Impact Europe

* Time as Capital

Financing Community Care Through Impact-Linked Finance

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EcoVolve

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Zeitpolster: From Community Exchange to Scalable Care

Across Europe, ageing populations are outpacing the capacity of formal care systems. Zeitpolster offers a different answer — one built on time, community, and a new kind of finance.

The journey of Zeitpolster – translating from German to "time cushion" or "time buffer" – began in the region of Vorarlberg, Austria in the mid-1990s.

Gernot Jochum-Müller created a mutual credit association based on a time-banking principle: every hour a member spent providing any service to someone in the network, whether practical help, companionship or a skilled trade, equalled one hour credit in exchange. The model grew successfully but encountered one limitation. Older members, who had built rich support networks, were no longer able to reciprocate the assistance they received.

Jochum-Müller began researching time-banking models beyond Europe, aiming to understand why communities failed in building these support networks more naturally. Early attempts at building on the model – as a consultant in St. Gallen, Switzerland and through pilot projects in Austria – proved difficult to scale. A persisting hurdle emerged: local volunteer-run associations lacked the capacity to manage the technical, legal, financial, and political dimensions that a self-sustaining system requires long-term.

This diagnosis shaped the founding principle of Zeitpolster: a professional core of staff responsible for the complex operational infrastructure, alongside local volunteer groups that focus entirely on building and sustaining the community. This principle is formalised in its two-tier legal structure: a central limited liability company oversees the operational infrastructure, while local volunteer groups operate as regional branches under Zeitpolster's association (see figure 1).

Zeitpolster was established as a social business — a mission-driven enterprise that generates its own revenue rather than relying on donations, grants, or subsidies, reinvesting any surplus back into the mission. Unlike a traditional non-profit, it was designed to be financially independent and commercially viable, while remaining entirely oriented towards social impact in place of financial returns.

Beyond incorporating the time-banking principle – where one hour volunteered earns one hour credit –, Zeitpolster introduced an

Structure
Social Business

Sector
Health & Social Care

Country
Austria
Germany (starting)

Business model
Time-banking
Social Franchise

Mission
Community-based care system where local volunteer groups provide support services — garding, housework, shopping, companionship — earning time credits redeemable for their own future career needs.

Erste's involvement
Quasi-equity instrument

Beneficiaries
Elderly people | Families with children | Individuals with disabilities

Impact goals

1. Local care networks contribute to preventive healthcare, alleviation of poverty in old age and reduction of loneliness.

