

[< Back](#) | [Home](#)

# Shop Locally, Keep the Change

## New card puts money into the community and consumers' pockets

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It's usually easy to tell who are Boston-area students by looking at their keychains - alongside the clinking keys and bottle openers jingle small, colorful Shaw's and CVS discount cards.

Though most who keep with them a discount card for groceries and toiletries shop at chain stores because they can find there the cheapest cereal, produce and Solo cups, a new initiative is hoping a similar card concept will help Bostonians easily give back to the community.

"There's a natural tendency to do what's easy. But what's easy is usually not what's best for you or the community in the long term," said Brian Goodman, manager of the Boston Community Change Card program.

### HOW IT WORKS

Boston Main Streets - a city organization working to revitalize Boston's commercial districts - partnered with Interra, a group in Seattle that works to promote shopping at locally owned businesses in cities throughout the country, to launch the program.

The card launched in January 2007 after two years of developmental meetings with residents and merchants.

Each time users show their cards at participating local businesses, a percentage of each purchase goes directly back to the shopper as a cash rebate, while another chunk of change goes to a nonprofit or school in the neighborhood of the cardholder's choosing. The card is free. Consumers and businesses can enroll online at [bostoncommunitychange.org](http://bostoncommunitychange.org).

"The really original thing is that it is a distinctly innovative approach to how a community can provide self-support at the community level," said Goodman. "You're using commerce to keep money in the community."

Goodman said the card allows for more widespread use than store specific cards without entangling consumers in the credit card industry as rewards credit cards do. One card works at the counter of participants.

## BUILDING UP LOCAL BUSINESS

"There is a real need, I think, for us to raise awareness for people to support local business," Goodman said. "This gives residents a way to do that that is consistent with their everyday life."

In surveying cardholders, program directors found the card gave people an effective way to answer that call.

"We're finding the majority of the reason people sign up is to support local businesses," said Interra Communications Manager Brittany Jacobs, noting 80 percent of cardholders surveyed cited that reason.

There are about 3500 cardholders, said program business manager Steven Rumpler. About 150 businesses accept the card; the program is hoping for 500 by December. Pet Cabaret, a locally owned pet shop in Roslindale has been a program participant since the card's inception.

The store advertises their rebate, two dollars off purchases over \$20, right next to the register, which encourages more people to sign up for the card, said co-owner Lisa Schlossberg.

"Roslindale is such a community-driven community that people like the idea," Schlossberg said.

The store has not calculated whether or not its business has increased since it began participating, but Schlossberg noted more and more swipes each month.

Program officials plan to conduct a study of profit increases for businesses after the card has had at least a year to settle, said Goodman.

He did note businesses who signed up early on in the card's existence are seeing increases in business.

LAB Boston, a store selling urban street wear, music and art, signed up for the card once it hit Allston in late spring or early summer, said co-owner Kim Harris.

"We haven't had too many people use [the card]," she said. "But we've had a lot of people sign up. Hopefully [card usage] will increase as it gets more popular."

Kate Bancroft joined the program as she opened her first business, Ula Café, a breakfast and lunch place in Jamaica Plain.

"It's such a win-win situation for everybody, it didn't take much convincing," she said.

The card allows business owners to monitor the zip codes of customers using the card at their businesses, a feature Bancroft said provides insight of her customer base.

"It's really good to know our customers," she said. "A lot of our customers are from Jamaica Plain, which is what we want."

She said the cafe, which opened June 11 2007, is too new to tell if the Boston Community Change Card is driving up sales or if her café is encouraging more people to sign up for the card. The percentage of cardholders is still relatively small, but she did note her supply of pamphlets on the card decreasing.

## CASH FOR THE COMMUNITY

In addition to marketing smaller, harder-to-notice businesses, the card takes on a new dimension by aiding local non-profits and schools, who normally have difficulty raising money, Goodman said

"It creates opportunities for smaller institutions to receive some support for the work they do to make communities vibrant and strong," Goodman said.

Nonprofit beneficiaries also have the ability to monitor their account activity via the website.

Card holders have the option of giving to the Home for Little Wanderers, the state's largest child welfare agency.

"It gives our donors another way to help make donations to us while getting them involved in the local community," said corporate relations manager Scott Inman.

The Home also runs a thrift shop in Roslindale, 100 percent of whose proceeds go to the Home. The Thriftshop now accepts the card, giving supporters yet another way to donate their money.

The Home only recently started publishing news of its involvement in the BCCC program, so they have not yet calculated the money they've received through it, Inman said.

"We know that the concept is so good, we're going to see results," Inman said. "It's a unique program. It takes advantage of the synergy between donors, the community and nonprofits."

## ALWAYS INNOVATIVE

While Interra plans to launch similar programs in Cleveland, Ohio this fall, and eventually in Portland, Ore., Pudget Sound, Was., and California's Bay Area, Boston is the first stop.

"We are the pilot city for this program," Goodman said. "I think it indicates Boston is a very innovative city that's looking for creative ways to address the needs and issues within its neighborhoods."

The Boston Community Change Card will work in any future participating cities.

Brittany Jacobs of Interra said she believes the West Coast will prove a good market for the program

"People [in the West Coast] are really tuned into sustainability-minded initiatives," she said.

But the Midwest, where she is from, is just as needy for the program, Jacobs said, noting mega-stores like WalMart devastate local business

## SWIPE CARD AGAIN, PLEASE

Boston Main Streets had previously attempted programs that rewarded shoppers for sticking by local

businesses, but faced some technical hindrances. Shopping on Main Streets, the initial program, involved a card that shoppers showed at the register to get a discount. Many employees didn't know how to give the discount, because the card didn't swipe, according to Goodman.

"It didn't actually work," he said.

Executives in Main Streets explored the Interra model for rewards programs, which featured a card that swiped, automatically matching each store's individual rebate offers.

"Interra's model had a much stronger technical component," Goodman said. "[Interra] was a very good match with the efforts Main Streets was pursuing in its local neighborhoods. We were already looking for smarter ways to have programs with local businesses."

Cardholders can log online to view detailed summaries of their accounts. They can choose to cash in their rebates at any time and choose exactly which local nonprofit organizations or schools benefit from their purchases.

To prevent merchants from being discouraged by profit loss from customer rebates, Interra's website offers formulas for merchants to calculate the optimal discount percentage to drive business without noticeably losing profit, Jacobs said. Merchants can change that percentage at any time.

"We've pushed the program control to each individual business," Goodman said. "It's dynamic."

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