

JFI and Berggruen Institute Launch Series on Practical Pathways to Public Banking

Forthcoming publications lay out playbook for how a publicly-owned bank could unlock solutions to Los Angeles' pressing challenges; new digital tool will power analysis for policymakers and advocates

Press Release

New York, NY and Los Angeles, CA — April 20, 2023 — JFI and the [Berggruen Institute](#) today announce a joint [report series](#) to assist renewed efforts by the Los Angeles City Council to establish a public bank. The series, with an [introductory working paper](#) released today, describes viable approaches the city could take to setting up and administering a municipally-owned financial institution; and analyzes the impact of new lending programs on affordable housing, small business, and green energy.

The Los Angeles City Council began a Request for Proposals process for a viability study and business plan by unanimous vote in October 2021, and efforts to produce these materials are beginning to take shape this year. This series of parallel JFI-Berggruen Institute reports, to be published through May of this year, give researchers, advocates, and the city a template for the programs and administrative structure of such a bank that can best serve the public interest.

Using expert interviews, aggregate data on citywide trends, and the expertise of researchers at both JFI and the Berggruen Institute, the series adds to a nascent research base on public banks in the US and internationally; incorporates key lessons from successful public banks such as the Bank of North Dakota; and builds on a [report](#) from the Democracy Collaborative and Public Bank of LA advocates from 2022.

The project is co-led by JFI VP for Policy [Halah Ahmad](#) and VP for Social Wealth [Paul Katz](#) alongside the Berggruen Institute's Associate Director of the Future of

Capitalism Program, [Yakov Feygin](#). Co-authors include Jonathan Calenzani, Jack Landry, Chirag Lala, Leila Lorenzo, Michael McCarthy, Eric Medrano, Patrick Robbins, Sina Sinai, Miranda Strominger and Paul Williams.

The introductory working paper released today provides summary analysis of lending programs that:

- Create more affordable housing through lower-cost debt for construction, an acquisition fund for affordable housing preservation, and expand low to moderate-income homebuyer assistance;
- Empower worker ownership of small business by financing small business worker cooperative conversions; and
- Accelerate the green energy transition through loans for retrofits and utility-scale investment, among other programs.

Forthcoming reports will explore these programs and the bank's overall administration in the following sequence: affordable housing, financial justice (small business and related investment), green energy, and democratic governance. The series will culminate with the release of a balance sheet simulator that enables the wider public to interactively allocate resources among the proposed lending programs, and to test cost and profit assumptions across the bank's hypothetical balance sheet. This tool will democratize a view of both the financial possibilities and constraints of a public bank in Los Angeles.

"Los Angeles has many unserved financial needs. Our city can start thinking about using its finances more creatively and proactively to solve the city's problems by investing in itself," said Yakov Feygin. "A public financial institution like a public bank, or municipal finance corporation can be a critical piece of the puzzle for solving the city's pressing problems."

Halah Ahmad said, "These reports help to anchor these exciting public bank discussions with practical options for a portfolio that builds stability, wealth and climate readiness across the city—and does so in collaboration with existing players."

About the Jain Family Institute:

JFI is a 501(c)(3) nonprofit applied research organization founded in 2014 by Bob Jain. Our mission is to address pressing social problems by identifying and building high-impact interventions that translate to real world progress. A platform for research and social entrepreneurship, JFI brings global policy from theory to practice.

About the Berggruen Institute:

The Berggruen Institute's mission is to develop foundational ideas and shape political, economic, and social institutions for the 21st century. Providing critical analysis using an outwardly expansive and purposeful network, we bring together some of the best minds and most authoritative voices from across cultural and political boundaries to explore fundamental questions of our time. Our objective is enduring impact on the progress and direction of societies around the world. To date, projects inaugurated at the Berggruen Institute have helped develop a youth jobs plan for Europe, fostered a more open and constructive dialogue between Chinese leadership and the West, strengthened the ballot initiative process in California, and launched Noema, a new publication that brings thought leaders from around the world together to share ideas. In addition, the Berggruen Prize, a \$1 million award, is conferred annually by an independent jury to a thinker whose ideas are shaping human self-understanding to advance humankind.

Contact:

Molly Dektar, communications@jainfamilyinstitute.org

Chris Eldred, celdred@berggruen.org