Local businesses - SCC is working with local merchants to accept the currency.

Students can help build a better world.
Participating in the program is *easy* and *effortless*.
Best of all, it boosts their spending power!

A Collaboration to Benefit Students

According to CNBC, more than 13 million college students are worried about their financial future due to the pandemic.² And the 2020 Hopes and Worries annual survey³ by the Princeton Review, finds that student debt is the biggest worry of college students and their parents.

Can anything be done? We say yes, and students can be key players.

But if we are to address their — and society's — worries about money, we first need to understand how money is created, who controls it and how it is dispensed.

As we explain in our three-part article *Money — It Is Not What Most of Us Think*,⁴ the most commonly held beliefs about money are wrong. The reality of our money system is foundational to our program, so much so that we strongly encourage reading the article before proceeding.

In that article we explore where the vast majority of money in circulation comes from and how that system primarily serves the needs of the wealthy. We then examine alternative approaches that citizens can legally take to address the deficiencies in the existing paradigm. Finally, we explain how we can create our own money systems and operate them to benefit all of society.

We are doing just that through SCC, using a system originally created by the nonprofit National Commonwealth Group that we call the Sustainable Communities Framework⁵ (SCF).

This one-page summary⁶ shows what is possible with the SCF. Designed to be regionally implemented, and in col-

laboration with dedicated local councils, SCC will issue the complementary currencies.

Students have the potential to become the center of gravity for the SCF program and to serve as a model for its implementation. In so doing, they can also bring about a substantial inflow of financial resources to themselves, the local community and indirectly to their colleges.

SCC will offer every enrolled student a monthly scholarship grant that will substantially increase their spendable resources, as described below.

Why Start with Students?

As we pointed out in [Part 3](#)⁷ of the Money article, the most common problem with launching any complementary currency program is getting a critical mass of users to adopt the currency and begin to use it locally. If even a minority of students in each region enroll in the program, that would be more than enough to rapidly ignite the effort throughout that region and the state.

As a result, we have designed a program specifically to motivate students to sign up and begin to realize the benefits this program.

Although this program would be the most comprehensive student-centric complementary currency program in the country, others going back several decades help to validate the concept and provide clues as to what we can expect.

University-Based Complementary Currency Programs

Two programs, one at [Denison University](#)⁸ near Columbus, Ohio and one at the [University of Missouri-Kansas City](#)⁹ (UMKC), provide us with an understanding of how this might work.

Denison Economics Professor Dr. Fadhel Kaboub earned his M.A. and Ph.D. at UMKC, where he learned of a complementary currency issued by UMKC called the [Buckaroo](#),^{10 11} first established by the university in the late 1990s and still in use.

The Buckaroo was created with two goals: to teach students how a national currency works, and to provide community service to the Kansas City area ("[service learning](#)").¹² As part of their grade, the students are required to pay a "tax" on a class – paid in Buckaroos and earned

by doing volunteer work at local non-profit organizations (see [this course example](#)).¹³

Dr. Kaboub replicated this concept at Denison University with the [Denison Volunteer Dollar](#)¹⁴ (DVD) program, established in 2008 and still in use. This 11-minute [YouTube video](#)¹⁵ gives a good rundown of the program.

One thing to note is the students' use of the currency outside of academic requirements, a key element of our proposed program. As noted in [this article](#),¹⁶ "Many students work extra hours to earn more Buckaroos than required to pay their taxes. They accumulate savings in the form of Buckaroos, which they are able to exchange for dollars, or to purchase goods and services from fellow students."

Denison students likewise work more hours than required to pay their course taxes. As stated in [this article](#),¹⁷ "Kaboub told me that he always asks students for anecdotes about how DVDs were exchanged among them—responses vary wildly but have included 'for a ride to the airport' and 'for extensive lecture notes' from a zealous volunteer who hadn't been quite as enthused about taking good notes during class."

Thus, we find that students spontaneously establish an informal economy using their complementary currencies. It is this student-led informal local economy that provides us with a framework for building a local complementary currency program.

