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Public Banking Would Help Speed the Economic Recovery from COVID-19.

At least 90 percent of the nation's cities are facing a budget crisis because of the economic shutdown in response to the COVID-19 pandemic, according to a mid-April [report](#) by the U.S. Conference of Mayors and the National League of Cities. Because municipal governments cannot run deficits, they will have to respond by cutting staff and programs, which will worsen the economic conditions of the cities they serve.

If cities had public banks, they would be much better equipped to deal with these budget shortfalls and maintain the services and staff most vital to their economic recovery. That's why state and local political leaders should use emergency powers to rapidly create public banks that can serve as key engines of a just and sustainable economic recovery.

Public banks are new to most of us in America, but they have been a proven institution globally for the past few hundred years. The one place in America where public banking is not new is North Dakota, where the 100-year-old Bank of North Dakota is widely credited with helping the state's economy weather the 2008 recession far better than other states.

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BY ISAAH POOLE AND RICK GIRLING, OPINION CONTRIBUTORS — 04/17/20 06:30 PM EDT

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