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# LETS Community NEWS © 2007

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## Taranaki

Taranaki LETS held a most enjoyable market at Judy's to celebrate her birthday. Complete with dinner and maybe 2 new members. 17 Feb. will be a combined garage sale at Shirleys. We have been offered a new venue at reasonable prices for our meetings and markets at the Taranaki ART center. We lost our other venues last year.

Our Monday meeting will determine where our markets will be held and going forward with LETS. Hopefully we will gain more new members from being at this new venue.

Go well and trade well with LETS.

*Thanks Anne*

## Wanted: Editor for LETS Community News

Are interested in helping shape the opinions in the LETS Community in New Zealand? Do you have typing skills and feel confident to put the layout of a newsletter together? Can you work for deadlines?

We are looking for a new editor for the LETS Community News. I have been doing this job for one year only, but my family commitments force me to release some of my voluntary jobs. I will be editing this newsletter until the April edition which will appear for the conference, then I'm ready to handover the torch. If you are interested, please contact me on 'cmhensch@gmx.net'. As it is customary, the appointment will be made at the LCNZ AGM on 15 April 2007.

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## SYSTEM HEALTH

We asked Tim Jenkin, the ever-helpful, knowledgeable and tireless CES website creator and administrator, to explain the equations found at the bottom of the "Member Balances" page (found under "This Exchange").

These are the statistics:

- \* Total of positive balances (= total of negative balances)
- \* Green Dollar velocity (total income/total positive balances)
- \* System health [ $1 - (\text{total positive balances} / \text{total income}) * 100$ ]

Here is his reply:

"These are all various ways of telling how your exchange is doing.

**Total of positive balances** tells you how much 'money' is 'out of circulation' at any one time. While a large amount might seem quite impressive, what you actually want is a lot of trading but with this figure as close to zero as possible. The ideal position for all traders is to be as close to zero as possible, even if they are trading a lot. That means they are getting as much out of the system as they are giving to it. If there are many members with large positive balances this could mean that they are saving up

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## LETS Conference Christchurch 2007

13 - 15 April 2007

*for more info see page 2!*

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## H.A.N.D.S. "Heart Art" Market

Our H.A.N.D.S. markets are quarterly, at the solstices and equinoxes, but we often have an extra market in summer. This year, it was held on Waitangi Day on the last day of Golden Bay's first Heart Art Festival, at the Village Green in the centre of Takaka.

It was a warm, calm and sunny day, perfect for stallholders and shoppers, and good use was made of gazebos amongst the 17 stalls. The six "international" food stalls included traditional Mardi Gras fare, French and German baking, Italian cuisine, traditional Kiwi treats, local fruit and value-added products from locally grown produce. The mellow ambience was enhanced by a succession of diverse musicians entertaining throughout, from Country & Western to New Age, didg, and various other duets and groups. Two neck and shoulder massage stalls contributed to the relaxed and social atmosphere.

Combining our market with a community event over the summer holidays really put H.A.N.D.S. "out there."

Committee members spoke with many tourists enquiring how our system works, some exchanged their Kiwi\$ for HANDS exchange vouchers to spend at the market, and many H.A.N.D.S. brochures were taken away.

*Joanna Piekarski*

for some 'big ticket' items or that there is not enough for them to buy. In essence the total of positive balances represents unspent credits that have been accumulated and are not being spent back into the system for those in debit to earn. The total of positive balances always equals the total of negative balances. That is why the balance column adds up to zero.

**Green Dollar velocity** is a ratio derived from dividing the number of Green Dollars 'out of circulation' (the total of positive balances) into the total number of Green Dollars generated by all trading from the start. Velocity is a measure of speed and speed needs to have a time dimension. That does not appear in the equation as the time period is assumed to be from the beginning till now. A ratio 10:1, for example, means that for every 10 Green Dollars generated, 1 is 'out of circulation.' The higher this ratio the better, the lower the worse. The worst possible scenario is 1:1. This would mean that only one member has sold and not spent anything back into the system: the total amount generated would equal the amount 'out of circulation'. If there had been a lot trading and everyone's account stood at zero, the ratio would be infinity:1. This is the best possible scenario. If an exchange expands its trading activity but keeps the amount 'out of circulation' as low as possible, this ratio will increase.

**System health** is another way of expressing the above. It is derived in the same way as velocity but is expressed as a percentage of one or of the whole. The ideal situation would be 100% where everyone's balances are zero but there has been a lot of trading. The worst situation would be 0% where only one person had sold but not spent anything [ $(1-(1/1) * 100) = 0\%$ ]. Where there is a lot of selling but the sellers are not spending their Green Dollars, the system health will be poor (the percentage will be low); where there is a lot of selling and the sellers are doing a lot of buying the system health will be good (the percentage will be high)."

Tim added: "If you can think of any other ways of expressing trading activity mathematically let me know, and we will add it in."

Perhaps other exchanges would like to examine their own "system health" using Tim's formulae. A future LETS News article could include the data for each exchange (although for H.A.N.D.S., the use of Exchange Vouchers for some trades skews our data somewhat), to provide a general idea of how we're all doing, as well as ideas for encouraging our members to have the goal of "going through zero," since that's what keeps our systems strong.

*Joanna Piekarski, H.A.N.D.S.*



## LETS Conference Christchurch 2007

The time for the next conference approaches again very quickly. You might not have heard much news on the event, but behind the scenes we are busily preparing.

Attached to this newsletter is a registration form, and we ask you to return it as quickly as possible. To encourage you to be quick, we've introduced an 'early bird' rate for people who register and pay before 15 March.

The format of the conference will follow very much the traditional pattern:

- Friday 13 April: Welcome, Dinner and Systems Reports, starting from around 4 pm.
- Saturday 14 April: Most of the morning will be taken up by a market and during the afternoon we will have presentations and workshops. The Saturday daytime program will be open to the public.
- Sunday 15 April: We will hold a morning session which will include the LCNZ AGM. The conference is due to close after lunch, to enable visitors from afar to return home at the same day.

The events will be held at the St. Matthews Anglican Church at 145 Cranford St, Christchurch on Friday and Saturday, and the Sunday meeting will be at the St Albans Community Resource Centre, which also hosts CCD Christchurch's office.

The conference program is still being put together. If the LETS Connect committee is successful fundraising for travel costs, we intend to invite Tim Jenkin from South Africa as a special guest.

Now, please be quick to register and take advantage of the 'Early Bird' rates!

*Christoph Hensch*

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## Upcoming Events

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14 Mar: CCD Waltham Christchurch market  
13-15 Apr: 2007 National LETS Conference

*(If you like to have your events listed, please inform the editor of the NEWS.)*