

# Common Good Bank

## *A Society to Benefit Everyone*

by William Spademan

### The Accidental Banker

*As Gregor awoke one morning from uneasy dreams, he found himself transformed into a gigantic cockroach.*

—Franz Kafka

I never wanted to be a banker. I have always found the financial world boring and distasteful. “Oh my God,” says my activist wife, “Never in my wildest dreams did I think I would be married to a banker.” However, there is nothing intrinsically wrong with banks. As financial intermediaries, they serve a useful purpose in society. Moreover, as I discovered to my surprised relief, starting a bank can be fun.

The bank we are starting is called Common Good Bank. It will be in Shelburne Falls, Massachusetts. On the face of it, it will be just like any other community bank: offering home mortgages, small business loans, car loans, savings and checking accounts, CDs, merchant accounts, credit cards, ATM cards, and investment opportunities.

But Common Good Bank is no ordinary bank. Its mission is to advance the common good of its member depositors, the wider community and the planet. By “Common Good,” we mean peace and justice; a healthy, sustainable planet; and the well-being of each and every individual person, beginning with those most in need. Unlike conventional banks, the bulk of the bank’s profits will go to the com-



munity. Member depositors will guide the bank’s lending priorities and contributions to the community using an innovative combination of democratic systems.

How did I get into this? Twenty-five years ago I grew weary of ineffectual political campaigns and lackluster leaders. It struck me that our government is so persistently bad, we might have to simply start an alternative government dedicated to the common good, and start ruling. “Hey, kids, let’s start our own country!” It was a daydream, a whim, a passing fancy. The idea slept soundly for the next 20 years.

Meanwhile, I could never forget that 15,000 children die every day of hunger. Quite a few grown-ups, too. I fast one day a month, so I won’t forget. This magnitude of misery is not acceptable. Hunger is only the tip of the iceberg, but it gives me a visceral sense of how enormous and systemic are the problems we face. The world is in an awful mess. Now, more than ever, I feel responsible for working to set it right.

### Inspiration

*Whatever you can do or dream you can, begin it. Boldness has genius, power, and magic in it.*

—Johann Wolfgang von Goethe

So one day, feeling inspired, I set out to design a cure for all the world’s ills. Not a new government exactly, but a seed for a new society. A seed rooted in and growing within the current society. A stable, fast-growing seed that could have a good chance of leading to the world of our dreams within one generation.

I experienced this as a spiritual calling. I spent some time imagining yet again a world where everyone has plenty of food, clothing, shelter, healthcare, education and fulfilling work. A world where land, air, water, the beauty of nature and the wealth we have created are protected and used carefully for our common good. A world where community and cooperation are at the center of our lives, where we care about and take care of each and every one of us, delighting in our diversity. A world where decisions are made by everyone, for everyone’s benefit. A world at peace.

### Engineering

*There is no way to peace, peace is the way.*

—A.J. Muste

I let my spirit and thoughts dwell in that world for days, trying to discern, looking back from the future, how the world might have come to such a divine condition. Again and again I tried to work it back to the present moment. Then one day, in a discussion about cooperative healthcare, the idea returned that this peaceful world might start with an alternative infrastructure. Not a full-blown government, claiming dominion over all the world, as in my earlier whim, but a

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*William Spademan is a longtime attendee at Mount Toby Meeting in Leverett, Massachusetts. He provides computer support, programming, and low-cost web hosting to individuals and small businesses. He can be reached at (413) 628-3336 or <wspademan@commongoodbank.com>. The project described in this article has been influenced by the Friendly Economics group at Mt. Toby Meeting.*

microcosm of the world of our dreams structured as a nonprofit organization within the current society. An organization offering all the fruits of cooperation, so that people could live in that peaceful world right here, right now, to whatever extent they might choose to participate. This is my favorite social change strategy. Live the dream just a small fraction of the time, but more and more. All we would need was a comprehensive design for that microcosm of an ideal society, and some irresistible incentive for people to participate right away.

