California local governments face increased needs and revenue shortfalls, exacerbated by the COVID-19 pandemic. With the federal government in deadlock, local governments are being forced to cut critical services such as schools and food programs, and spend far more on public health than could have been anticipated before 2020. Limitations in these services disproportionately harm communities of color and poor communities.

Public banks will not only provide California's municipal governments with inexpensive depository services and cash management, but they will also be able to supply funding that supplements government spending, freeing up money for essential services.

**INVESTING IN LOCAL COMMUNITIES, CREATING CLEAN JOBS**

Small and medium-sized businesses remain the core economic driver for California. Working with local financial institutions (community banks, credit unions, and community development financial institutions), public banks will provide these businesses with access to capital to develop and scale. By aligning with union standards for wages and working conditions, public banks can promote fair and equitable job opportunities for all members of the community.

**PROVIDING STABLE FINANCING FOR LOCAL BUSINESSES AND COMMUNITIES**

Public banks will provide stable financing options for local governments and agencies by offering customized banking services at a lower cost and aligning with our cities’ and counties’ values and priorities. By moving money away from large Wall Street banks and prioritizing local investments, public banks will support the growth and stability of our communities.

**STRENGTHENING LOCAL ECONOMIES**

California public banks will provide a cost-effective solution for local governments to finance infrastructure projects and other necessary expenses. Instead of paying hundreds of millions of dollars per year in interest to private banks, who continue to be profitable during the worst of the COVID-19 pandemic and are reaping huge rewards now, local governments can deposit their tax revenues in public banks and cut infrastructure creation and repair costs by half. This is possible because public banks can leverage capital up to ten times, with every dollar deposited representing up to ten dollars available to loan, allowing them to fund much-needed projects. Public banks will make funds available for affordable housing, climate change infrastructure, and other community needs while providing extra cash to address smaller but pressing issues such as keeping illegally dumped trash off the streets or building a basketball court for underserved teens.