However, whereas those programs lack the structure to grow, we will provide a robust set of tools to facilitate our currency program for the benefit of the college and the wider community.

Mechanisms of Our Student-Initiated Program

In contrast to the programs at Denison and UMKC, ours is a broad economic development program based on a complementary currency, not just an academic

A Digital Currency

program that uses a complementary currency as a classroom tool.

The Denison DVD and UMKC Buckaroo programs use paper currency whereas the Peak will be digital.

Our secure platform will serve as a Peak exchange and will be located on a dedicated server.

Users can establish an account and manage it with online or mobile applications, just as with a normal checking account.

Obtaining the Currency

As noted, currency will be issued by SCC. It will issue it in four ways – sell, lend, invest and grant it.

Users will be able to obtain currency in many more ways than just doing volunteer work at a local non-profit. In particular we will create a currency student scholarship fund where every student will be eligible to receive a monthly grant as long as they are enrolled at a college or university (more below).

In the case of UMKC and Denison, the informal econo-

my happens spontaneously and without any structure to facilitate it. Fortunately, there are many tools available today to dramatically improve on any informal system.

To provide a structure to facilitate and enhance the program, we will be providing an online marketplace that combines a Craigslist-like platform (i.e., peer-to-peer (P2P)) where students and others can advertise services and items for sale and can socially network, and an e-commerce component similar to eBay for business-to-business¹⁸ (B2B) and business-to-customer¹⁹ (B2C) transactions by businesses that will accept the currency. The site also allows users to socially network.

A P2P & Social Networking Site

The P2P function will resemble a hybrid of Craigslist and eBay. The services and goods offered locally would be purchased using currency. The platform will also allow the use of credit cards, enabled by purchasing currency and using those to make the purchase.

The networking function will resemble social networking sites like Facebook, but its primary purpose is to encourage the informal economy.

These two channels will greatly enhance the usage and exchanging of the complementary currency. And as has been seen in times when a formal economy contracts, as with the pandemic, informal economies thrive. Our SCF system is designed to maximize that benefit.

How Students & Organizations Can Obtain Currency

1 Create a Currency Account

Students and others can create a currency account on the SCC website and receive a signup bonus.

To receive the bonus, a currency scholarship grant, grants for volunteer work at non-profits, or to launch a for-profit or non-profit organization, students would be required to establish their currency checking account.

To accelerate the adoption of this classified trading platform, SCC will be providing additional currency bonuses to a certain number of users who post the initial offerings on the site.

2 Receive Currency Scholarship Grants

Provided that a student establishes a currency checking account on a signup page reserved for students, they will be eligible to receive a monthly currency scholarship grant, the amount of which will vary based on conditions in the economy.

They may continue to receive the grant as long as they are enrolled at higher education institutions, are considered a current student and provided that they abide by certain currency expenditure requirements (i.e., they have to spend a certain amount of currency per month). There will be no means test to receive the grant. All active students are eligible.

Purchase from an SGA, SCC or its Agents

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SCC will provide for the direct sale of currency. Purchasers may place that currency in their Currency Exchange account or they may simply purchase currency loaded onto a pre-paid card. The buyer will receive a printed card with a QR code associated with a non-specific account or represented by a mobile app.

SCC will sell currency directly from its website, and through businesses that sign up to sell it. Those organizations would be considered agents of SCC and would earn commissions from those sales. Such sales would resemble the sale of lottery tickets where those businesses serve as agents for the lottery system and earn a commission on ticket sales.

Not-for-profit organizations (NFPs) can link to SCC to facilitate currency sales. SCC will provide "grants" back to those NFPs, instead of commissions that might be taxable (see this document),²⁴ along with other grants for things like paying volunteers to do work for those NFPs. (See #5 below)

Sell on Currency Online Marketplace

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Students can receive currency from other account holders by selling them items or providing services.

Items could include used textbooks; computers and other electronic devices; cameras; bicycles, clothes; jewelry; tools; sporting equipment and more.

