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Public Bank Los Angeles Fact Sheet



A municipal public bank is a bank owned by the city that invests public money in the community instead of Wall Street. Los Angeles pays more than $1 billion a year in banking fees and interest. A public bank could cut those costs, lower what the city pays to borrow, and bring in new revenue when budgets are tight. Those savings could go to affordable housing, clean energy and better-funded schools, with real investment in communities of color and neighborhoods that have been left behind for too long. It's our money. It should be working for Los Angeles.

With the passage of the California Public Banking Act, local governments can now create public banks that keep our dollars working right here at home. This means more than just saving money. It means creating local jobs, supporting small businesses, and generating revenue that goes back into the community where it belongs.

Why It Matters

Stop paying Wall Street

- Los Angeles spends more than $1 billion a year on debt service, including hundreds of millions annually on fees and interest to big multinational banks. When the city finances its own projects through a public bank, it cuts out the middlemen and keeps that money for affordable housing, schools, and climate projects.

Turning public deposits into lending

- A public bank can supercharge community investments by leveraging the multiplier effect, stretching every dollar to go much further. With the ability to amplify funds up to 10x, a $10 million deposit could be transformed into $100 million in loans, dramatically expanding the bank's capacity to fund essential projects across the city.

Cut out the middlemen

- A public bank works as a "banker's bank," partnering with local lenders instead of competing with them. No branches, no ATMs, no big marketing budgets and no overpaid executives. Interest and fees cover its costs, and once it's on its feet, profits go back to the city's general fund.

Lean, low-cost operation by design

- A public bank works as a "banker's bank," partnering with local lenders instead of competing with them. No branches, no ATMs, no big marketing budgets and no overpaid executives, so more money goes straight to the projects that matter. It's also tax-exempt which means more profit stays locally.

Recycling city funds - keeps our money working for LA

- A public bank puts our tax dollars to work on repeat. While city departments spend funds once and they're gone, a public bank keeps the money circulating, re-lending repaid loans back into the city. And unlike private banks that send profits to out-of-state shareholders, a public bank reinvests its earnings in LA.

Build what LA needs - economic development & job creation

- A public bank can offer low-cost loans for better schools, safer roads and more affordable housing without raising taxes. That means good-paying jobs and investment in the services that keep our city running.

Invest where others won't - affordable housing & green energy

- Affordable housing projects require a complex mix of over a dozen different funding sources. A public bank cuts through the red tape, streamlining the process so developers can quickly preserve and build the housing we need. When it comes to green energy, a public bank steps in where other lenders won't, backing large-scale renewable projects.

Racial & economic justice

- A public bank will work with LA's local lenders to expand credit for unbanked and underbanked residents. It'll invest in neighborhoods that have been overlooked for too long and offer an alternative to predatory lending.

Partner with local lenders

- Under the California Public Banking Act, an LA public bank must partner with local community banks, credit unions and CDFIs. Working together, they can lend more, at lower rates, to LA businesses and residents.

Proven in North Dakota - America's century-old public bank

- The Bank of North Dakota (BND), a state-owned public bank, is more profitable than Goldman Sachs and JPMorgan Chase and has returned over $1 billion to the state's general fund since 1945. In 2025, BND delivered an impressive 17.2% return on investment and returned $353.3 million back to public coffers, proving that a public bank can be both a powerhouse and a community asset.

Self-sustaining - it pays for itself

- Revenue from loan interest and fees will keep the public bank running smoothly, covering everything from staffing and technology to regulatory compliance. Once it's up and self-sustaining, the bank can start channeling profits back into the local government's general fund, just like the Bank of North Dakota, turning its success into a direct benefit for the community.

It's feasible & profitable - research shows it works

Two nonpartisan research organizations, the Jain Family Institute and the Berggruen Institute, developed lending models in a 5-series report showing how the LA Public Bank could work. Here are the key findings:

1. Affordable housing. Low-interest construction loans, recapitalization, mortgage assistance and ADU financing could create over 17,000 affordable units in the first ten years, while returning a profit to taxpayers.

2. Renewable energy projects. Financing for utility- and community-scale projects could help close funding gaps toward LA's goal of carbon neutrality by 2045.

3. Small businesses & financial justice. New lending products, support for employee ownership and alternative credit evaluations could reach businesses in underserved communities.

4. Profitability. The bank can be profitable, generating income for LA taxpayers while supporting local economic development.

Additional resources:

- Public Bank LA Resource Booklet
- A Technical Summary of Public Banks, California Public Banking Alliance
- What a Public Bank Can Do For LA and Its People, Jain Family Institute and Berggruen Institute
- Utilizing Public Banks to Equitably Prioritize the Needs of Small Businesses, Inclusive Action for the City
- Public Banking Movement Resources