2. Individuals actively shape their own provision for care in old age, regardless of family or financial situation

3. Easy access to determined, local and low-cost care

4. Successful cooperation between organisations benefits those affected with suitable and sufficient care services

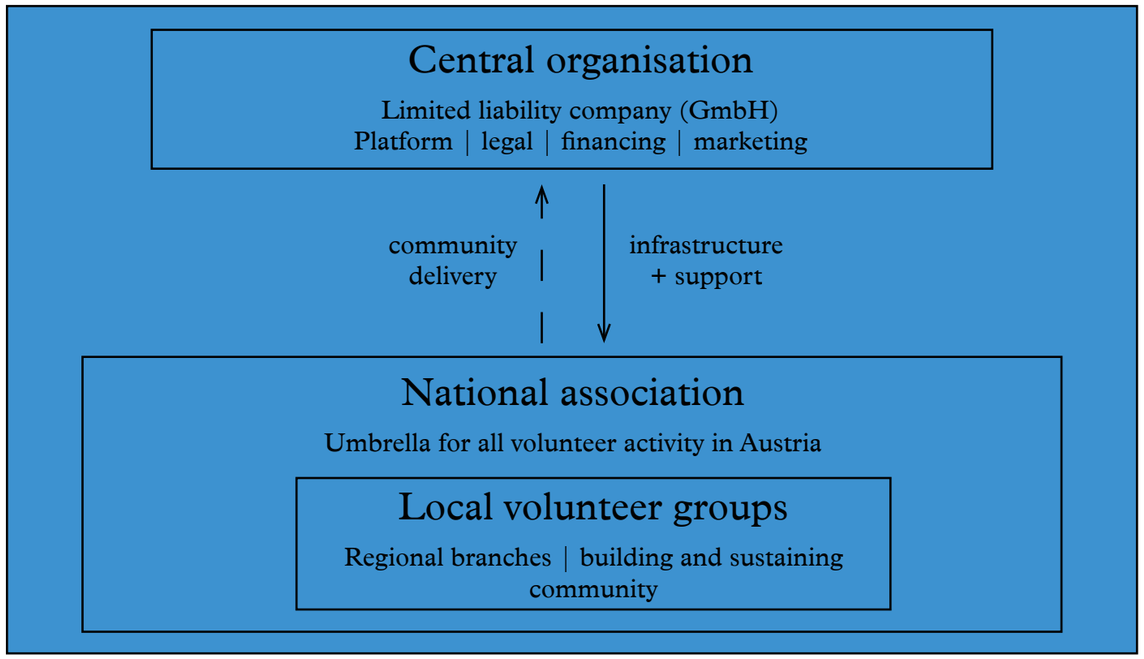


Figure 1: Zeitpolster's Legal Structure

innovation unseen in these models: a parallel savings account. For every hour a volunteer contributes, a corresponding monetary amount is deposited into a personal savings account in euros. This element adds a layer of financial security, functioning as a form of personal pension provision: the time a volunteer contributes today becomes a resource they can draw on in the future should they ever need care themselves (see figure 2).

This savings mechanism is central to how Zeitpolster sustains itself financially. Every care hour provided builds the volunteer's personal care security while simultaneously generating revenue for the organisation: beneficiaries pay €11 per hour, of which €4.60 is direct revenue for Zeitpolster, with a roughly equivalent amount set aside into the volunteer's savings account. In the initial stages of a new local group, this fee-based model is essential as the beneficiaries have not previously volunteered and therefore have no time credits to redeem. Those who joined as volunteers follow a different path: after an active volunteering period, they transition to the status of service user, drawing on their accumulated time credits to pay for care — with a small annual administration fee of €30 applying thereafter. As the volunteer network grows and time credits begin circulating, the time-exchange mechanism increasingly takes over as the primary mode of care delivery — reducing reliance on direct fees, while grants, donations and fees from partners adopting the model in new markets continue to complement the income base.

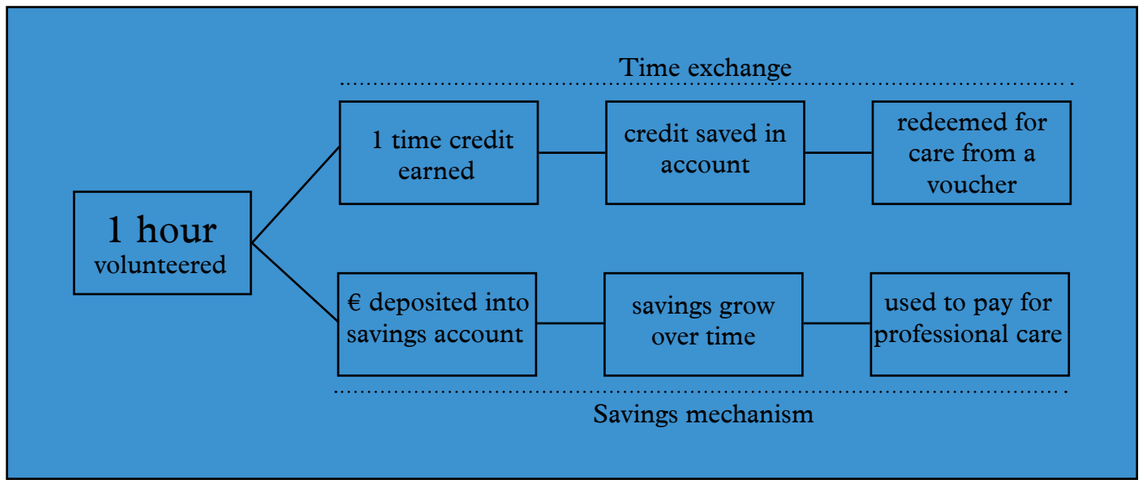
What started in Vorarlberg and Vienna organically expanded to seven of nine federal states in Austria, reaching its initial target

