

SEVEN WAYS TO TRANSFORM BANKING¹

Fran Korten[©]

Are you as outraged as I am by the Wall Street bankers with their fat bonuses, shoddy mortgages, and financial shenanigans? With the gridlock in Washington, I wanted to know what “we the people” can do to turn our fury into constructive action. So I turned to my friend Jared Gardner for advice. Jared comes from the financial industry and thinks hard and well about how to change the system. Here are seven things I gleaned from my discussion with Jared about what we can each do to build a resilient financial system that will serve real people in real communities.

1 Move your money.

You may have heard about the Move Your Money campaign. The idea is to move your deposits from a Wall Street bank to a community bank or a local credit union. This is a terrific first step to keep the banksters from playing games with your money. Check out Green America's Community Investing website for ideas on what to do.

2 Move your debt.

Don't stop with just moving your deposits. Move your debt. It's in servicing debt that banks make the big money. So if you have a credit card, a car loan, or a mortgage, consider moving them. Find someone at your local bank or credit union who can help you review your debt and see what you could move to a local institution. Your interest payments can build your local economy instead of fattening those Wall Street bonuses.

3 Persuade your institutions.

Do you belong to a church, synagogue, mosque, or temple? How about the place where you work? Or a club or nonprofit where you are a member? All of these institutions likely have money and debt. Talk with the leadership about where they do their banking and encourage them to explore what they could move to a local bank. The First Unitarian Church in Portland, Oregon is considering moving its entire banking relationship from a Wall Street bank to a local bank. And the Responsible Endowments Coalition is urging colleges and universities to do the same. We need to follow these examples and make this a nation-wide movement.

4 Advocate a state-owned bank.

Sadly for the nation, North Dakota stands alone in having a state-owned bank. But that may change. Ellen Brown reports that five states now have pending legislation to create state-owned banks, and more are studying the possibility. The advantages are tremendous. The Bank of North Dakota has kept credit flowing throughout the financial crisis. More important, the state bank keeps community banks thriving. North Dakota has more community banks per capita than any other state in the union. Those community banks serve local businesses, which in turn generate local jobs—a winning strategy in a job-starved market. According to Brown, last year North Dakota had the lowest unemployment rate in the country.

¹ Yes! Magazine, November 11, 2010

5 Form or join a group.

Working with others keeps motivation high. One good option is a Common Security Club. Chapters are forming in communities across the country. Members find ways to help each other with financial difficulties, discuss the roots of the economic crisis, and advocate policies that will turn the system around.

6 Learn more.

The New Rules Project has a community banking initiative that's a font of current information on breakthroughs for community banking. Ellen Brown provides regular insights into openings for transforming the banking system. Oregonians for a State Bank is developing allies across the political spectrum who want to strengthen their local economy. And the YES! Magazine website provides a steady stream of stories that spotlight the actions people are taking to build a new economy.

7 Share these ideas.

People of all political stripes are furious with the Wall Street banks. But they don't know what to do. So tell everyone you know what you're doing and why. And share this list. Together we can build a force strong enough to transform the banking system to one that will work for us all.