

"OH, I GET IT, YOU ARE THE GOOD GUYS"
A REAL STORY ABOUT SHARE
by Susan Witt

Jim G. and I had not met before that morning at the bank. SHAREcroppers, a group of small farmers and coop food club members, had reviewed his loan collateralization request to SHARE for \$3,000. The loan would be used for materials to build a barn for Jim's two draft horses. SHAREcroppers' inquiries showed a demand in the area for trained draft teams to work crop land and haul lumber from the forests as horses put less stress on the land than heavy tractor equipment. The application review committee of SHARE's board had checked Jim's personal financial references. Discussion about the project at the board meeting had been enthusiastic and I was told to arrange the loan with the Great Barrington Savings Bank.

The Personal Loan Department of the bank was training a new woman to work with the SHARE program, so Jim, the trainee, Ada - a bank regular - and I gathered to sit at the end of a large table in the south conference room. I had brought eight savings account passbooks of SHARE members to place as collateral against the loan which the bank was to make at our recommendation. SHARE members deposit what they can in their SHARE accounts. Sometimes that is only \$100, so it took eight passbooks to make up \$3,000 of collateral. Ada asked me to explain the SHARE program to the new woman.

"SHARE stands for Self-Help Association for a Regional Economy. It is a local non-profit corporation formed to help encourage small businesses that are producing necessary goods and services for the Berkshire area in a way that is socially and ecologically responsible."

"Where did you get all those passbooks?" She was an older woman, obviously liked her job and was genuinely curious.

"From members of SHARE. They open accounts and agree that the accounts can be used as collateral for small loans that meet SHARE's criteria."

"But those accounts only earn 6% interest. The same people could be earning 11% interest."

"Yes, but because SHARE puts up 6% passbooks as collateral, your bank has agreed to make small loans for as little as 10% interest charge to the borrower. SHARE members want to make it possible for small farms and cottage industries to have a start without the burden of high financing charges. Members feel the value lost will all come back to them in the future by ensuring that the goods and services which they use are available in the Berkshires."

"Oh, I get it, you are the good guys. Is SHARE a special club or something like that?"

"No, anyone can just walk off the street and become a member of SHARE by opening a SHARE savings account at your service desk over there."

"You mean I could be a member of SHARE?"

"Sure."

"But," and though her voice dropped to a whisper and she was addressing the question to me, still Jim heard every word, "how do you know *he* will repay the loan?"

"Members of SHARE board of trustees and agricultural association have checked Jim's references. He is trusted by his neighbors and the people he works with to work hard and conscientiously. He feels a responsibility to his community and has helped out in town projects. It's a good loan and it will mean the Jim can provide a service much needed by landowners in the area. Just because someone is young and doesn't have assets or a lot of credit references doesn't mean he won't make a dependable borrower. SHARE has a lot of confidence in Jim."

Though I was explaining the program for the benefit of the new loan officer, I began to realize that it was also an explanation for Jim. Though people may read the SHARE brochures before joining, they do not always fully realize that they are part of a program that puts the individual and the interests of the community back into banking and lending. Old habits of thinking about money persist when entering that bank door. When Jim first sat down at the table in the conference room, he grouped the two women of the loan department and me together. We somehow had money or access to money and Jim did not. He bent over the loan documents he was to sign, carefully reading every word to see if there was some trick in this 10% loan. But as the overheard explanation progressed, Jim sat taller and taller in his seat. He came to realize that his new business was not just another case of Jim trying to make it against the odds of a hard world. There was a group of people that wanted his draft horse business to succeed and were giving him a helping hand. He could see it concretely in those eight passbooks.

By that time the bank personnel had caught the spirit of the venture. Usually a demand note loan is paid in one lump sum with regular interest payments on the full principal. Jim wanted to make installment payments on the principal so reducing the total interest charged. But an installment loan with monthly notices would cost more to service. The loan officer trainee found an old blank record book and set it up so that Jim could keep track of his own payments while still keeping the 10% loan. When Jim left the bank he was soaring. He had his loan, but he knew also that he had a lot of people on his side. The meeting had renewed his energy and good spirit to take on the significant work ahead of him.

Two weeks later I had a call from Jim. He and his horses were going to be in a pulling competition to demonstrate the capability of draft horses. I got on the phone to SHARE members who passed the news on to other members. Whole families drove to Long Hill Farm that weekend. When the big horse with the white mane and his chestnut colored half-sister were hitched to the plow, their heads bowed, their strong shoulders pulling against the taut reins, SHARE folk watched more intently. Their savings were helping build a barn for that pair. In a way, Spike and Goldie were pulling for them too.

"Perhaps we cannot raise the winds. But each of us can put up the sail, so that when the wind comes we can catch it."

E.F. Schumacher

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