

The highly successful Bank of North Dakota (BND) has been owned and operated for the benefit of the people of North Dakota for 100 years. BND has helped North Dakota maintain a low unemployment rate, state government budget surpluses, a robust network of community banks, and high credit availability even during economic crises. When federal programs became available to assist small businesses during the corona virus pandemic, the BND proved efficient and effective in getting those funds available to the communities that needed them through the local community banks and credit unions. (www.bnd.org)

Aaron Fernando, *The Progressive*, October 24, 2019



Keeping Our Public Funds Safe, Local and Working

- *Partner with local community banks and credit unions;*
- *Grow financial resources that support local food, renewable energy and educational systems;*
- *Increase investments in job opportunities and human capabilities; and*
- *Diversify our economy while keeping New Mexico money in New Mexico!*

Why An Economic Development Strategy?

The Alliance for Local Economic Prosperity suggests that three key structural causes keep New Mexico at low rankings among the 50 States on multiple indicators of well-being:

- 1) The big income gap between the very wealthy and working class residents that results in a loss of social and economic fairness and justice.
- 2) The increasing costs on local governments to serve their residents while local revenues for needed services are decreasing. As a result investments are unavailable to develop local potential for educational innovation; infrastructure; food and agriculture systems; and social, cultural and ecosystem regeneration. More investment in local development increases the local circulation of money, reduces some costs of services, and improves community wellbeing.
- 3) The large deposits of government funds going to global banks (“banks too big to fail”), means local savings are exported to feed global corporate expansion for shareholder gains. This results in a loss of **local and tribal** economic, natural, and human capabilities.



Frequently Asked Questions About Public Banks

How is a Public Bank Different from Privately Owned Banks?

- Public Bank decisions are guided by a public mission.
- The bank's purpose is to serve the common good.
- It only accepts and invests public funds (taxes, fees, fines, and mineral royalties).
- Its financial operations, loan programs and audits are fully transparent and accountable to the public.

Will the Government Run the Bank?

- No. A board will be selected in a transparent process. Professional bankers operate a Public Bank and will make all bank financial decisions guided by the mission.
- There are strong protections between the public interest and inappropriate political influence.

Will a Public Bank Compete with Community Banks or Credit Unions?

- No. A Public Bank and Private Local Lenders (Community Banks, Credit Unions, and Community Development Financial Institutions) **collaborate** to invest in and enhance the local economy. A Public Bank can lower the total interest for these kinds of public/private loans. In addition, a Public Bank can help reduce onerous regulatory costs for Local Lenders, and they can help reduce due diligence costs for the Public Bank.

Affordable housing for working class families is a need in all New Mexico counties. A variety of designs can meet the customs, requirements, and environmental standards that New Mexican families deserve.

