

## **Livelihood/Commerce Work Group Core**

Meeting Notes of March 28, 2007, 3:30 pm, MVC Office

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### Present

Members of the Core: John Abrams (Chair), Steve Bernier, Sherm Goldstein, Caroline Fenske, Linda Sibley

MVC Staff: Mark London, Christine Flynn

Others: Richard Leonard (Martha's Vineyard Co-operative Bank)

### **1. Island Credit Card**

- The idea has come up of creating a Vineyard credit card that could benefit the Island economy. Now, the processing fee (2-3% of expenditures) is going off-Island. Is it possible to keep some of this on-Island? Could a Vineyard credit card also be part of the Island Card effort to provide lower prices to year-round Islanders and/or be associated with other promotions?
- Richard Leonard of the Martha's Vineyard Co-operative Bank explained how this might work for the Vineyard.
- There would appear to be two options:
  1. Create an affinity card with a major "switch" company such as MasterCard or Visa. In this case, as small percentage goes to the sponsor of the card. For example, L.L.Bean is an affinity MBNA card, so a small percentage of all purchases on this card goes to L.L.Bean. The advantage is that the percentage returned would apply to all purchases by cardholders. If seasonal residents got Vineyard cards, this could result in considerable spending on the card.
  2. Create an affinity card with an organization such as Interra. This could only be used for participating merchants on the Island, and for other socially responsible national products in a directory. It presumably would return a larger percentage to a charity of choice. Interra is a new system set up by one of the founders of Visa, for this kind of community effort. Boston Community Change is using it. The card can be used for debit, credit, or cash.
- A debit or credit card has essentially the same functionality, only difference is whether the money is already there, or is being borrowed. A debit card can generate more income for the bank.
- Having a Vineyard credit card limited to Vineyard purchases would be more cumbersome. It could encourage people to spend money locally if they knew the profits would go to a local cause.
- It may or may not be a beneficial to combine the residents' discount card (Island Card) into the credit card. If combined, there could be two types of cards to differentiate year-round residents from others, or this might be able to be incorporated into the coding of the card.

- It would be up to individual merchants whether they wanted to offer discounts or other promotions to Vineyard cardholders. Merchants could offer some perks to all people using the Vineyard credit card, not a substantial discount but something that encourages people to use it.
- There is a possibility that elements in the relationship between the bank and the merchants could reinforce the benefits of using the card. From a bank's point of view, the benefit is not just on the transactions, but on building relationships with the potential customers and merchants.
- A Vineyard credit card would be little used by short-term visitors in hotels or restaurants.
- Rich and John will look into getting more information about the topic.
  - What would the fees and interest rates be with the different options?
  - Would people have to sacrifice their Skymiles to get this type of card?
  - What is the possible relation between a credit card and local currencies? We will discuss this when Susan Witt comes.

## **2. Local Economy Checklist**

- John Abrams distributed a draft version of the "Local Economy Checklist" for possible distribution at Living Local Day.

## **3. Ready-To-Implement / Long-Term Initiatives**

- John distributed revised summaries of the four short/long term actions, discussed last time. He also kept the other two, reworking them in light of the last discussion.
- Sherm met with several people about who could take on the Eco-Cultural Tourism initiative. Mass Development gives seed grants and loans of up to \$25,000, to be paid back interest free after five years if the company is still in business. It also opens up the possibility of additional fundraising of larger sums.
- As ideas emerge, we should diffuse them as soon as possible so everyone has a chance to pick them up and act on them. We should explore in the community how they could be implemented. If individuals, companies, or organizations pick up these ideas, we could support the idea but do not have the authority to endorse any specific efforts.

## **3. Upcoming Meetings**

- Wednesday, April 4 at 3:30pm at the MVC – Eco-Cultural Tourism and Art Flathers,
- Wednesday, April 11 at 3:30pm at the MVC – Livelihood,
- Wednesday, April 18 at 3:30pm at the MVC - Local Currency with Susan Witt,

*Notes prepared by Mark London*