

PORTRAITS OF THE SPEND SHIFT

BOOK COVER DESIGN BY CHIP KIDD
PHOTOGRAPHY BY B.D. COLEN

Starting with extensive data, which showed that Americans began to change their borrow-and-spend ways long before the start of the crisis, John Gerzema and Michael D'Antonio — authors of the new book *Spend Shift* — set off across the country to find people who were reinventing their lives in the wake of the “Great Recession.” The stories they gleaned help us see how the crisis has rearranged our priorities, awakened our creativity, and reconnected us to the people and things that really matter. The faces of *The Spend Shift* suggest that the consumer is adaptable, business is adaptable, and the future is not as dim as it appears.

TORYA BLANCHARD OWNER: GOOD GIRLS GO TO PARIS DETROIT

With low cost loans from the non-profit University Cultural Center Association, Torya Blanchard opened a tiny crepe restaurant to share her love of all things French with her hometown, Detroit. Serving low-cost but high quality meals Good Girls Go to Paris quickly became profitable. The shop also provides jobs and a light of hope in a city where shuttered shops outnumber those that are occupied.



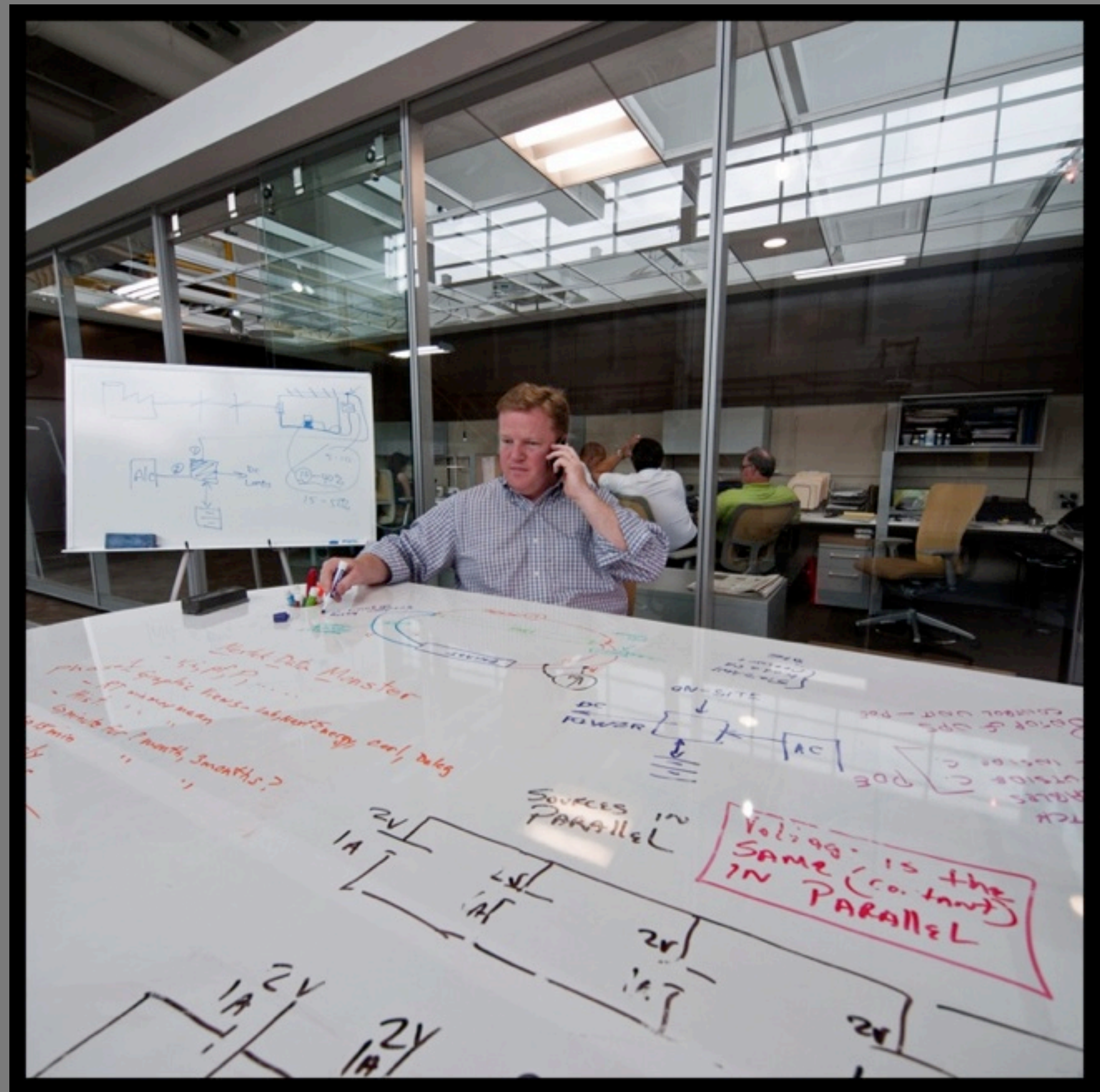


Charles Sorel opened his little French bistro, Le Petite Zinc, after moving with his family from Brooklyn to Detroit. He had been successful with his cafe in Brooklyn and wanted to try his hand in this new environment. This welcoming little eatery — something like a family kitchen where the coffeepot is always on — makes for the perfect start-up business in any community, especially one that is short of comforts. Le Petite Zinc offers, besides delicious French cuisine, cheer and optimism to its patrons.

