

Business Bartering: ‘Let’s Make a Deal’

Cash may be king, as the adage goes, but many companies are benefiting by doing some business without it. How? By bartering. Instead of using currency to pay for goods and services, they are trading free advertising, printing, meals, training, carpentry and more.

Bartering is far from a new concept (go back, for example, to the Indians and early settlers), but the struggling economy has spurred a resurgence in recent years as companies look for creative ways to save money, reduce excess inventory, acquire new business and gain exposure. Some barter without using a third party. Others work with organizations called trade exchanges.

According to the International Reciprocal Trade Association (IRTA) – which promotes just and equitable standards of industry trade – bartering generates approximately \$12 billion globally each year among trade

exchanges. More than 400,000 businesses worldwide conduct business with these types of groups, which foster networking and allow members to trade with one another by using credits.

Washington-based ITEX Corporation uses digital currency called “ITEX dollars” for cashless transactions among its 24,000 members in North America. Users can search the web site for product listings in categories such as clothing; education; entertainment; health and medical; real estate and construction; and sports and recreation.

It’s important for businesses to be aware of tax reporting requirements regarding bartering activity.

**Resources: International Reciprocal Trade Association at www.irta.com
ITEX Corporation at www.itex.com**

Vacant Space Fair (Leasing) Game for Feds

The feds are moving in – deeper into the real estate market, that is. By 2013, federal agencies aim to lease space in approximately 1,000 federal buildings ranging from office parks, depots, warehouses and labs in an effort to reduce the national deficit. Currently, restaurants, banks, newsstands, farmers’ markets, hair salons and other businesses occupy space in nearly 400 federal structures.

The good news: Government leasing is typically cheaper for tenants compared to commercial. The bad news: It increases competition for commercial building owners, many of whom are already struggling in the challenging real estate market.

Private leasing opportunities are under consideration at a number of military facilities in states such as California, Connecticut, Missouri and Virginia. In addition, plans are underway to lease office space at two NASA sites: in Cape Canaveral, Florida (business developers likely will rent 400,000-plus square feet before year’s end) and in Houston (300,000 square feet will be available).

Additional opportunities exist with room for 200 workers at a four-story complex run by the Bureau of Land Management in South Dakota, as well as in Denver and San Francisco in buildings operated by the United States Mint.

Debit Cards Dominate Recession Spending

Both cards fit in your pocket, are plastic, offer convenience and – if you’re not careful – can get you into big trouble financially. But the one to emerge as consumers’ favorite during the economic downturn to help manage spending is the debit card. One contributing factor: It’s become increasingly difficult to obtain credit.

According to various reports, nearly 90% of people (or 59 million) who began using debit cards in place of credit cards during the recession plan to make the change permanent.

Payments using Visa debit cards first exceeded Visa credit card volume in the United States in late 2008 – \$206 billion to \$203 billion, respectively. Debit or pre-paid spending accounts for approximately 70% of the company’s domestic transactions.

Among the advantages of debit card use:

- Consumers avoid interest charges on outstanding credit card balances
- Free cash advances if individuals use ATMs at their own banks
- Perhaps the biggest benefit – spending your own money rather than borrowing funds

More good news for debit card users: Legislation went into effect in July prohibiting financial institutions from charging fees for paying overdrafts on ATM and one-time debit card transactions unless the consumer “opts-in” for the overdraft service.



Nurse Staffing Mandate Draws Mixed Reactions

Most people agree that the nationwide nursing shortage is one of the biggest challenges facing the health care industry. There is not a clear consensus, however, on potential solutions. One major nursing organization supports a new congressional staffing mandate, for example, while another advocacy group strongly opposes the legislation.

Introduced last May, the National Nursing Shortage Reform and Patient Advocacy Act is designed to improve the quality of care patients receive by establishing nurse-to-patient staffing ratios across the country. In 1999, a similar law was passed in California (implemented in 2004, it requires a 1:5 ratio).

National Nurses United – the largest union and professional association for registered nurses in the United States – contends that a lighter patient load will reduce burnout among nurses and help keep them in the workforce. A recent study conducted by the University of Pennsylvania found that following the same nurse-to-patient ratios established under the California law in surgical units would result in 14% and 11% fewer deaths in New Jersey and Pennsylvania, respectively.

On the other hand, the American Nurses Association – the largest nursing organization in the country – prefers a more



flexible form of safe staffing based on changing conditions such as patient acuity, nurse skills and experience, and technology. It supports the Registered Nurse Safe Staffing Act, which would allow individual hospitals to make staffing decisions by seeking input from registered nurses.

Resources: American Nurses Association at www.ana.org
National Nurses United at www.nationalnursesunited.org

Paving the Way for the ‘American Dream’

You’re a recent college graduate trying to launch your own company. Despite creating an innovative business plan, you struggle to secure funding. If you’re an immigrant entrepreneur, you face additional challenges such as finding a company to sponsor your work permit. Enter the StartUp Visa Act of 2010, which offers benefits to immigrant entrepreneurs and aims to boost job creation.

Introduced in February by Indiana Sen. Richard Lugar and his Massachusetts colleague John Kerry, the legislation would grant immigrant entrepreneurs two-year visas if they secure a minimum of \$250,000 from a qualified U.S. investor for their start-up company. To receive permanent legal resident status, entrepreneurs must do the following after those two years: create five full-time jobs in the United States and raise at least \$1 million in additional investments or generate \$1 million in revenue.

Paroon Chadha, a native of India, co-founded Passageways – a software company based in the Purdue Research Park in West Lafayette – in 2003. He serves as vice president of business development for the firm, which is a leading provider of portal solutions for financial institutions.

“Once students graduate, they’re just four years removed from their own country and economy,” he comments. “If we don’t give them an attractive option, they will start their companies in their own countries.

“It’s a very difficult process (to obtain one’s green card), so 90% (of immigrant entrepreneurs) give up on their start-up dream. (With the StartUp Visa Act), you’re getting more jobs. This will allow us to attract even better people from outside because they now can see a path to fulfilling the American dream.”

Resource: Paroon Chadha, Passageways LLC, at (765) 497-8832

Small Town is Big on Innovation

In Manor, Texas – a town nestled on the outskirts of Austin with a population of 6,500 – it pays to be innovative. That’s where an online platform called Manor Labs “pays” individuals for providing feedback on how to enhance city operations.

Residents and others (participation is open to everyone) earn points (called Innobucks) they can redeem for prizes such as clothing and gift certificates at local restaurants, or the more adventurous can join the chief of police for a rideout or serve as mayor for a day.

Innobucks are earned by submitting an idea or having one implemented (5,000 and 300,000, respectively) and commenting or voting on others’ suggestions. The most popular proposals are considered by city officials for implementation. Feeling lucky? Manor Labs allows participants to invest their Innobucks in posted ideas. The risk: If the proposal is rejected, the investor loses all of his or her points.

Among the ideas that have been adopted since Manor Labs was launched last October: creation of an automatic debit system for utility bills and posting of RSS feeds involving new construction, maintenance and repair work in the city.

Resource: Manor Labs at www.manorlabs.org

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