of 25 active participants per federal state. With a proven model at home and the intention to grow beyond national borders, Zeitpolster turned to the social franchise model as the most appropriate structure for cross-country expansion. Under this model, Zeitpolster licenses its brand, operational systems, and expertise to partners in new markets – who pay a franchise fee, replicate the same legal structure, and uphold the same mission and quality standards locally. Experience shows that regional implementations typically become self-financing within four to five years, as does the franchise company overseeing them —providing a clear and tested pathway to sustainability for partners entering new markets.

In 2020, a foundation in Liechtenstein became Zeitpolster's first franchise partner, licensing the model, paying a franchise fee, and replicating the structure locally. Although they eventually chose to become independent, the experience confirmed that cross-border adaptation is possible, provided the necessary legal framework adjustments are made. More recently, Zeitpolster established its own subsidiary in Germany – a daughter company through which the franchise model is being rolled out to regional partners, with the first franchise region launching in April 2026.

> ***Every Monday, a volunteer visited an elderly couple. There was no set routine. Sometimes there were practical household chores to be done; often it was simply a chat over a cup of coffee. Someone would drop by for two or three hours a week to keep them company. This is not a standardised service, but support to help stabilise life at home. It does not sound like much, but for a couple living alone, it's the difference between feeling forgotten and feeling safe and secure.***
>
> *— Gernot Jochum-Müller, CEO, Zeitpolster*

Figure 2: Zeitpolster's Model



Financing the Mission: Impact-Linked Finance as a Catalyst for Systems Change

Securing financing for Zeitpolster required navigating a structural tension inherent to impact-driven care models. Designed to keep costs low for its beneficiaries rather than generate profit, the organisation faced a path to breakeven significantly longer than what most investors would typically expect, with returns remaining modest by commercial standards. This made it an uncomfortable fit for conventional investment logic. In its early stages, Zeitpolster relied on private investments, a crowdfunding campaign, and small subsidies from the Austrian government – none of which proved sufficient to support the scaling path the organisation pursued. The partnership with Erste Social Finance marked a turning point, and the moment impact-linked finance entered the picture.

Impact-linked finance is a funding approach that ties the cost of capital to the achievement of predefined social or environmental outcomes, linking a loan's interest rate to impact performance metrics. Unlike traditional financing, which focuses solely on financial returns, it incentivises borrowers to prioritise impact outcomes – rewarding better performance with lower interest rates.[1]

As the impact investment arm of Erste Group and ERSTE Foundation, Erste Social Finance applied this approach when financing Zeitpolster through a quasi-equity instrument – a qualified subordinated loan functioning as a hybrid of debt and equity financing. Unlike a regular loan, which carries a fixed repayment schedule and interest rate, quasi-equity strengthens the borrower's equity base and improves their overall risk profile, unlocking access to financing that would otherwise be out of reach. Additionally, unlike typical equity investment, which requires giving up a share of ownership in exchange for capital, quasi-equity does not dilute the ownership structure of the enterprise – ensuring Zeitpolster's operational autonomy is fully preserved.[2]

This arrangement is genuinely impact-linked due to its interest rate mechanism: Erste Social Finance and Zeitpolster jointly defined an impact KPI with yearly targets, where the interest rate applied to the loan is directly tied to whether those targets are achieved or surpassed – with more favourable borrowing conditions the better they perform (see figure 3).

