



# Time & Money

A NEWSLETTER FOR THE CLIENTS OF JOHNSON BIXBY & ASSOCIATES, LLC

## Time to Talk

**Out To School:** The entire JBA operations crew (Karen, Vicki, Annette & Carren) went to Seattle to attend a day-long seminar in July. This meeting was hosted by one of the investment firms we work with and gave them the opportunity to listen to presentations regarding new procedures and technologies, ask questions, and give input about ways to improve client servicing.

**And...She's Off!** Debbie is away on another 6-week sabbatical with plans to visit China (including a week in Tibet at 12,000 feet) during this trek. Until her return on October 15th, the rest of the JBA team is available to help, so feel free to call if you have servicing questions or need financial planning advice during her absence.



Megan Woodard, Kim Baker,  
Deborah Johnson, & Heidi Bixby

## What's a Complementary Currency?

Have you ever heard of the concept of "complementary currencies"? It is a pretty exciting concept starting to take off in various parts of the world and we thought you'd enjoy hearing about it. It came again to our attention when Debbie and Megan attended a symposium presented by Bernard Lietaer, an economist and writer who has been involved in international monetary systems for over 30 years. One notable contribution of Mr. Lietaer's is that he was one of the designers of the Euro dollar.

A complementary currency matches unmet needs with unused resources. It is not a replacement of a country's traditional national currency, but rather an exchange system that works in tandem with the conventional legal tender (money).

An example of a complementary currency would be airline frequent flier miles. A customer can use accumulated miles to purchase airline tickets, hotel rooms, etc. without using dollars. It originally was designed to utilize empty airline seats (an unused resource) for customer loyalty. It has obviously been successful and grown over the years!

Another fascinating example is found in Curitiba, Brazil. As shantytowns grew in this city, garbage piled up to enormous levels because the garbage trucks were not able to get through the narrow spaces between the favelas (shacks). The methods of dealing with such a situation with traditional money (taxes, city funding, etc.) were not an option in 1971 when Jaime Lerner became mayor. By thinking outside of the box, however, a new system was developed in which large metal bins were placed on the streets at the edge of the favelas. Depending upon the type of garbage a person carried out to the bin, he would be given either a bus token, a plastic chit exchangeable for food, or notebooks for school children. The results have been astounding:

"Tens of thousands of children soon picked the neighborhoods clean. Parents made use of the tokens to take the bus downtown, oftentimes to find and report to work. The bus tokens were soon accepted at local markets and exchanged for food. In one 3-year period, more than 100 schools traded 200 tons of garbage for 1.9 million notebooks.

These improvements were accomplished without needing to redistribute wealth, without having to raise taxes or issue bonds,

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## Complementary Currency, cont'd.

without the need for charity or loans, and without having to depend on the federal government or international organizations such as the World Bank or the International Monetary Fund. No one was burdened to create the improvement.”<sup>1</sup>

*The economic environment, health, education, sense of community – all measurably improved through the use of a dual currency system.*

*“In 1984, less than a handful of complementary currency systems existed. By 1990, the numbers began to grow, but there were still fewer than 200 systems operating in the world. Today there are approximately 5,000 complementary currencies worldwide.”<sup>2</sup> Many focus on environmental issues and elderly care.*

*Although to date, complementary currencies are found to be effective on a small scale and need further development to be successful on a larger or global scale, they are evidence of what is possible when we put our minds to considering new options and ways of looking at our world.*

1 Bernard A. Lietaer and Stephen M. Belgin. *Of Human Wealth: New Money for a New World*. Pre-publication Edition Version 4.1, 2004 & 2006, pages 19-20.

2 Ibid, pages 99-100.

## The Market is Down – Shouldn't I Worry?

*With all of the turbulence we've experienced over the past few months, it's understandable that clients are asking this question. Even though we expect this kind of fluctuation from time to time, and design portfolios accordingly, it can be tough to weather these periodic stormy times.*

*One of the things we go over during annual reviews is investment performance. Many clients have been surprised to learn that their accounts are holding up much better than they'd expected. How can this be when the nightly news shows performance of the market and it hasn't been positive?*

*The Dow Jones Industrial Average is the number that is usually referred to in the news. If you keep in mind that the Dow is comprised of just 30 stocks, the largest & most widely held US companies, you'll realize that this is just a piece of the total picture. The fluctuation of the 30 largest US companies does not necessarily influence what happens in other investment categories. Your portfolio may contain foreign holdings, bonds, cash, small companies, and real estate, none of which are reflected in the Dow's daily changes.*

*The portfolios we construct are much more diversified than any single performance indicator that is quoted as a sign of the stock market's health. When you hear that the market is down (or up!), don't assume the same holds true for your own investments. The "market" is not the same as your fully diversified portfolio!*

## Signature Guarantee or Notary – aren't they the same thing?

*No – and, they aren't interchangeable. Signature guarantees are typically required for situations involving securities and are used to secure accounts against unauthorized transfers, transactions, or other forms of fraud. A notary, on the other hand, confirms that the signer's identity has been verified and is used much more broadly. Signature guarantees can be obtained from broker-dealers, members of a national securities exchange, banks, credit unions or trust companies.*

### **Longview Dates** – please remember we've relocated to:

(1128 Broadway — corner of 12th & Broadway)

#### **Every Wednesday - Kim**

September 19 – Heidi      October 26 – Heidi      December 7 – Heidi  
October 17 – Debbie      November 21 – Heidi      December 12 – Heidi

*Please note – although Kim is typically in Longview every Wednesday, on days when no appointments scheduled, the office will be closed.*

## Welcome...

*...to our newest member to the JBA team – Vicki Pelich! Vicki joins us with six years of experience working at Charles Schwab where she focused on investment research for high net worth clients. In addition, she also was involved with servicing accounts for professional athletes. She holds two bachelors degrees – in Economics and Sports Information – and recently move to Vancouver from Eugene. Some of Vicki's hobbies include snow and water sports, golf, traveling and reading. Please take the opportunity to say hello to Vicki next time you are in the office or on the phone with her.*