

## **JFI and Berggruen Institute Release Interactive Tool Exploring Impacts of a Public Bank**

*Digital web app allows anyone to build custom lending portfolios and see projected impacts on affordable housing, green energy, and financial justice*

### *Press Release*

New York, NY and Los Angeles, CA — May 25, 2023 — JFI and the [Berggruen Institute](#) have released the sixth and final piece in their joint [series](#) on public banking in Los Angeles: an [interactive Balance Sheet Simulator tool](#). The simulator enables political leaders, advocates, and members of the public at large to build customized loan portfolios from among eleven programs in the areas of housing, green energy, and financial justice. Using simple math, the tool then simulates the outputs of these programs over a ten-year time horizon, enabling users to assess the real-world impact of public finance in their communities.

Along with the launch of the Balance Sheet Simulator, JFI and the Berggruen Institute have released an updated version of the series' [overview report](#), which explains how the bank's proposed lending programs and governance come together and considers different pathways to bank incorporation. This updated overview report includes a sample unified balance sheet, as well as several allocation scenarios constructed using the [Balance Sheet Simulator](#).

The simulator opens by walking users through the simplified set of adjustable assumptions that determine the total amount of loanable funds available. Users are then invited to allocate loanable funds among eleven programs in [affordable housing](#), [financial justice](#), and [green energy](#) (see Figure 1, below). The simulator then indicates the projected outputs of that lending: for example, units of affordable housing preserved or green energy produced. The overall composition of the initial portfolio is shown (see Figure 2), as is its projected growth over ten years (see Figure 3). Each of these lending areas is described in detail in the corresponding reports released in the series.

