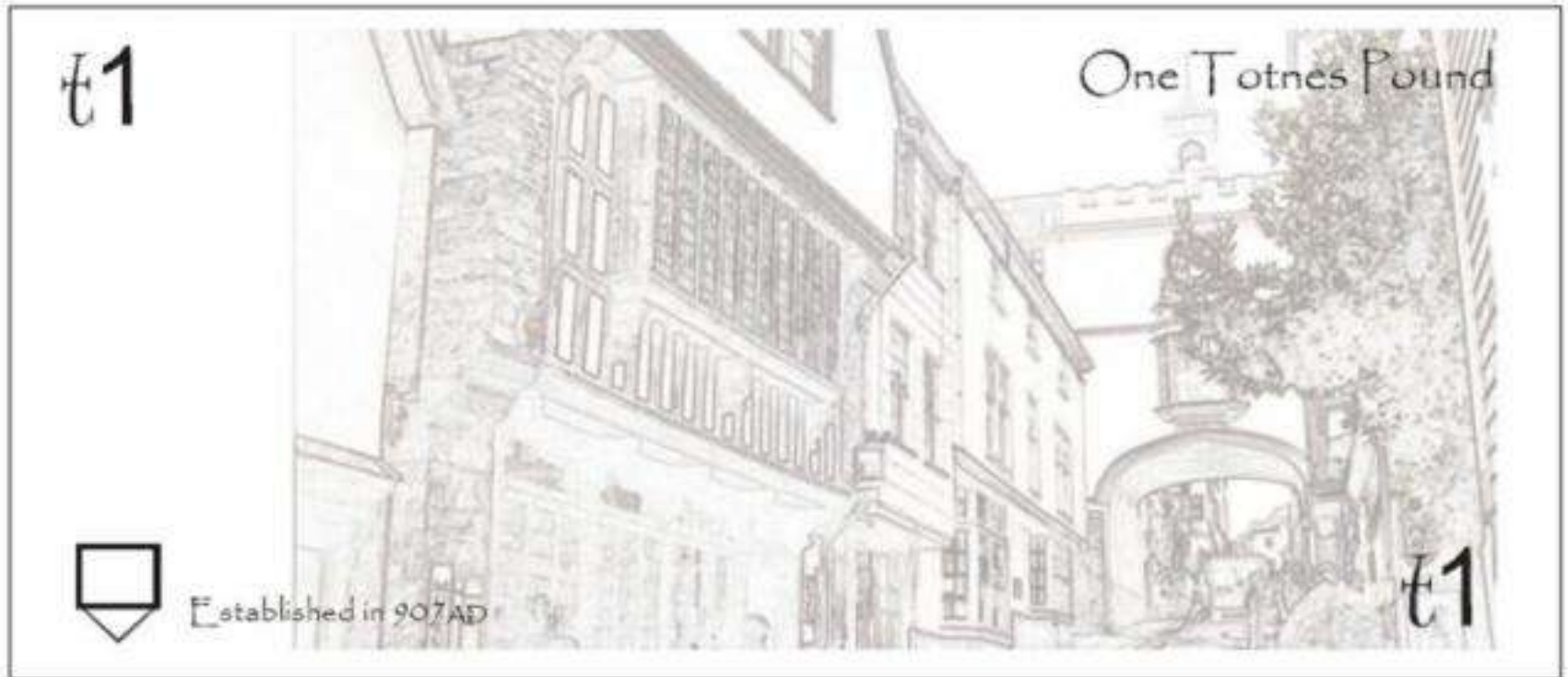


The Totnes Pound

Good for local business



The Totnes Pound

Good for local business



- The primary purpose of the Totnes Pound is to **strengthen the local economy**.
- Because the Totnes pound has to be spent locally it cannot 'leak out' to other places.
- This means the money has to be spent with other local businesses, strengthening what economists call the 'local multiplier'.
- When more money is spent locally it generates more wealth for an area.

The Totnes Pound

Spending locally generates wealth for the area



Consider an economy where only 20% of income is re-spent with other local businesses.

