



Common Good Finance Corporation

creating common good banks™, democratic economics for a sustainable world



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Common Good Banks – How Are They Different?

Common Good Mission: dedicated above all to sustainability and economic justice. [Ordinary banks and credit unions have to focus on profitability above all.]

Nonprofit Profits: All profits go to schools and other nonprofits, near and far. Half in the local community, half to empower people elsewhere, with half of that half to empower people in other countries. [Ordinary mutual banks and credit unions have to hold on to most of their profits. Ordinary stock based banks have to give the profits to their investors and the top officers get millions.]

Hands-on Democracy: Common good banks will be a new economic system that lets communities create and control money, deciding for themselves what to fund and what to invest in. [With ordinary mutual banks and credit unions, you never get a say in anything important.] Depositors in each community make important decisions together by direct democracy, one person one vote:

- *Where the profits go.* Which schools and other nonprofits receive the bank's profits.
- *Investment priorities.* Depositors will look at what new industries are needed in the community. The bank will advertise those priorities as business opportunities with funding, including microloans for small business startups. The bank will partner with local nonprofits to help first-time borrowers manage their personal and business finances successfully. Common good banks can put everyone to work, by matching up what needs to be done with who is looking for a job.
- *Money creation.* How much money to create and which local nonprofits to grant it to.
- *Division Advisors,* elected by the depositors, oversee the community's democratic process and advise the bank board about each loan request: (a) Is the request in line with the community's investment priorities? and (b) Is the borrower trustworthy?

Community-Based. Once the first common good banks opens, any community anywhere can have one very easily in just a few days, with no need for a bank building. Local nonprofit and business partners help depositors open accounts, apply for loans, make deposits and get cash. Together, common good bank communities can invest in energy coops, agricultural infrastructure, cooperative healthcare, community-owned department stores and corporate reforms.

Local Credit/Debit Card: Ordinary credit cards typically cost businesses 2% plus a per-transaction fee. Accepting the Common Good™ Card will cost the merchant nothing at all. Any business can accept the card, using a card-swipe, cell phone or the internet.

Super Security: Common good banks will provide a full range banking services, including FDIC-insured deposits, with several security measures that go way beyond what ordinary banks offer:

- *Transparency.* All of the bank's books and operations will be open to public scrutiny.
- *Community-level sustainability.* Each community is responsible for its own capital adequacy, cash reserve, local sustainability and solvency, with help from the other communities in an emergency.
- *Inflation protection.* Anyone can buy even a few dollars of stock, to become an owner of the bank. By investing in real things that are important to the community [rather than the speculative, profit-centered investments that ordinary banks prefer], common good banks will maintain a steady value, so that stockholders can sell their stock easily, with a planned appreciation equal to the true rate of dollar inflation.