It was an impossible task, of course—except in my dreams. Goethe said, begin it. So, what the heck, I gave it a shot. As a software engineer for 30 years, I am used to designing impossibly complex abstract machines for social and economic purposes. I am just smart enough to know, beyond a doubt, that I by myself am too ignorant, too biased, too clumsy, and too dumb to get it right. That's how it nearly always is with engineering. You design something ugly and lifeless, then tinker it up, as a team, until it is beautiful and it works. This design of a seed for an ideal society clearly would need a whole lot of tinkering, so it had to be self-adjusting.

### Alpha Testing

*Build a new society in the shell of the old.*  
—Mahatma Gandhi

As expected, the initial design was very rough, but it was good enough to begin. I sent it out by e-mail and talked it up. Dozens of people read the plan or discussed particular problems and contributed their suggestions, criticisms, and questions. The seed got polished a bit.

In November 2003, we "planted" the seed here in Ashfield as the "Society to Benefit Everyone" (S2BE) and tested it for a year, keeping it small, so as not to alienate too many people with our mistakes. At first we pursued all parts of the design at once: healthcare, car-sharing, tool cooperatives, et cetera. It was way too much. We decided to focus on only the most basic infrastructure: economics, governance, and dedication to the common good. We would trust in the wisdom of the people to invent the rest later.

About 50 individuals, including 30 business owners, signed up to participate.



Everyone made an initial deposit and received a cute S2BE checkbook with checks printed on my laser printer. Checks were accepted only by member merchants. Merchants agreed to contribute a small percentage of each transaction as a rebate, to be split between the customer and the com-

munity. I acted as the bank and wrote software to manage the transactions. It was a formalized local currency, with voluntary taxation. Members decided how the "taxes" were spent, initially to help those in need in our community.

It sort of worked. We had in fact created an alternative economic system and government dedicated to serving the common good. But it was too confusing and too disconnected from the real world, and there was too much paperwork.

### A Real Bank

*When we are dreaming alone it is only a dream. When we are dreaming together it is the beginning of reality.*

—Helder Camara

In January 2005, we decided to reorganize as a Savings Bank (a real one). This would eliminate the problems of our informal system and increase dramatically the immediate benefits to individuals, local businesses, and the community. Once we decided to get real, all sorts of people got excited about the idea.

That's when I started studying microeconomics, risk-management, real-estate investment, automated check-processing technology, and bank management. I did feel a little like a gigantic insect for a few days. But it was fun. Drafting an elegant business plan, with help from experts all over the United States, we prepared to give birth to the Common Good Bank.

### A Bank to Benefit Everyone

As the plan developed, we kept discovering more potential benefits for everyone. Our annual financial benefit to the community is projected to be as much as \$100,000 by the end of the first year. This could provide additional funding for public education, social services, the arts, pub-

lic gardens, emergency services, community development, food pantries, and many other worthwhile purposes.

Benefits to individuals will include better rates on deposits, better rates on loans, lower fees, affordable stock with a planned return limited to prime minus 1.5 percent (currently about 6.25 percent), rebates from local merchants (typically 5 or 10 percent), and a local debit/credit card for purchases and cash withdrawals in every nearby town.

Benefits to local businesses will include a focus on small business lending, incentives to buy local, funding for economic development, negotiable credit lines, 24/7 advertising, and local debit/credit cards with no fees and immediate deposit to the merchant's account, processed by card-swipe or touch-tone phone.

### Timetable

We plan to open the Common Good Bank in October 2007, with 3,300 founding members. Anyone anywhere can join. You can sign up today (or support the project) by visiting <common-goodbank.com>. Or call me.

Common Good Bank will be a new financial system generating funds to benefit the community. Its spending and lending priorities will be decided by direct democracy to serve the common good. Common Good Bank will be, in effect, a seedling for a sensible and compassionate decentralized democratic economy. Whether this seedling will grow to become the world of our dreams within one generation, time will tell.

I hope you will join us.

### Chicken Soup for the Cockroach's Soul

Pursuing this calling has overfilled my cup. At a time when so many people are despairing, I am blessed with an unfailingly hopeful vision of our future and a clear view of one possible path from here to there—seeing it everywhere in everything, like a set of architectural overlays. Spending hours talking to people about the bank. I hold out to them this hope for the future, expecting that each person will have a piece of the Truth—some nugget of insight that will improve our plan, so that it may truly lead to a society to benefit everyone. This feeds my soul. It strengthens my loving bond to all of humanity. It's a wonderful life. □

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