

“...one of the most significant paradigm changes in recent history...”

2014 ANNUAL REPORT

Public Banking

took huge steps forward in 2014 as Vermont implemented its 10% for Vermont program that directed millions of dollars to local investment, Santa Fe proceeded with a feasibility and economic impact study of a public bank on the local level, and symposia were held in Santa Fe, Seattle, and Philadelphia that attracted hundreds of supporters from every corner of the country.

STRATEGIC HIGHLIGHTS

To accomplish what is no less than one of the most significant paradigm changes in recent history requires clear, measurable objectives, well-designed programs and products, and the means to distribute them widely. Over the three years since our founding, PBI has demonstrated an ability to achieve significant results with limited resources. 2014 has been a pivotal year for us in many ways.



In February we expanded our board to bring in new resources and perspectives. We also launched a new strategic planning process for the organization that has yielded many dividends for us. In March we hired Gwendolyn Hallsmith, who oversaw the consolidation of the organization, applying for formal independent nonprofit status, working with the board to develop a strategic plan and revenue model. She has helped coordinate the followup required as a result of Ellen Brown's prolific writing and speaking (300 articles and 800 appearances) and has supported the hard work of the leaders in local chapters, from Santa Fe to Seattle, Nevada to New Hampshire.

2014 has been quite a year for the public banking movement. We saw significant breakthroughs for public banking movements on the ground, for PBI as an organization, and in overall awareness about public banking via major media stories such as in *The Wall Street Journal*.

Over the past year, we at PBI worked for a transformed banking and monetary system in the following ways:

- We supported the formation of public banks by inspiring and supporting local groups to lead public banking initiatives all over the nation (and the world). The passage of the 10% for Vermont bill in Vermont is giving leaders there direct experience with the challenge of using state deposits for local lending, and important first step toward a public bank.
- We interfaced with local chapters, providing them educational materials, consulting, and strategies for moving public banks forward. We are in active communication with political leaders from Los Angeles to Seattle, from New Hampshire to Florida, and everywhere in between.
- We began offering inspiring and informative courses on a variety of subjects around the creation of a new economy that creates prosperity for all, at The New Economy Academy. This online education program is a foundation for education and research on democratizing our monetary system through public banking models, new ownership and management systems that put people first, local investment structures, new ways to measure economic progress, public banking models, complementary currencies, and re-imagining the study of economics so that it recaptures its roots as a moral philosophy.



NEW ECONOMY ACADEMY

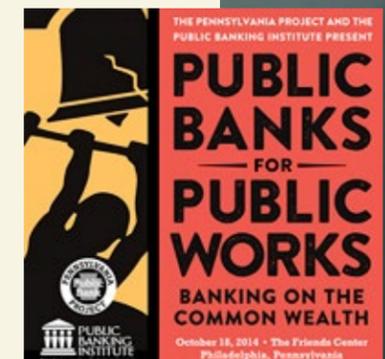
Strategic Highlights, continued.

- We supported conferences for people of all backgrounds to learn about public banks and take the next steps in their areas. In 2014, we were instrumental in leading conferences in Santa Fe and Philadelphia, and sponsored an energetic group of young people and economists in New York City who are rethinking our economic assumptions. These efforts led to a renewed intensification of the public banking effort in Seattle, culminating in a series of meetings involving elected officials, citizens, and staff and board members in December 2014.
- We made connections to local, alternative and national news media, and usually had a hand in sourcing major articles that came out such as the *New York Times*, *Yes Magazine*, the *Wall Street Journal* and *Salon.com*.
- Our founder Ellen Brown's powerful, tireless writing, her regular radio shows called *It's Our Money* hosted by PBI's new communication director Walt McRee, and her ongoing speaking schedule continued to spread our message far and wide.

