Bartering

Even when your income drops, you’re not without resources. Take stock of all non-money resources you have as a family. Among these assets are time, knowledge, possessions, property and creativity. Swapping resources with others is a time-tested way to stay in control when money is tight. Be creative. List your skills, talents, and interests. (Use our Bartering Ideas worksheet to help you identify these.) Next, try to match your skills and talents to community needs. Try making your first swap with a friend, neighbor or relative to build your confidence.

Why Barter?

Bartering helps us stretch our dollars. Family members, including those who don’t have a paid job, can contribute to the family’s resources by bartering.

Think about what you’d like help with as well as what you do well. Do you have a bountiful summer garden? Perhaps you can trade fresh flowers and vegetables for help with car maintenance? Are you handy with home repairs, but hate doing taxes. Here’s an opportunity to barter.

The challenge of bartering is finding someone who needs your services, and then setting the value of your service. Some communities have a clearinghouse, civic groups or publications to help. You may be able to advertise your services through your church or social organizations.

Determine your expectations in advance to avoid misunderstandings.

Guide to Successful Bartering

- Know who will supply needed materials. Usually it is the receiver; but the provider, in some cases, may have the needed tools, such as a lawn mower. When materials must be purchased, work together to determine specifics, cost limits, quality of materials, deadlines and other details that could become irritants.
- Don’t assume anything. Be sure to agree on the details of exactly what will be done. Be sure expectations are clear to all. In some cases a contract or written agreement may be a good idea.

When You Provide a Service

- Be sure you are clear on details of expected service. Don’t take on tasks that you cannot do well.
- Keep the receiver well-informed on your progress. Inform the receiver also of any problems or delays.
- Decide when the service is to be provided. If needed by a certain date, be sure you have enough time to do it.
- If you receive income from bartering, you may be required to pay taxes on this income. Refer to IRS Publication 525, Taxable and Nontaxable Income, for more information.
If You Receive a Service

- Carefully explain what you want and supervise the work. Don’t be caught with a completed job that is not what you expected.
- Don’t hesitate to check the provider’s qualifications.
- Make sure the delivery of service is convenient and within the time you want the work done.
- If the task requires your presence or help, make sure you are aware of this.