Services could include: tutoring, transportation, cleaning, repair (car, computer, etc.), gardening, babysitting, running errands, pet care, bookkeeping, and more.

5 Volunteer with a Non-Profit Organization

Individuals can earn currency by doing volunteer work with local non-profit organizations such as social service organizations, food banks, schools, local governments and the like. SCC will provide a grant to each such volunteer of 15 currency units per hour of volunteer work.

Non-profit organizations will need to register with SCC to participate in this program. Thereafter they simply provide a periodic online accounting of the hours that any volunteer completes under this program and SCC will deposit into that individual's account the appropriate number of Peaks.

6 Request a Grant to Launch a Startup

SCC will be providing an Entrepreneurship and Workforce Development Program (EWDP). The program will allow startup organizations (both for profit and non-profit) to apply for currency startup grants.

Prospective applicants will make a grant request and provide a plan satisfactory to the program's oversight committee. The grant program is described in [this document](#)²⁰ for businesses and [this document](#) for non-profit organizations. The amount of the grant will vary by applicant based on their particular needs. Grants are intended to provide the financial resources needed by a startup organization to go from a raw idea up to the point where the enterprise has demonstrated that it is viable ("proof of concept"), when it is in a position to obtain conventional financing if needed.

In the case of a non-profit organization, that would be the point where they demonstrate that there is a need in society that they are able to adequately address and that there are donors, volunteers and others who are willing to support their effort.

In both cases the organization may petition the oversight committee for additional startup resources if warranted.

Given the unique nature of non-profit organizations, they will also be allowed to request ongoing grants to aid them in continuing to fulfill their mission. Those can be for help with volunteers, employees and employee benefits, and any other expenses related to their mission.

For-profit businesses may also request certain grants for employees and employee benefits, including both existing businesses and the startups who received startup grants and are past the proof of concept phase.

Recruit Account Holders for a Commission

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Account holders who recruit new account holders will receive a currency commission. To encourage recruiting, every new account holder will receive information on ways they can add currency to their account, as defined above. They will also receive instructions on recruiting others to earn currency commissions. Codes embedded in referral links allow our system to identify who made the referral and issue those recruiters currency commissions.

Students who wish to recruit other students will need to direct those students to one of the dedicated signup pages so that the recruited student will be eligible for currency scholarship grants and other grants reserved for students. All others will be directed to generic signup pages.

Two types of new accounts can be recruited, with different commissions for each type:

○ Individual Users & Organizations

For each individual or organization that establishes a basic currency checking account, the recruiting party will earn a commission in currency. As of this time, the recruiting party will earn 50 units of currency per successful referral.

○ Businesses and Non-Profits that Accept Peaks

For each business or not-for-profit (NFP) recruited that will a) accept currency for income or donations and b) sell

currency for a commission and c) enroll in SCC's credit card processing system, the successful recruiting party can earn up to 750 units in addition to the 50 units for setting up an account. To qualify to recruit businesses and NFPs, a prospective recruiter has to be trained and certified by SCC.

Loans & Investments

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At this time SCC will provide a line of credit in currency to both for-profit and non-profit organizations who sign up to accept and sell currency, and enroll in SCC's card processing service. There are no current plans to provide other kinds of loans and/or investments.

The Role of Student Government Associations

We would like SGAs to promote the SCF concept to their student bodies and beyond via email, their websites, newsletters, sponsored events and any other appropriate channels. There are several ways in which that will benefit SGAs and the students they serve.

SGAs Enrolls as NFPs

Not-for-profit organizations are one of the primary groups that SCC wishes to support. Thus the SCF program is designed to provide them the highest financial benefits.

If an SGA enrolls as an NFP under our SCF Program, it can receive both currency and U.S. dollar grants while helping to promote SCF to not only students but also the broader community of their region and beyond. The scale of the grants could greatly expand what an SGA can do for its student body and university.

Below are the ways in which SGAs can earn income from involvement in the program.

