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Ithaca, NY Launches its Own Digital Currency to Boost Local Economy

(local currency – 肥水不落外人田)



- Ithacash founder, Scott Morris

A [startup local currency has just launched](#) the Ithaca dollar in Ithaca, NY, designed to not only promote investment in local businesses and bring the community together, but to also pick up where one of the most successful alternative currency experiments in the US, the Ithaca HOURS, has left off.

Ithaca Dollars

The new [Ithaca dollar](#) is produced by a company called Ithacash, and for the moment is exclusively in digital form. The company founder, Scott Morris, is keen to keep local money within the local community. Local currencies “generate a lot of social and economic wealth,” said Morris to CNY central.

The new currency has a one to one parity with the US dollar, although when an individual buys into the scheme they receive 125 Ithaca dollars for their first \$100 deposit. This equates to i\$100 to spend in the community and i\$25, which they can donate to a cause of their choosing “as a thank you for sacrificing the liquidity that you had with those US dollars,” explains Morris.

Over 100 local businesses have so far signed up to the scheme, with some already accepting payments via text message. Paper bills are also planned, although federal law prohibits the use of coins and denominations of a value less than a dollar.

Local sentiment towards the initiative is positive. Tyler Kenney, a student at Ithaca College, said:

“You have locals who are struggling against larger businesses and now you're willing to help out the little guy, so I think it's great.”

Another local resident Sarah Schmidlin added:

“It's gonna support local businesses as opposed to people taking their money elsewhere.”

Ithaca HOURS

In 1991, another alternative currency called the [Ithaca HOUR](#) was introduced by a local businessman called Paul Glover. An Ithaca HOUR was valued at US\$10 and was recommended as roughly equivalent to payment for one hour's work. As such, they were produced in denominations of [half, quarter and even an eighth](#) of an Ithaca HOUR.

The scheme was a glowing success, with several million dollars worth of HOURS traded between residents and over 500 local businesses in the twenty years following its inception.

However, the shift towards electronic transactions over cash, combined with the founder of (and chief evangelist for) the currency moving out of town, led to a decline in its use. By 2011 few businesses were still accepting HOURS, and those that did [couldn't sustain a healthy flow](#).

The good news is that residents still holding Ithaca HOURS are being invited by Ithacash to [convert them into Ithaca Dollars](#) at a rate of i\$17.50 for 1 HOUR (the equivalent of US\$10 in 1991) “as a way of honoring that original commitment and to thank those still holding Ithaca HOURS for their continued loyalty to Ithaca's economic well-being.”



- Ithaca Hours