

Barter is alive and kicking at S.A. exchange

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turn stores and restaurants.

It's just a sliver of the U.S. economy. America's 400 retail barter companies completed no more than \$1 billion in trade in 2001, the most recent year for which national figures are available, according to the National Association of Trade Exchanges. By contrast, Wal-Mart alone last year tallied \$271 billion in sales.

With the 1982 Tax Equity and Fiscal Responsibility Act, exchange networks were legally recognized as third-party record-keepers. Dollar value exchanged is taxed just as cash dollars are. Most standard business expenses are deductible; personal ones are not.

Alamo Barter was focused in 2000 when Victor Castaño merged his 20 year old Alamo City Trade & Exchange with Rachel Taylor's local Barter Systems International.

Business is good, as it often is for barter during lean economic times. The firm plans to expand into Austin later this year.

Today Alamo Barter's membership is about 70 percent services and 80 percent goods. Among the most popular are photocopying sign making and advertising. Other member groups are at capacity, including such services as massage therapy and chiropractic work.

Aside from the new business the trade exchange network helps to generate barter allows businesses to get services without cutting into their cash flow.

"We use almost every service that barter offers," said Camille Pety, general manager of Crumpets Restaurant. "It cuts down on us having to shell out cash for everything."

That includes such work as pavement resurfacing and landscaping. But instead of paying the contractors in cash or cranberry scones (although the restaurants fare also is up for grabs to members, up to \$50 per month), the contractor will accrue a credit that can be used at

a dentist's office or at a car rental agency.

These transactions have their fees, however. Signing up at Alamo Barter involves a one-time fee of \$350 and a \$30 monthly fee that's taken half in credits and half in cash. Each transaction also accrues a 6 percent fee.

Located on Interstate 35 near Starlight Terrace, Alamo Barter's office has a retail shop open for members. It allows Taylor and Castaño to generate credits for the eight person firm. And it offers face to face contact.

"It brings people in, gives us

more of a presence with our members," Taylor said.

Five years ago, speculation abounded the Web would revolutionize barter. That's turned out less rosy than anticipated.

"Online has been a major failure," said Tom McDowell, director of the National Association of Trade Exchanges. "The real benefit of barter is to generate new customers. It's localized business you do in your own community."

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