OPERATING HIGHLIGHTS

Highlights from many of the more operational efforts in place included the following:

- The *Banking on New Mexico* symposium in Santa Fe, which attracted hundreds of participants from New Mexico, California, Washington, Oregon, Colorado, Arizona, and other states around the country.
- The *Public Banks for Public Works* symposium in Philadelphia, which featured media stars like Howard Meyerson and Rob Kall.
- Support for Seattle's efforts to explore a public bank, with participation in a symposium and municipal meetings they held on public banking in December.
- Talks in New Hampshire that have served as the basis for the Non-Partisan Alliance and the national conference being held in Manchester, NH on December 5th and 6th, 2015.
- Major local investment initiatives were enabled in Vermont as a result of the 10% for Vermont legislation that passed in 2014 – not the desired bank charter towns voted for, but a first real step toward a public bank.
- A new web site for the Institute, using the Nationbuilder platform that makes our membership building efforts work successfully – our membership has increased nearly fivefold in 2014.
- The *New Economy Academy*, an online training program for our members. So far, we have successfully delivered three courses and two Cutting Edge Conversations with Michael Shuman, Tom Sgouros, and Bernard Lietaer.



FINANCIAL HIGHLIGHTS

Over \$135,000 was donated to PBI during 2014, with a increase in members taking part in the public banking challenge. We increased support to local and regional events this year, and provided support to the symposia held in Santa Fe and Philadelphia with both financial donations, publicity, and speakers. We also worked to develop new online resources for supporters – a new and expanded web site, the New Economy Academy, and improved access to publications and videos for our members. We have developed plans for expanding resources on the web.

FINANCIAL SUMMARY

The Public Banking Institute is a grassroots organization that is not funded by any single individual or organization. We have over three hundred individual donors.

In 2013, the largest single grant (\$25K) came from the Madison Community Foundation, with the Lydia B. Stokes Foundation and the Vermont Community Foundation each providing \$5-10K. Much of the 2013 income came from individuals and members, whose contributions totaled \$84,768. This all added up to a total of \$135,545.

Expenses for personnel and business management totaled \$87,470, Contract Services totaled \$20,690, Business Operations totaled \$31,496. Total expenses for the year were \$139,657.

Our efforts this year have focused on being a supportive organization for our members, and attracting new members to our ranks. This has proven successful – our paid membership has increased by 492% to a total of 202 members. In addition, the New Economy Academy courses have been viewed by hundreds of people, and this promises to increase as we are able to post recordings of the different sessions to our web site. **1000 paid members by the end**

“It is this type of grassroots support, combined with the support we get from the cities, counties, and states who are interested in exploring public banking as a solution, that will continue to grow and propel us into the future.”

of 2015 would mean at least \$120,000 in unrestricted funding for PBI, which could be used for increased local support and research.

One of the reasons we need to expand our membership is the nature of the paradigm changes we find ourselves promoting. Some of the traditional sources of support for non-profit enterprises are not available to us. Public banking is fundamentally about system change. The type of change we

advocate calls into question exclusively private wealth creation and income inequality. Systemic changes like public banking are not the typical band-aid solutions that many foundation funders still find meaningful.

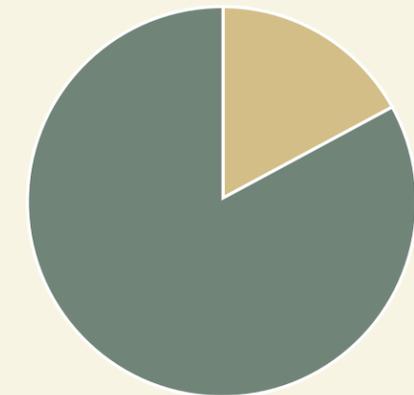
Yet people everywhere, from all different walks of life, find our message compelling enough to send us regular contributions from even meager incomes. It is this type of grassroots support, combined with the support we get from the cities, counties, and states who are interested in exploring public banking as a solution, that will continue to grow and propel us into the future.