Figure 1: Sample Portfolio Allocation

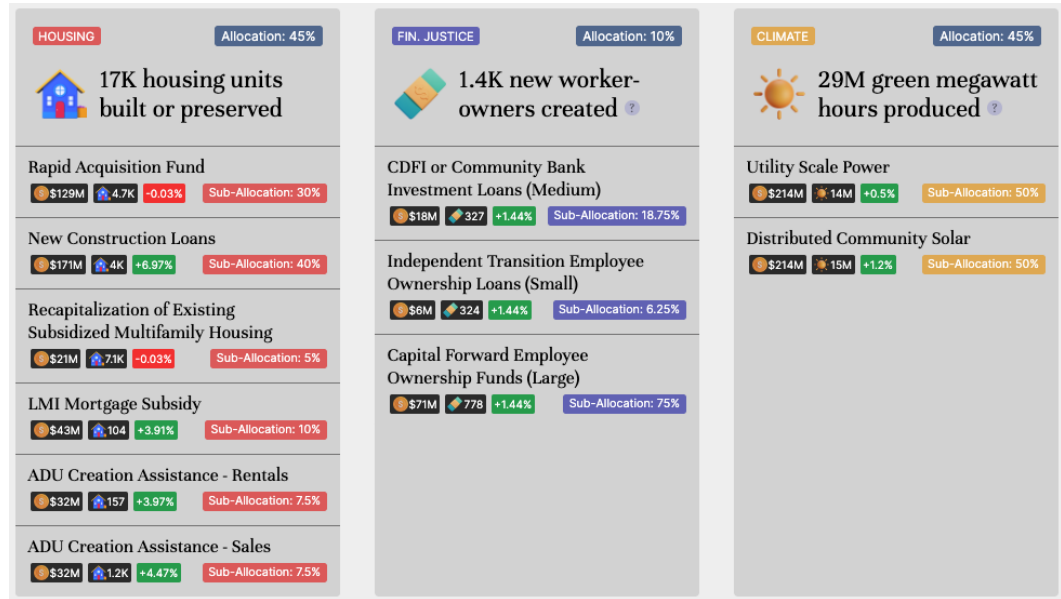


Figure 2: Current Balance Sheet Allocation at a Glance

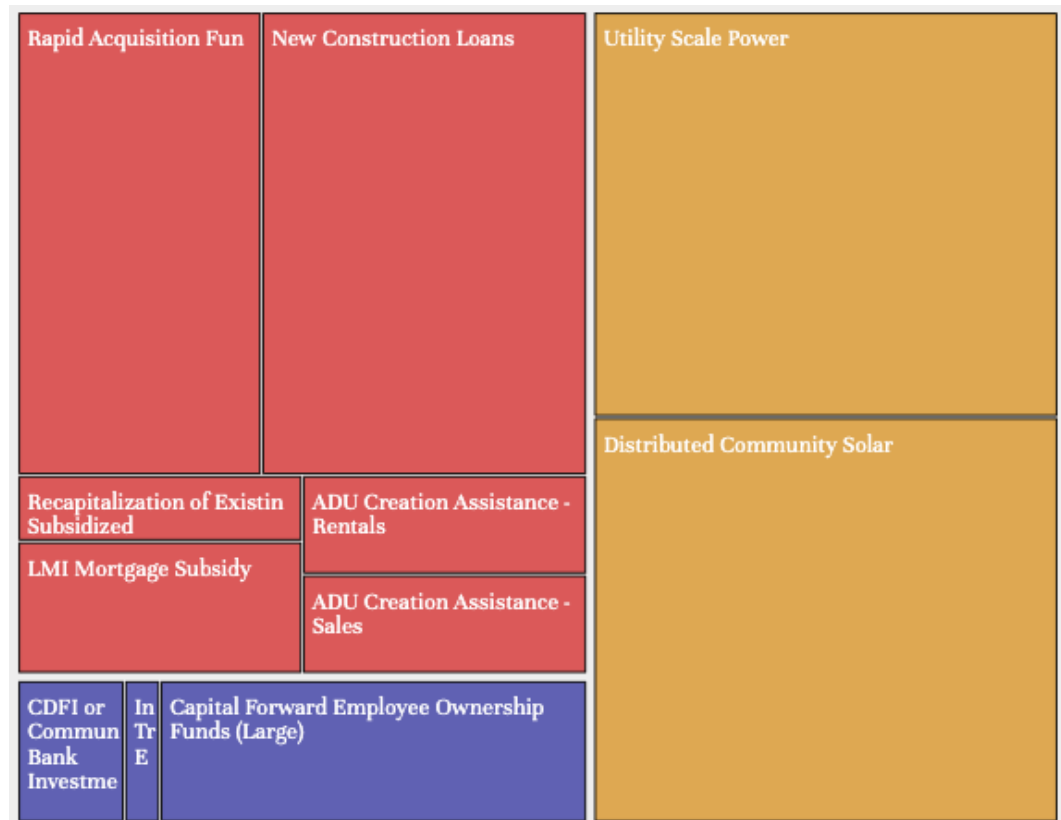
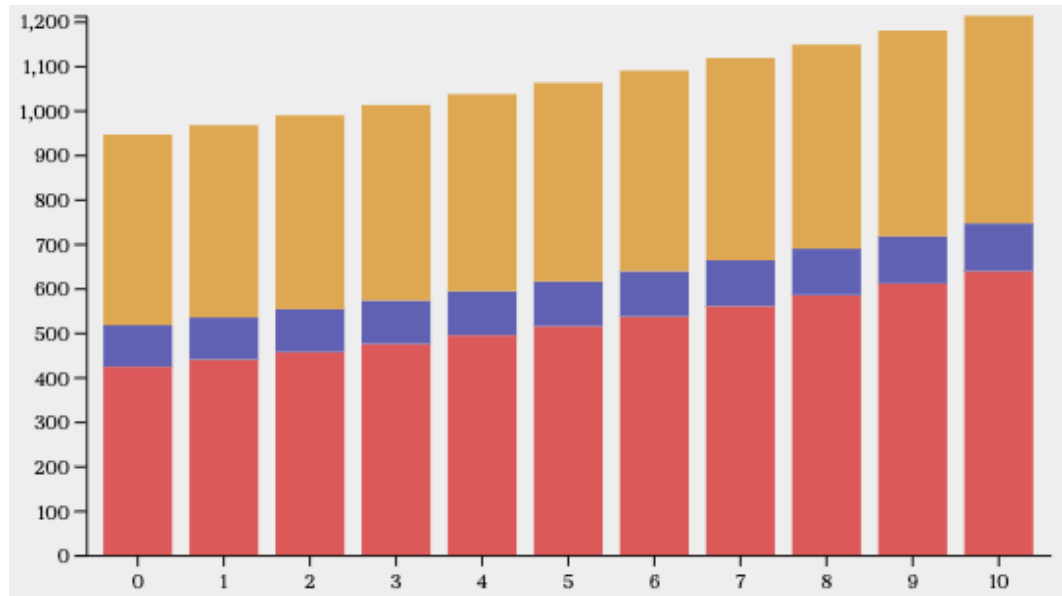


Figure 3: Projected Balance Sheet Growth over Ten Years (by year, in millions)



Readers are invited to use the [simulator](#) to build their own custom balance sheets, and to explore the full series [online](#). The development of the tool was led by JFI’s Lead Independent Researcher Francis Tseng and by JFI Fellow Sina Sinai.

“If MBLA is to be a truly democratic institution, individuals and communities of diverse backgrounds must be empowered to participate in its design and governance. By making the opportunities and tradeoffs inherent in public finance directly accessible to a wide range of users, the Balance Sheet Simulator is a creative step in this direction,” said Paul Katz, VP in JFI’s Social Wealth initiative and co-coordinator of the joint series.

“This simple, interactive simulator tool enables open deliberation over the uses of public finance and state investment,” said Yakov Feygin, associate director of the Future of Capitalism at the Berggruen Institute and co-coordinator of the series. “As we continue in this process, we hope it will clarify the exciting possibilities of municipal public finance, and turn into the basis for more iterative, public participation in government.”

“This series moves the idea of public banking from theory to practice by putting forward practical lending options to accomplish its public-serving mandates,” said Halah Ahmad, co-coordinator and JFI VP for Policy. “The public—and city

government—needs a menu of options like this to solidify efforts to establish the bank. With the simulator, the public can both learn about and gain *practice* in determining where their tax dollars could go within a financial institution that chooses people over profits.”

### **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.

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