**CHARLES SOREL
OWNER/RACONTEUR:
LE PETIT ZINC
DETROIT**

Paul Savage, CEO of Nextek Power Systems is a pioneer in developing and providing direct current (DC) electrical equipment which provides a substantial increase in the flexibility, reliability, and efficiency of energy systems in buildings. By rekindling Thomas Edison's original creation, a DC system can be scaled to cover one building or several city blocks, providing the lowest-cost off-the-grid light and power. Savage calls it simply "organic energy that's made in Detroit".

PAUL SAVAGE CEO/RENEWABLE ENERGY PUSHER: NEXTTEK POWER SYSTEMS DETROIT





PATRICK CROUCH PROGRAM MANAGER: EARTHWORKS FARMS DETROIT

Patrick Crouch of Earthworks Farms has helped turn vacant blocks into productive farms producing everything from salad greens to jarred preserves. Earthworks not only feeds people in an area where grocery stores are scarce, it is helping to change the character of devastated neighborhoods, and raise inner-city employment. Crouch, who is sponsored by local Capuchin monks, teaches other city farmers which crops yield the greatest profit. He says a handful of properties now under cultivation will soon be profitable without any further assistance.

LESLIE HALLECK FOUNDER: NORTH HAVEN FARMS DALLAS

Leslie Halleck was one of the first in her neighborhood to start raising chickens in her backyard. This shift from consumption to production in households across America is part of a more self-reliant lifestyle, where thousands of people across the country have started to produce their own eggs for safety and profit. Halleck went one step further, creating a business to train and supply the growing number of locals who raise birds and collect eggs every day. Her first Saturday class drew over one hundred people. With the parking lot overfilled, cars spilled onto the shoulder.





As Dallas librarian Miriam Rodriguez confirms, public libraries have become training centers for those who need to brush-up on skills, conduct a job search, or get free instruction in English as a second language. Miriam created a series of networking seminars, job-retraining and continuing education programs. Once thought to be roadkill from the internet, Library use reached record levels during the recession as people sought education and community. Today sixty-eight percent of Americans now have a library card, the highest percentage ever.

MIRIAM RODRIGUEZ LIBRARIAN: PUBLIC LIBRARY DALLAS

The Senior Editor of *Make* magazine, a bible for do-it-yourselfers, Phil Torrone partnered with Limor Fried to create Adafruit Industries, which sells kits and parts for original open source hardware electronics projects out of a small loft in lower Manhattan. As more Americans became interested in learning new skills, Adafruit-sponsored 'MakerFaires' are an on-line social forum where Millennial-aged electronics enthusiasts are mentored by retired engineers from NASA and Boeing. Technology and social media forums like these are helping to make generational divides are quietly disappear.

PHIL TORRONE & LIMOR FRIED FOUNDERS: ADAFRUIT INDUSTRIES NEW YORK CITY





ROB KALIN FOUNDER: ETSY BROOKLYN

In 2005, Rob Kalin and his partners in Brooklyn created an online place where any artisan in the world could display work and sell to any buyer in the world. Today Etsy has 300,000 vendors, many of whom started new small businesses selling crafts after being laid-off during the recession. Etsy's site is visited by millions of shoppers every month. Revenues come from the twenty-cent fee charged to list an item on the site and a sales commission of three and a half percent. Etsy recently raised money to value its handcrafted goods marketplace at \$300 million, adding nearly \$200 million in equity value in two years.



Maura McCarthy and partners buck the downturn in real estate by offering energy-efficient, low-cost homes built with “green” materials. The breakthrough which makes this possible is a unique hinge-based design that lets Blu Homes literally fold a building into a package so small it can fit into a standard shipping container and be transported anywhere in the world. These “anti-McMansions” suit America’s growing appetite for nimbleness and flexibility. Each home has adaptable floor plans so an owner can grow into one over time.

MAURA McCARTHY
CO-FOUNDER:
BLU HOMES
WALTHAM, MA

To build trust with their loyal fans who had been hit hard by the recession, The San Francisco Giants developed a “dynamic pricing” model on the belief that not all games are created equal. A weekend battle with a pennant contender or a long time rival like the Dodgers is worth more to a fan than a mid-week night game involving a cellar-dwelling opponent. With this in mind ticket prices were scaled according to demand. “Dynamic pricing,” is not a new concept, says Russ Stanley, who is in charge of client relations for the Giants. “I think the Romans did it at the Coliseum, setting prices according to the quality of the lion.”