The financing is already being put to work. Erste Social Finance's investment is currently enabling Zeitpolster to build a volunteer network in another federal state in Austria where it has had little presence to date – a development that will allow the organisation to establish nationwide presence.

1 Roots of Impact. Impact-Linked Finance. https://roots-of-impact.org/impact-linked-finance/.

2 Impact Hub Vienna. Erste Group's new social finance instrument boosts growth of the social sector. https://vienna.impacthub.net/new-social-finance-instrument-boosts-growth-of-the-social-sector/.

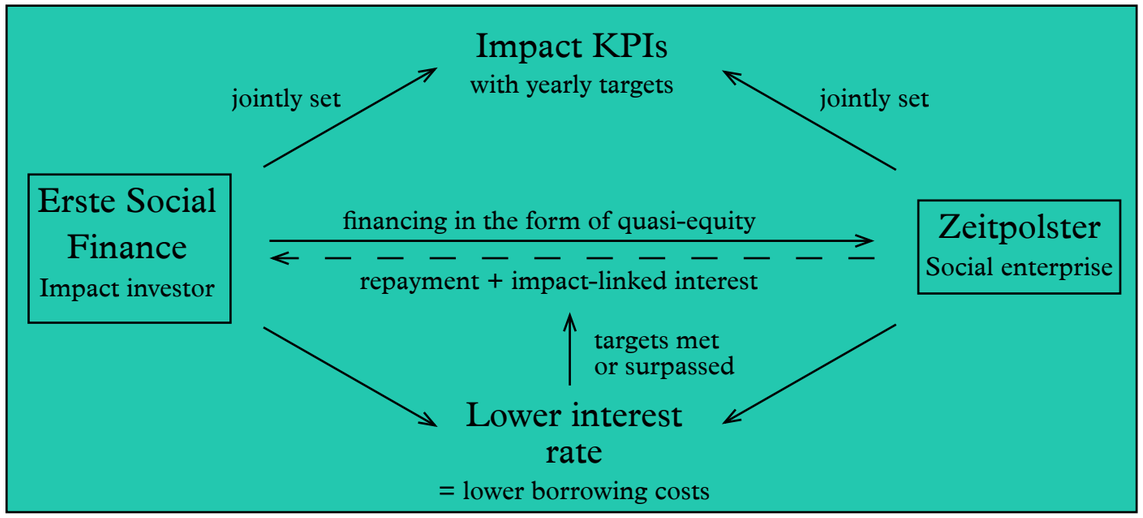


Figure 3: Erste Social Finance & Zeitpolster's relationship

Measuring What Matters: Outcomes and Lessons

Zeitpolster conducts formal impact research every two years, gathering data across five stakeholder groups: volunteers, team leaders, care recipients, family members, and organisational partners. The findings consistently reflect strong engagement and perceived value across all groups. Beyond capturing what works, the research also surfaces areas for ongoing development. Recurring themes include the quality of relationships between volunteers and care recipients, the challenge of integrating institutional partners – such as municipalities and regional governments – into a field where social business models are still relatively unfamiliar, and the question of available financing to sustain growth during periods of rapid expansion.

Expanding beyond Austria has presented a set of structural barriers. At the legal level, Zeitpolster's dual organisational structure — an association and a limited liability company — is designed to enable a model that is both purpose-driven and operationally viable within the specific logic of Austrian law. In other countries, however, equivalent legal concepts may not exist in the same form: what constitutes an association, whether a limited liability company can pursue societal benefit, what a social franchise entails, and how social purpose is recognised legally can vary significantly across jurisdictions — carrying different implications for tax treatment, eligible activities and organisational governance. Similarly, the classification of volunteer hours under national social insurance frameworks requires careful legal interpretation in each country, demanding considerable time investment and the engagement of experienced local legal partners.

