

THE PEOPLE'S PLATFORM FOR A JUST PHILADELPHIA

PUBLIC BANK

THE PROBLEM

- **The City places all of its cash with private banking institutions that invest it for the benefit of shareholders, while denying credit to the people of Philadelphia, particularly people of color.**
- While holding or investing billions of City dollars, Philly's banks continue to redline black and brown neighborhoods throughout Philadelphia.
- Although the number of white and black households is essentially the same in the City, white applicants in 2015 and 2016 were granted 10 times as many conventional home purchase loans as African Americans.
- The City and School District have also been systematically defrauded by the big Wall Street banks into paying inflated interest amounts on their bonds, requiring the City to sue in federal court to recover millions of dollars in damages.
- These loan practices are directly responsible for tight City budgets that starve City services, with the City's debt service taking up 8.6% of all City expenditures in FY 2017.
- The City has failed to seek new and innovative ways of using its own money to serve its own people.

OUR SOLUTION

- City Council and the Mayor should create a City-owned bank, which will hold all City funds and invest them for the sole purpose of improving the lives of Philadelphians, particularly those whose credit needs have historically not been met by the big banks.
- The detailed mission of the bank should be determined through a process that broadly engages the community, and is ultimately decided by the City's elected government.
- The Board of the Bank, which implements the bank's mission, should include a majority of individuals with public advocacy or activist experience in one or more of the following fields: poverty reduction, low-income housing, renewable energy, workers' rights, small business development, promotion of co-operative enterprise, and/or civil rights.

Relevant Historical Precedent

- The Bank of North Dakota, child of the populist movement of the early 20th century, is one of only two public banks in the nation. It celebrates its 100th birthday this year.

CITY COUNCIL ACTION

- Council should enact an ordinance directing the Mayor, Council President and Controller to create the Philadelphia People's Bank with all the features described above.
- The ordinance should direct the City to apply for all permits required for the bank to begin operations.
- The ordinance should also require the City to report its progress in obtaining required permits, and complying with all relevant regulatory requirements, every six months at a public hearing until the bank is ready to accept deposits of City funds.