RUSS STANLEY
VP TICKET SALES:
SF GIANTS
SAN FRANCISCO



MIKE COURTNEY & GARY WATSON FAITH-GUIDED COMMUNITY ACTIVISTS DALLAS

In Dallas, Texas two former high-flying business consultants responded to layoffs with a combination of Christian charity and old fashioned thrift. Mike Courtney and Gary Watson formed a mutual support system to keep themselves going as freelancers but also devoted themselves to serving others through foundations and church groups that help struggling families manage their budgets and cope with foreclosures and lost income.





Co-founder Lynn Jurich and her partner Ed Fenster solved the basic problem in rooftop solar energy — upfront cost — by offering homeowners fixed leases on all the equipment they need to get off the grid. Her San Francisco firm, SunRun, gives homeowners guaranteed fixed energy costs for thirty years along with free maintenance with little or no initial investment. The customer signs a long-term agreement which sets a fixed cost for power. If the house is sold, the contract passes on to the next owner. At the end of the term the owner can renew it, buy the system outright, or have it removed. SunRun's customer base has increased by over four hundred percent in 2010 and has raised nearly \$100 million in financing.

**LYNN JURICH
CO-FOUNDER
AND PRESIDENT:
SUN RUN INC.
SAN FRANCISCO**

**TOM LEVIN
OWNER: TOM'S TOYS
AND A SUPPORTER
OF BERKSHARES CURRENCY
GREAT BARRINGTON, MA**

In Western Massachusetts locals have created their own currency called Berkshares (named after the Berkshire Mountains) to help local retailers, restaurants and service people survive competition from national chains that were moving into small mountain towns. Thirteen bank branches, along with many businesses in the community, agreed to exchange dollars and local artists designed the Berkshares as elegant bills, in denominations from one to fifty. Tom Levin accepts them at Tom Toys, a shop that offers what chain stores do not: carefully selected stock from a worldwide network of craftspeople and quality manufacturers.





Steve Northam, having completed 22 years of marine service, settled in Fallbrook, California where he devoted much of his time to the study of energy self sufficiency. Ultimately he ended up cashing out his investments and put the cash into money saving home improvements including the SunRun solar power system. He saves about \$500 a month because he was able to embrace these innovative technologies.

**STEVE NORTHAM
VIETNAM VETERAN
AND SOLAR POWER
ENTHUSIAST
FALLBROOK, CA**

JON NORTON CITY MANAGER AND RECYCLEBANK ENTHUSIAST EVERETT, MA

Some public/private partnerships are actually working to make life better in the post recession economy. A prime example is the recycling boom made possible by the technology and business model of a new start-up called RecycleBank. Using truck-mounted scales and bins with electronic identification tags, the company weighs the paper, glass, and metal left on the curb by individual households and rewards them with shopping discounts. Everett city recycling manager Jon Norton reports a big increase in recycling, a dramatic drop in landfill expenses, and a savings of more than \$1 million per year for local taxpayers. RecycleBank, meanwhile, is expanding its business across the country and recently entered the market in Great Britain.



ANDREW MASON FOUNDER: GROUPON CHICAGO

Groupon, the group discounting phenomena mobilizes the masses with daily deals on products, services and even meals. The discounts are unlocked when a threshold number of people agree to pay for the coupon or “groupon”. When that threshold is crossed, the coupon is activated for all those that have agreed to the offer. Founded in 2008 by Andrew Mason, Groupon has grown so fast that it now serves forty cities, claims 1.5 million members and was recently hailed as the fastest company to reach \$500 million in sales in the history of business.





In the “real time web,” information technology is providing tools for transparency, relationship-building, and responsiveness to create lasting and profitable relationships with customers. At the center of this trend is Chartbeat, a Betaworks start-up based in the old meatpacking district in Manhattan where Tony Haile helps thousands of clients track what content is most relevant for which audience, allowing publishers and businesses to understand the meaning behind their web traffic. This knowledge is so valuable that Tony and team recently raised \$3 million to expand the scale of their business.

**TONY HAILE
GENERAL MANAGER:
BETAWORKS’
CHARTBEAT
NEW YORK CITY**



**SCOTT MONTY &
BOB THIBODEAU
HEAD OF SOCIAL MEDIA
FORD MOTOR CO.
AND OWNER OF
FAMILY DEALERSHIP
DETROIT**

Although a smokestack company like Ford is not where you would expect to find a nimble response to crisis, Scott Monty (left) moved the company toward openness and transparency. His goal was to start conversations with anyone who cared to speak to Ford. The Fiesta Movement on Twitter required that Ford actually allow people to talk about the car in a way that was “unedited, uncensored, unscripted,” said Monty. New products and not taking Government bailout money have also helped lift sales at Robert Thibodeau’s dealership.