

Rocky Mountain Public Banking Institute
23 Advantages of Public Banks for Cities, Counties and the State of Colorado

1. Provide undivided loyalty to the public interest rather than to private shareholders
2. Increase lending to small and medium sized businesses
3. Facilitate full employment at a living wage
4. Pay significant sums from profits annually to the general fund of a city, county, or state
5. Enable communities to avoid budget deficits
6. Avoid bubbles because public banks pay no commissions or fees for making loans, and have no incentive to invest in speculative and risky investments
7. Avoid recessions because public banks lend counter-cyclically (lend more in a decline)
8. Operate more frugally than major banks (no branches/ATMs/ads/fat salaries-bonuses)
9. Avoid inflation by lending for new goods and services (not to inflate existing assets)
10. Substantially reduce public debt of individuals and government
11. Increase lending for education, sustainable agriculture, clean energy, environmental cleanup and enforcement, student loans, affordable housing, home ownership, maintenance and repair of infrastructure, preventive health care, etc.
12. Strengthen private community banks by lending in partnership with them and help them comply with burdensome regulations under Dodd-Frank
13. Achieve ~15-20% average return on equity year after year by making loans up to 10 times (i.e. leveraging) its capital reserves, and creating new money in the process
14. Reduce the cost of public infrastructure projects by 35-50%, that consists of interest
15. Respond more quickly and effectively to natural disasters
16. Provide annually audited financial records and other reports with full online disclosure
17. Eliminate substantial and excessive fees paid annually to Wall Street
18. Prevent the need for cuts in essential services and privatization of public assets
19. Reduce poverty, crime and mental illness by increasing employment, education, affordable housing, and other services to those most in need
20. Benefit major banks by providing a strong and stable economy, thereby avoiding their collapse and need for bail-outs or bail-ins
21. Free the community from the Colorado Constitution's TABOR Amendment limits on revenue and expenditures by making the public bank a "TABOR Enterprise"
22. Enable a community to substantially reduce its taxes without reducing services
23. Provide a major new source of income to the community without raising taxes

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