

RESISTING THE RECESSION

Local bartering club guides businesses through tough economy

By Christy Smith
Staff Correspondent

DACULA – Napier Christie, owner of Dávinci Home Improvement, wondered if his livelihood would survive a move from New York to Winder three years ago. With a lack of southern references, the skilled remodeler and his family depended on his wife's job to meet expenses.

"Imagine sitting at home and can't work," Christie said. "And I like to work. I met a brick wall because I had no references. I was in a slump for awhile."

Now, Christie is looking at hiring workers to help him with the overabundance of jobs coming his way.

Josie Nelson, owner of Karisma Designs in Braselton, just saved roughly \$6,000 on granite and travertine upgrades to her bathroom at a time when cash-conscious homeowners make only the most needed repairs.

While many people have eliminated luxuries from their lifestyles, Chris and Jennifer Reuter, owners of Dacula's Wee Monsters Play Systems, enjoys the help of a housekeeper and a lawn man. And, thanks to bartering, she doesn't pay cash for them.

The Reuter's business was previously located in the Dacula Kids Village shopping center. They are now focused on building an online business – atlantaswingsets.com.

"I left the Kids Village to try and find a more cost effect way to market our playground equipment," she said. "Bartering became part of that. It allowed me the freedom to live and to have a lifestyle."

In today's economy in which money doesn't flow freely, Nelson, Christie and Reuter turned to bartering, the oldest manner of securing goods and services.

All three are members of the Southern Barter Club that opened in Dacula last spring. SBC is a membership-based trading network and market place that operates on a system of barter dollars. For example, when a member wants a playground system, that member is matched up with Reuter. Her company supplies the equipment and the amount that would have been paid for it goes into Reuter's SBC account. She is free to spend the virtual dollars with any member business she chooses – it doesn't have to be the one to which she supplied the playground system.

"I need new glasses and tomorrow I'm going to find a member to fill my



Photos by Glenn Matlock

In common area of the Apalachee Heritage subdivision in Dacula, Jennifer Reuter, owner of Wee Monsters Play Systems, is pictured above with a play set built and installed by her husband Chris. Bartering has helped them maintain during tough times.

prescription," said Nelson, a jewelry designer who stated that she saved \$12,000 this year by bartering both her bathroom remodel and extensive cosmetic dental work.

Each transaction is charged a 6 percent fee and members are required to barter at least \$15 per month.

SBC is part of a network that encompasses almost 1,400 Georgia trading partners and more than 50,000 worldwide through the International Barter Alliance, according to Lori Sossa, SBC's owner. Those bartering contacts gave Christie the base he needed to grow a cash business.

"They built up a lot of resources for me," he said. "I got my Website (through bartering), my business cards, they gave me a clientele list. When you do one

good work, it turns out to be two and two becomes four. You can do 50 percent

barter, 100 percent barter, 30 percent. Use your imagination. Now I am getting cash jobs through barter referrals. In this economic crisis I can't believe I was so fortunate."

Sossa sends both of her children to a private Montessori school on trade.

"They use the points for maintenance or whatever they want,"

she said. "It literally becomes a business expense account. You learn to live your life on trade."

Although bartering is nearly a cash-free transaction, those barter dollars are subject to taxation. According to Todd Amerman of Advantage Tax Service in Buford, income from bartering is taxable the same year it is performed.

"You may be subject to liabilities for income tax, self-employment tax, employment tax, or excise tax," Amerman said. "Your barter activities may result in ordinary business income, capital gains or capital losses, or you may have a nondeductible personal loss. Barter dollars or trade dollars are identical to real dollars for tax reporting. If you conduct any direct barter - barter for another's products or services - you will have to report the fair market value of the products or services you received on your tax return."

Bartering companies generally issue its members and the IRS a 1099 form, according to SBC's website.

Sossa and business partner Elizabeth Kirk opened SBC after working as a sales team for another area bartering company.

"We wanted to own our company and this area needed one locally," she said. "We don't even have a sales team, that's how popular barter is. We had a graphic artist, balloon company, cleaning company and a home improvement come in just this week alone. We have 110 members in this area. It's very rewarding, especially to help new businesses acquire their start-up needs through bartering. They often have little cash for expenses. Some established businesses cannot offer health benefits, but they can use barter to offer chiropractic or dentist visits. It gives the market new business."

Although 99 percent of SBC's membership is made up of business owners, Kathy Moret, who does not own a business, is bartering her individual time and labor.

"I do office work, virtual assistant, deliveries, make business phone calls, unpack boxes, work shows for Southern Barter," she said. "Every time I've called and asked, they've found me something good to do. I use my barter dollars to buy meat, get a massage. Now I'm getting ready to get the house painted."

Bartering is limited only by the number and diversity of businesses in the network. After a rough start in Dixie, Christie is planning his family's first vacation in years.

"Now I am able to take vacation through barter," he said. "We haven't had vacation time since we've been here."

For more information on bartering, call 1-877-779-8803 or on the Web: www.southernbarterclub.net

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Jennifer Reuter