

A Philly Public Bank

(To be created under Bill No. [210005](#))

Estimated Revenue Generation: \$30 million/yr within 10 years of enactment, plus unknown amount of interest payment savings.

What is a Public Bank

- A public bank is an entity created by a state or local government to hold and invest funds owned by that jurisdiction. It is governed by a Board that, as provided in Bill 210005, would be composed mainly of community representatives and advocates for progressive causes.

Key Facts:

- Would take City funds now under Wall Street control and invest them locally;
- Would enable City to fight redlining with a new tool targeted to provide credit in neighborhoods, and for projects, historically locked out of financial services;
- Could refinance City debt, sharply reducing the City's \$400 million/year debt service burden, and \$300 million School District debt.

How Could we use the money? The money would initially be used to finance important City priorities like low-income housing, environmental protection, small business development and others at very low interest rates. Earnings from that activity could then be shared with the City to fund key neglected priorities of oppressed communities.

Who supports the proposal? Twelve Council Members have signed on. A number of community groups have joined to advance the bill, operating under the rubric of the [Philadelphia Public Banking Coalition](#). [Philly Neighborhood Networks](#) has been the lead organization in the Coalition that includes POWER, PACA, UNITE-HERE and others.

How has the proposal worked in other communities? It is only in place in two other communities in the U.S., North Dakota and American Samoa, which only recently opened its bank. The North Dakota Bank has been operating since 1919 and has been extremely successful, helping keep unemployment very low, responding quickly to natural disasters, promoting the continued viability of small, community banks, and returning tens of millions of dollars to the North Dakota State government almost every year, amounting to \$1 billion over the life of the bank. Public banks are also commonplace in many other parts of the world.

What's the status of the proposal? As noted above, a bill has been introduced into Philadelphia City Council to create the bank. In addition to passing the bill, work will have to be done to identify where the initial capitalization and deposits for the bank will come from.

Additional Resources about the proposal: A [summary of the bill](#), along with a wealth of other information on public banking is on the website of the Philadelphia Public Banking Coalition. In addition, the [Public Banking Institute](#) provides information about developments in other parts of the country.