If £100.00 is traded four times it leaches out of the local economy very quickly

Trades	Value of transactions	Leaves the local economy	Stays in the local economy
Trade 1	£100	£80	£20
Trade 2	£20	£16	£4
Trade 3	£4	£3.20	£0.80
Trade 4	£0.80	£0.64	£0.16

Within four trades only 16p left in the local economy.



However, if 80% of the money stays in the local economy it is a different story

Trades	Value of transactions	Leaves the local economy	Stays in the local economy
Trade 1	£100	£20	£80
Trade 2	£80	£16	£64
Trade 3	£64	£12.80	£51.20
Trade 4	£51.20	£10.24	£40.96

This time there is still £40.96 retained within the local economy - 256 times the amount in the first example.

This is why our towns are drained of resources - every time we trade with non-local trading entities, our hard-earned local money leaches out of the region.

Ensuring that money is kept within the locality is a key factor in building local economic prosperity.

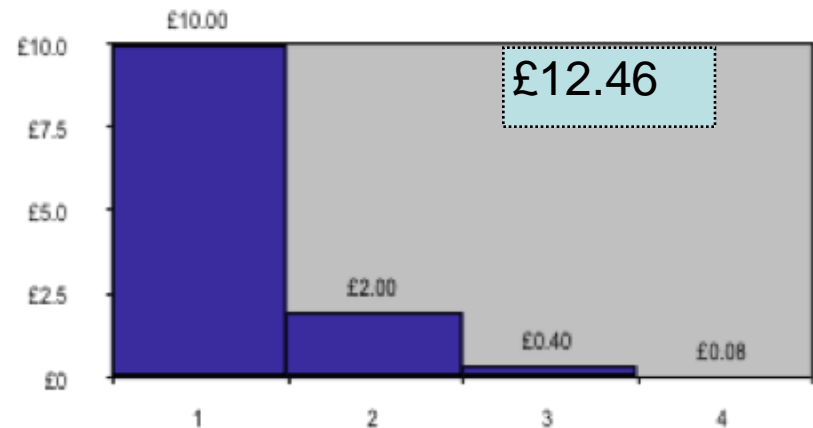
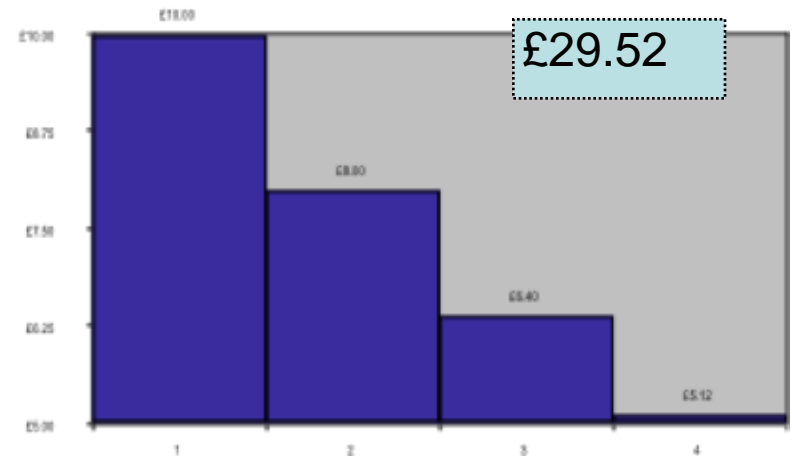
The Totnes Pound

Spending locally generates wealth for the area



The Local Multiplier

- Every time money is re-spent in our local economy, it is like new income for the person who receives it.
- The more money is re-spent, the higher the multiplier effect.
- The areas in blue represent how much money would be generated in our local economy if we spent 80% (top) versus 20% (bottom) locally, over and over.