○ Recruitment

For each student that an SGA recruits to become a currency user, the SGA will earn 50 units. To illustrate, should the association succeed in enrolling 10,000 students, it would earn over 500,000 units..

○ Manage Currency Scholarship Grant Program

Given the benefits of the Currency Scholarship Grant Program to students, it is our preference to have SGAs at each college establish a group of students tasked with administering their program.

SCC will oversee these groups and provide them with the tools needed to manage the program and an open ended supply of Peaks to serve as grants.

○ Commissions on Currency Sales

As described above, NFPs can earn commissions (in dollars and currency) for selling currency directly, as well as through businesses recruited by the NFP or its agents. In the latter cases, the NFP gets a commission override on those sales.

This previously introduced [document](#)²¹ provides details on the various ways in which an NFP like an SGA can earn commissions, but they are summarized here:

1. Directly selling currency on the SGA website and by other means determined by the SGA. Such sales can also be part of fundraising campaigns where the purchased currency can be further donated to an NFP like an SGA.
2. Sale of currency by SCC to the parties recruited directly or indirectly by an SGA. Purchases made directly from SCC by individuals who were recruited by an NFP and all others that they recruited would provide the SGA the same commission it would earn if it had made the sale itself. Example: student A recruits her mom, who recruits her neighbor, who recruits her son – purchases made directly from SCC by *any and all* of those parties would thus generate a commission to the SGA.
3. Commission override on sales made by businesses enrolled under an SGA. The SGA can do the enrollment directly, or any student recruited by the SGA can become a recruiter of businesses, which would be enrolled under the SGA. Such business can also enroll individual account holders who can then recruit others.

All those recruited parties will be considered recruits of both the business and the SGA above the business. If those recruited parties purchase currency directly from SCC as described above, then both the business and the NFP will earn commissions on those direct purchases.

○ Currency Bonuses for Using SCC's Credit Card Processing System

See the above NFP document for details on how an NFP like an SGA can earn bonuses by participating in this system.

○ Establish a Student-Led Committee to Oversee the EWDP

SCC will help to organize a student group that can serve as the oversight committee for the EWDP program and will provide SGAs with an open-ended pool of currency for use as grants for business and non-profit startups. And while this program does not directly translate to an income source for SGAs, all organizations that receive such grants will be required to enroll under SGA for future use and sale of currency. Any business that survives and grows will thus generate currency sales for which SGAs *will* earn grants in the future.

Summary

By working with SCC, SGAs can help launch the SCF program while simultaneously receiving benefits directly to both the students and SGA.

In so doing, all will help to get this important program going and serve as a model for how to do so in other communities throughout the country.

Endnotes

- 1 https://en.wikipedia.org/wiki/Complementary_currency
- 2 <https://www.cnbc.com/2020/08/31/majority-of-college-students-are-worried-about-money-due-to-covid-19.html>
- 3 <https://www.princetonreview.com/college-rankings/college-hopes-worries>
- 4 <https://scf.green/research/money/>
- 5 <https://scf.green>
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- 7 <https://scf.green/research/money/implementing-a-local-currency-program/>
- 8 <https://denison.edu/>
- 9 <https://umkc.edu/>
- 10 <https://www.cnbc.com/2012/02/08/the-buckaroo-and-the-demand-for-money.html>
- 11 https://www.huffpost.com/entry/the-umkc-buckaroo-a-curre_b_970447
- 12 https://en.wikipedia.org/wiki/Service_learning
- 13 <http://t.web.umkc.edu/tchernevap/teaching/Econ331-syllabus.html>
- 14 <https://denison.edu/academics/economics/feature/12184>
- 15 <https://www.youtube.com/watch?v=vSQ6POEV86U>
- 16 <https://wallstreetpit.com/8333-berkshares-buckaroos-and-bear-dollars-what-makes-a-local-currency-tick/>
- 17 <https://thenewinquiry.com/the-paper-chase/>
- 18 <https://en.wikipedia.org/wiki/Business-to-business>
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