

# STRIP CLUB INDUSTRY DRIVES DEMAND FOR \$2 BILLS

BY AMANDA BROOKS



There are over 2,700 strip clubs in the United States, according to an informal tally based on the listings at The Ultimate Strip Club List (<http://tuscl.com>), and enough money flows through these clubs that the Federal Reserve has taken notice - but not because of anything illegal. Strip clubs nationwide have started giving two dollar bills as change, a noticeable new trend because few places other than strip clubs order two dollar bills from their banks. The volume of cash transactions in strip clubs has begun to have a unique and trackable effect on the two dollar bill. According to a November 6, 2006 article on CNN Money (<http://money.cnn.com/>), depository institutions ordered \$122 million in two dollar bills in 2005 alone. That's more than double the average yearly amount ordered from 1991-2000. The Federal Reserve first noticed the upward spike in 2001 when \$92 million in orders for the two dollar bill was processed. The numbers have continued rising.

What happened in 2001 that gave strip clubs nationwide the idea to use the two dollar bill as change? The answer might lie in Dallas, Texas, home to over 20 strip clubs; several of them nationally recognized. Anyone who makes a habit of visiting Baby Dolls Dallas knows that receiving change in two dollar bills is a 15 year old tradition. In Dallas, most people assume that if you have a pocketful of two dollar bills, then you were in Baby Dolls. This reputation impels men to rid themselves of the pesky bills before they leave the club, which makes life a little better for the workers in the club.

Customers have been witnessed handling the two dollar bills with

disdain and over-tipping the waitresses in order to get rid of the bills. Customers hate two dollar bills because of the association with strip clubs and because the unusual denomination makes it hard for them to do math while drinking. So they unload as many as they can while in the club, and waitresses and strippers get tipped double what they normally would. A man who would never dream of tipping a stage dancer two one dollar bills will quickly hand over one or two two dollar bills. He doesn't see two dollar bills as "real" money because they look different and aren't in normal circulation. Club workers may groan about the awkwardness of using the bill in a store (the two dollar bill often stumps clerks), but this doesn't stop them from accepting it as a tip.

Although other strip clubs in the 1990s might have used the two dollar bill gimmick as well, Duncan Burch, the successful owner of several clubs in the Dallas/Ft. Worth metroplex, is credited with pioneering the idea. Kathy Golden of Burch Management says that the largest change their clubs give are two dollar bills (except for Cabaret Royale which doesn't use the two dollar bill). This idea was so original that when they first began using the two dollar bill, they emptied the Dallas Federal Reserve Bank and had to import bundles of two dollar bills from the Denver Federal Reserve Branch. The metal bands on the bundles were rusty from disuse.

Two-dollar bills won't collect dust anytime soon, however. Usage started exploding in 2001 and has kept rising. Duncan has actively spread his idea over the years to other club owners through industry magazine interviews, like *Nightclub & Bar Magazine* (<http://www.nightclub.com/>), and by participating as a panelist in industry forums, like those sponsored by *Exotic Dancer* (<http://www.exoticdancer.com>). Duncan Burch's original idea of using the two dollar bill paid off for his employees, which was his intention. Other club owners have seen the benefit as well, which encourages more clubs to use the two dollar bill, causing the usage rise the Federal Reserve has noticed.

The end result of using such an unusual bill is public awareness of the economic impact of strip clubs. With more and more strip clubs being pushed out of their communities or barred from building new clubs, the rise of the two dollar bill is undeniable proof that Americans love naked breasts - enough to affect the Federal Reserve.