The Totnes Pound

More than a local loyalty scheme



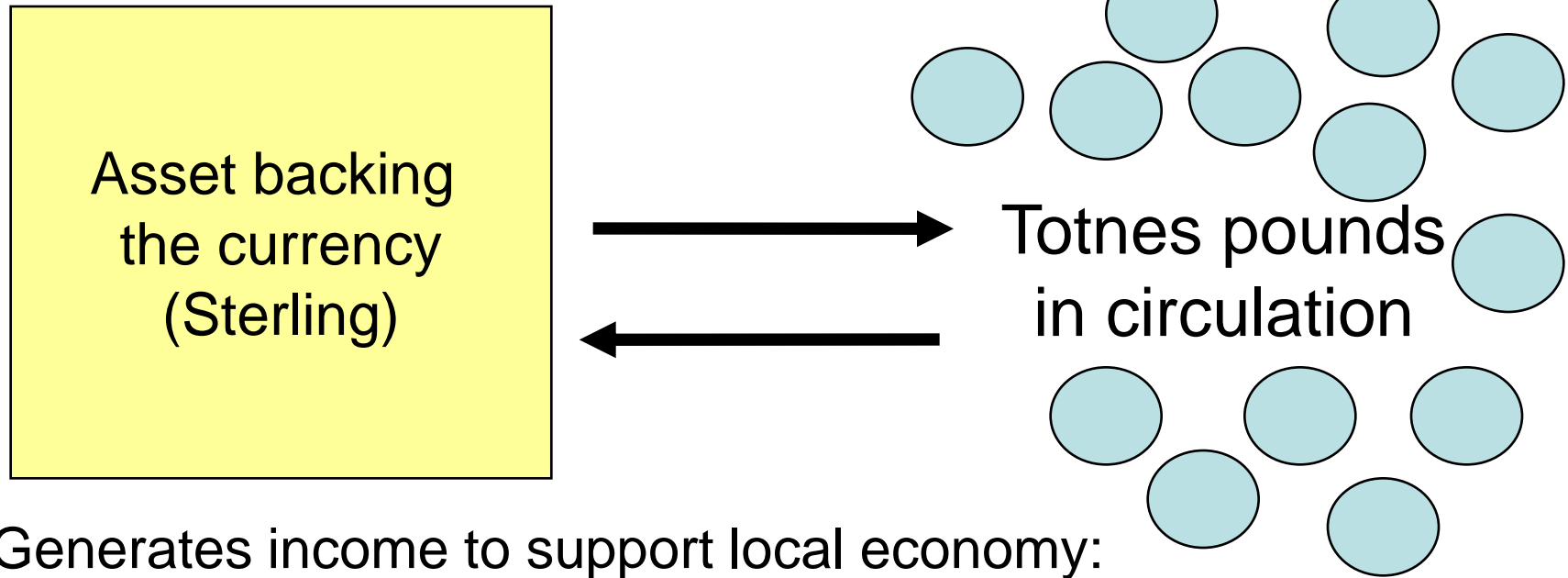
- So the Totnes Pound functions as a kind of local loyalty scheme
- It is a way that we - customers and businesses - can demonstrate that we value our local economy.

But it can do more than just that!

- Each Totnes pound that is in circulation is 'backed' by a Sterling pound that is in the bank.
- 'Safe in the bank' it generates income to support the local currency and local businesses and enterprises embedded the local economy

The Totnes Pound

Security for the community



Generates income to support local economy:

- 1) 'Leakage' between phases
- 2) Earns interest on sterling
- 3) Diversify asset base
(land / premises / carbon / equity)

Reinventing local banking?

The Totnes Pound

Security for the community



- Totnes Currency (the organisation behind the Totnes Pound) intends to invest this money in activities which support local business development.
- This could involve the purchase of land, buildings, or investing in new business development.
- Totnes Currency is being set up as a co-operative which is owned by the local community so it will be up to the members how this money is used.

The Totnes Pound

Funny money?



- The idea of the Totnes Pound may seem a bit strange to many people
- It is important to remember that local currencies have existed throughout history and in many other places today.
- Indeed, one of the closest models to the Totnes Pound is the way in which Jersey and Guernsey issue their own currency.
- In fact, with enough people and businesses on board, the Totnes Pound will be stronger and safer than the UK£.

