

Article from the Future: LETS

As he swipes his LETS card at the candy store English visitor John Oxley finds it hard to imagine his last visit to New York. Way back in 2007 the dollar was the only currency available. "People were spending most of their waking hours scrambling frantically for the Legal Tender." He remembers. "It's not the LETS introduction in itself, LETS is just a system" he says: "it's the change in attitude – the way people look out for each other." John is enthralled by the way LETS has spread. "Hey, I arrived here, got a LETS Card, a mobile terminal, entered my skills and terms, and within minutes I was getting offers to come and help out. I had fun washing up at the fast food counter one morning and then went and acted as adviser to a collaboration project the next day. I am practically one of you!"

For New Yorkers the change began earlier than 2007, in the aftermath of the 9/11 attack. Says hot dog vendor Clark Smith ;"The way we stuck together, supported each other and pitched in made us realize that we had something special worth taking care of – a sense of belonging, and a sense of energy."

As the first signs of what analysts started to call "Peak oil" appeared – rising gas prices, rising unemployment – drops in consumer confidence and spending - a group of five visionaries started working on the LETS scheme and software. Says founder Kelly French, "We just wanted to increase the amount of good in the world and realized that Peak Oil was actually one of the greatest opportunities ever offered to Man – to, within the given timeframe of cheap oil running out, focus on what was important, and create the good life – not out of consuming but out of how we treat each other."

The first application was extremely simple: LETS clearing. Enter a debit for yourself as taker and credit the giver. The debiting system needed access to a computer, or

you could do it on paper and get someone to enter it for you.

However, it was not the system itself that spurred growth. Kelly credits the "one on one" marketing approach as the key. "It would work like this: I went to people I know and told them I wanted to spread good in New York. Wholesome food started to be in short supply, I would grow vegetables on the balcony and bring them to my friends. I would explain what I was trying to do and get them to register in LETS and credit me for the vegetables."

The important thing was not that it was LETS but it was Pay it Forward. The vegetables had not cost Kelly's friend anything, and Kelly asked him to Pay it Forward by doing something similar for someone else. To finance the LETS system (and be able to credit LETS to someone else) the friend was required to pay a small monthly subscription.

The LETS exchange quickly followed, where you could advertise whatever it was you were offering or needed. This helped up the development of a more local economy. Transportation costs were rising, sending the cost of practically everything through the roof. All kinds of Local Sufficiency initiatives, including instructions and plans on the WIKI web site, and training courses at AFTER CARBON outpost centers, started using LETS partially to support their efforts.

LETS' Marketing Manager and co-fonder Steven Tailor emphasizes that the LETS story is the story of the Play it Forward economy. "We simply told stories about Play it Forward, and LETS started to grow of itself." The well known slogan DO GOOD BE GOOD FEEL GOOD appeared at that time. A lot of people wanted to "tell the story" so we arranged training in Pay it Forward and introduced the agent system. Agents went out helping people into the system and were rewarded with LETS.

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Of course, you can always give someone something without involving the LETS system. But when you start on the LETS route you instantly get rewarded by seeing your LETS points rise. So the system contains a reinforcement for doing good. And that is exactly what we wanted to promote.

Says IT manager Kent Kerny: “The next stage in our IT development was to include the Agent bonus system. The more people you signed up and looked after, the more you got bonus on their transactions. These agents were key to the rapid spread of the system. Compensated in LETS bonus, they tirelessly went out spreading the message and getting people into the system.”

Kelly intervenes: “We concentrated on talking about FCASSH Food, Clothing, Accommodation, Security and Social belonging and Health. The ideas are as old as the hills – you can probably find them in Feng Shui, Malow’s hierarchy, religions even scouting handbooks etc but they had been suppressed during the Industrial Age’s “live for kicks” era. Quite simply, people want to feel secure - and as long as they feel they can get food, water, clothing, accommodation, health care and be part of society they can get on with the most important thing – enjoying being alive.

LETS transactions started to grow. People who were out of work started to see that as long as they kept participating in the system food, clothing housing etc could be solved for them. Now, you can only eat one meal at a time and wear one set of clothes. So people started using surplus LETS to support charities, and Charity Coordinators started to help these organizations use LETS with their charity takers. The voucher system appeared: print out a voucher with a unique number, give it to a needy charity taker. Charity takers took the voucher to their provider who processed the transaction.

The next two developments came fast: firstly, incorporating companies into the system. Around this time consumer sales were dropping, causing rising prices – and falling profits - everywhere. Abandoning the profit motive companies saw the opportunity to operate anyway and increase sales to charity takers and LETS users by crediting their suppliers in LETS.

Secondly, AMERICAN LETS introduced the now familiar terminals and created new Corporate Coordinators to help these organizations with their LETS development. Shortly afterwards, the mobile LETS terminal “One swipe and you’re in” card system appeared, the brainchild of Kent Kerny.

Says our English visitor “I always used to see New Yorkers as people with fast mouths and sharp elbows. I still do actually, but underneath it all there shines a heart of gold – or is it LETS?”

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