STATEMENT OF FINANCIAL POSITION AS OF JANUARY 1, 2015

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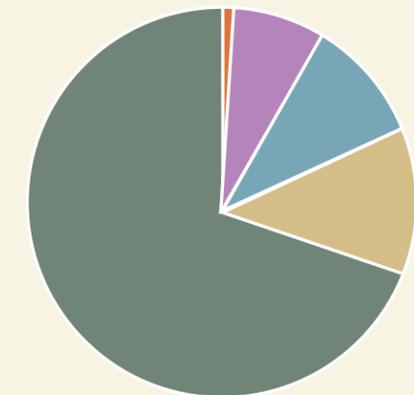
Ordinary Income/Expense	2013 Fiscal Year
Income	
Direct Public Support	\$ 159,990.24
<u>Related Business Income</u>	<u>\$ 35,666.15</u>
Total Income	\$ 195,656.39
Expense	
Business Expenses	\$ 18,435.12
Contract Services	\$ 23,542.40
Facilities and Equipment	\$ 252.00
Operations	\$ 12,797.06
Other Types of Expenses	\$ 435.94
Travel & Meetings	\$ 125,403.56
<u>Total Expense</u>	<u>\$ 180,866.08</u>
Net Ordinary Income	\$ 14,790.31
Net Income	\$ 14,790.31

INCOME



18% Related Business Income
82% Direct Public Support

EXPENSES



61% Travel & Meeting
13% Contract Services
10.5% Business Expenses
7% Operations
0.5% Facilities, Equipment and other

STATEMENT OF PROFIT & LOSS JAN 1, 2013 – JAN 1, 2014

Assets	2014 Fiscal Year
Checking	\$ 15,852.09
Total Current Assets	\$ 15,852.09
<u>Other Assets (Security Dep.)</u>	<u>\$ 650.00</u>
TOTAL ASSETS	\$ 16,502.09
LIABILITIES & EQUITY	
Equity	
Unrestricted Net Assets	\$ 20,614.33
<u>Net Income</u>	<u>-\$ 4,112.24</u>
Total Equity	\$ 16,502.09
TOTAL LIABILITIES & EQUITY	\$ 16,502.09

LOOKING AHEAD

Our plans for The New Economy Academy in 2015 include the further development of our NEA courses and programs, and hosting regular Cutting Edge Conversations with economic luminaries. Our goal is to create a vibrant community of economy thinkers and actors as we inspire breakthrough economic models for a prosperous world. Interest and excitement has been already high and response excellent, so we look forward to expanding this success in the new year.

Cutting
EDGE
conversations

Training and Technical Assistance Capacity: Municipalities, counties, and states are requesting guidance from the Public Banking Institute ranging from legal issues to the economic impacts a new public bank could have. The team will research issues such as capitalization requirements, FDIC review, and the limits imposed by the Dodd-Frank Act. This research will be compiled into a guide that will inform efforts at the state, regional, and local levels to implement public banks.

A **national conference** in Manchester, NH in early December of 2015 will work to galvanize a broad coalition of groups united around the need to reform our monetary and political systems so that public banks, public finance, and public elections are back in the hands of the public, where they belong.

FUTURE PLANS

In 2015, we would like to inspire our members to do fundraisers at the state and local level to support our work. We will also be introducing several new classes to the New Economy Academy that will help attract new members and sponsors. The national conference we are planning in Manchester, NH, is also designed to bring a broad coalition of supporters together to explore how public banking can meet the needs of a significant cross-section of stakeholders – people who are interested in campaign finance reform, affordable housing advocates, municipal officials, economic development experts, legislators, and activists.

With new members, chapters, and local coordinators, the Public Banking Institute is poised to become a major force in the new national debate that is emerging about banking, prosperity, equality, and social justice. The growing inequality in the country has become a national agenda item. We need public banking to expand the wealth and opportunities for the vast majority. We plan to be a voice for the middle class, for the impoverished, and a voice of reason for a new model for banking and credit that benefits everyone.



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