Cultural differences present an equally difficult barrier. The question of whether social impact and commercial viability can coexist remains contested in much of Central and Eastern Europe. Shifting this perception and building trust among local stakeholders is an integral part of the expansion process. Financing compounds this further, as each new country requires identifying the most appropriate financial instruments to match local market conditions, regulatory environments, and investor expectations.

98 % of care recipients find support highly beneficial to daily life

99 % of family members impressed with the social care model and refer to others

3k beneficiaries receiving regular support

1k new volunteers projected in 2026

2,5k active volunteers across Austria

54 focal groups in 7 federal states

50 %+ of volunteers see their credits as old age security

#1 fastest-growing volunteer base in Austria

At a systemic level, a deeper gap persists: the absence of clear governmental strategy around community care. In Austria, responsibility for care work remains diffuse — spread across families, municipalities, and regional governments — with significant blame-shifting and no unified vision for addressing growing demand. The reality is that there are not enough professional care workers, nor sufficient public funding, to meet this challenge. As Jochum-Müller notes: "What is missing is a willingness among policymakers to recognise community-based prevention models as a legitimate and scalable solution, and to embed this thinking into national and regional care strategies — alongside a broader public debate around what prevention in ageing actually means, what problems are associated with old age, and what it means to proactively build health rather than reactively manage decline."

Addressing this gap would not only significantly reduce the cost of care but also complement pension systems in ensuring dignified living in old age and helping prevent poverty among older populations. Until these questions are addressed, organisations like Zeitpolster must continue to advocate for the value of their work — making the case to both authorities and impact investors that community-based systems are not a complement to formal care, but an essential pillar of it.

> *An elderly woman called Zeitpolster, but not for herself. Caring for a demanding partner is a round-the-clock responsibility, and she needed breathing room. Once a week, for three hours, a volunteer accompanied her husband to a woodworking workshop. He found company, purpose, and something to look forward to. She found time for herself. Traditional services are unable to offer such bespoke support to relieve the burden on family carers.*
>
> *— Gernot Jochum-Müller, CEO, Zeitpolster*

Looking Ahead: A Blueprint for Community Care

This case study, developed as part of the EcoVolve project, presents Zeitpolster as one example of what becomes possible when a well-designed social model meets the right financial instrument.

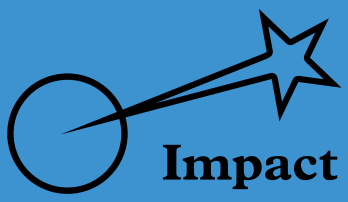
Zeitpolster demonstrates that time-banking, reimagined with professional infrastructure and a hybrid savings mechanism, can deliver measurable outcomes at scale. The model is financially sustainable, community-driven, and replicable — and it addresses a growing challenge across Europe as populations age and formal care systems strain under demand.

The conditions for replication exist in many markets. What is needed is the willingness to build — and the right partners to do it with. For social enterprises in the CEE region considering a similar path, Jochum-Müller is clear on what matters most: get the model right from the outset, defining the business case carefully and embedding impact into its very structure rather than treating it as an add-on. Then, cultivate genuine partnerships — with your team, with investors, with partners. Investors are not merely sources of capital but long-term stakeholders in a shared mission, and it is the quality of those relationships that separates organisations that scale from those that stall in difficult periods.

Zeitpolster is actively seeking franchise partners ready to bring this model to their own communities. For organisations across Europe with the ambition to build solidarity-based care networks, address loneliness, and poverty in old age, and contribute to a more resilient care system, the infrastructure is in place and the door is open.

The financing to support that ambition is equally within reach. Erste Social Finance's quasi-equity instrument offers a concrete, tested mechanism for financing social enterprises that cannot fit conventional investment logic. Through the EcoVolve project, this capacity is being extended further, building the financial and ecosystem conditions that social enterprises across Central and Eastern Europe need to grow, sustain their impact, and drive systemic change.

Zeitpolster is proof of what becomes possible when financial incentives and social mission align — both sides win.



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