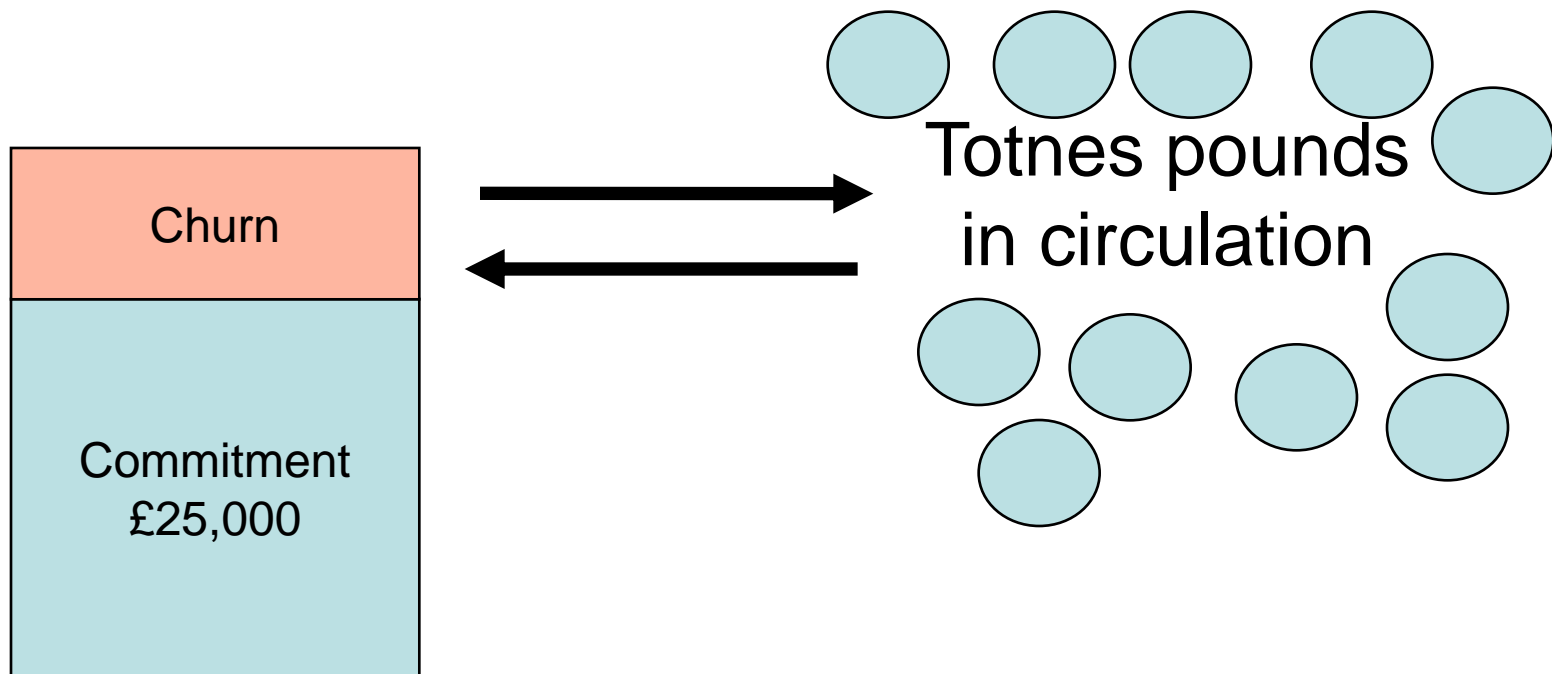
The Totnes Pound

Increasing commitment



To take the Totnes Pound to the next level we need:

- 100 businesses to commit to 50T = £5,000
- 1000 people to commit to 20T = £20,000



The Totnes Pound

Who is on board so far?



	target	reality
businesses (50T)	100	
individuals (20T)	1000	
amount in circulation	£25,000	£4,500-5000

Businesses who have pledged	
Businesses who accept TP	70

The Totnes Pound In Action



Totnes Currency intends to invest this money in activities which support local business development.

An example of how we might trial this as early as possible is by supporting an emerging CSA egg box scheme

- Diversifying the asset – loans working capital? contractual agreement? Shared risk/profit?
- Purchasing shares in the co-op?
- Group purchasing for businesses
- Purchasing land?

The Totnes Pound

other reasons to support it



To build resilience in the local economy by keeping money circulating in the community and building new relationships

To get people thinking and talking about how they spend their money

To encourage more local trade and thus reduce food and trade miles

To encourage tourists to use local businesses

The world is watching us!

This is an experiment that has caught a lot of media attention, national and international.

We have put Totnes on the map and, should we make a success of this, we will be further establishing our town as a very influential place.

The Totnes Pound

Your chance to make difference

