



Don't Let JPMorgan Chase Take Chicago's Relief Money! **FACT SHEET**

Mayor Lori Lightfoot should spend the \$1.9 billion in federal relief on Chicago's communities. The 2021 American Rescue Plan Act (ARPA) federal stimulus is intended to go directly into communities suffering the most from the devastating economic and health effects of the pandemic. Instead of prioritizing the hardest hit Chicagoans, the Mayor has proposed diverting \$1 billion of the federal stimulus to Wall Street banks and investors to pay off bad bank deals. \$465 million of that would go directly to JPMorgan Chase. She wants to use the rest to plug holes in her 2021 budget, which already prioritizes policing over community needs.

If JPMorgan Chase would waive just \$9 million/year in interest, Chicago's Black and Brown communities could have their recovery money. Last December, Lightfoot borrowed \$465 million from JPMorgan Chase. She wants to use nearly 25% of Chicago's ARPA money to pay back this loan quickly to avoid interest payments. The interest on this loan is just \$9 million a year. *Instead of taking \$465 million from our communities to pay back Chase, Lightfoot should call on Chase to waive interest payments on this loan.* Congress passed the ARPA to go to communities, not to America's largest bank, with \$3.3 trillion in assets. Chase gave CEO Jamie Dimon \$30 million in bonus pay for 2020. It can afford to forgo just \$9 million a year in profit.

Lightfoot has a pattern of prioritizing money for cops and banks over relief and recovery for Chicago's communities. Mayor Lori Lightfoot's shortsighted priorities have further destabilized Chicago's budget and communities. Last spring, Mayor Lightfoot expanded her mayoral power to decide how the \$470 million in the 2020 Coronavirus Aid, Relief, and Economic Security (CARES) Act money was spent. She decided to give \$281 million of our relief money, or 60%, to the police. And now she wants to give Chase our ARPA recovery money.

Lightfoot should join other cities in calling on the Federal Reserve to make zero-cost loans to state and local governments to ensure our money goes to communities. There's an alternative to letting banks swallow our recovery money. Even apart from the \$1 billion Lightfoot wants to give to Chase and other investors, Chicago also pays another \$1.1 billion a year in interest to bondholders. Los Angeles and Philadelphia have both passed resolutions calling on the Federal Reserve to provide long-term, zero-cost loans to cities and states to drive down the cost of borrowing to stop banks like Chase from trapping us in expensive debt deals. Last fall, there was a similar resolution before the Chicago City Council, but the Mayor's allies on the City Council didn't allow a vote on it.

If we can cut our payments to banks and investors, we will not have to cut from our communities. These are the same banks that targeted Black and Brown customers with predatory mortgages and then foreclosed on them, and profited from private prisons and immigrant detention centers. These same banks profit from upholding an unfair system that overcharges municipalities when they borrow.

Lightfoot should shift our spending away from cops and banks to make reparative investments in the public services that communities need most. Police and Wall Street deals are two areas that the Mayor has been unwilling to cut, instead forcing our communities to bear the costs of balancing the budget. Despite horrific cases of police violence, including the killings of Adam Toledo, Rekia Boyd, Anthony Alvarez, Laquan McDonald, Pierre Loury, Bettie Jones, Quintonio LeGrier, Marc Nevarez, Dominique “Damo” Franklin Jr., Ronald “RonnieMan” Johnson, Miguel Vega and Roshad McIntosh, Mayor Lightfoot wants to throw our relief money at the already bloated \$2 billion police budget that fails to keep us safe. The persistent disinvestment in Black and Brown communities and hyper-investment in policing create conditions that prevent Black and Brown Chicagoans from thriving. The Mayor should instead make budget choices that fully fund our communities--not cops and not banks--and invest in non-police violence prevention programs that have been shown to be effective in reducing interpersonal harm and police violence. Currently, violence interruption programs are much needed but severely underfunded.

The City Council introduced a resolution calling for funds be allocated towards healing and recovery. A recently introduced City Council resolution calls on Mayor Lightfoot to refrain from spending American Rescue Act funds, which are intended to alleviate suffering and rebuild our communities, on the Chicago Police Department or the further enrichment of Wall Street banks. It can do that by pursuing direct lending from the Federal Reserve and demand Chase waive the interest on this high-cost loan made in the middle of a pandemic.

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