

Benefits of Public and Green Banks

Public banks will benefit Oregon's municipalities in many ways. Banks are powerful because they are the only institutions that can create money by issuing loans up to ten times the Bank's capital. Public banks create loans that benefit the public interest and public green banks also identify the interest of a healthy environment.



- **Local empowerment:** A municipal public bank allows the community to direct its financial resources for the public good through a community-developed charter and a Board of Directors who are accountable to the community.
- **Shared prosperity:** Public banks will make more funding available for local economic development and public infrastructure projects by keeping its money local, making loans in the community, reducing financing costs for public projects and by keeping the bank's profits local.
- **Equitable communities:** The bank will serve the interests of the entire community by partnering with community banks and credit unions to provide financing for local businesses, farms, foresters, economic development projects and public infrastructure projects. Financing will also be made available to segments of our communities that the big banks don't serve.
- **Economic resilience:** Prudently-managed public banks will keep our public funds safely away from the high risks taken by the large commercial banks, which was very evident in the 2008 great recession and is still present today. One example of this resilience, the oldest public bank, The Bank of North Dakota, thrived through the 2008 recession.

A green municipal public bank will have a charter stating that its funds must be used for clean energy transition, climate resilience, just transition and other climate-friendly initiatives. Using a municipal public banking model will empower the community to define its priorities and make more money available for its programs than would be available through private financing. An example of a Green Bank is the Connecticut Green Bank ([here](#)), which is focused on renewable energy and energy efficiency solutions.

The Oregon Public Bank Alliance is currently working to introduce legislation into the 2021 session that clarifies the legal framework for Oregon's municipalities to form public banks. For more information you can refer to our website [here](#).