What is a National Investment Authority?

The National Investment Authority (NIA) is a proposed new federal entity, modeled after the New Deal-era Reconstruction Finance Corporation. The NIA's mission would be to design, execute, and finance a comprehensive nationwide program of environmentally sustainable and socially inclusive infrastructural growth and revival. Working alongside the Treasury and the Federal Reserve, the NIA will mobilize and channel public and private capital into large-scale construction of clean public infrastructure, the key priority in the fight against climate change.

Why do we need a National Investment Authority?

Many clean infrastructure projects currently do not get funded in private financial markets that prioritize short-term investor returns over these projects' long-term public and environmental benefits. At the same time, dysfunctional Congressional politics and annual battles over budget deficits have rendered the Treasury largely incapable of leading a nationwide infrastructural transformation. The NIA will fill this funding gap.

How would the National Investment Authority work?

The NIA would operate directly in financial markets. Acting as a lender, guarantor, and market-maker, it would expand and optimize the flow of public and private credit into clean infrastructure. Acting as an asset manager, the NIA would set up and manage public-private venture capital funds, with private investors providing the bulk of capital in exchange for passive stakes. The NIA would select specific projects for funding, and then use advanced financial techniques to align private investor returns with the expected long-term public benefits of the infrastructure projects they helped to finance. By issuing its own bonds and equity interests in its managed funds, the NIA would create an attractive new "safe asset" class for pension funds, insurance companies and other institutional investors.

What are some of the additional benefits of the National Investment Authority model?

THE NIA WILL:

- increase the flow of private investment into clean energy and environmentally safer public infrastructure;
- amplify the impact of federal funding and reduce public costs;
- provide a ready source of patient capital dedicated to environmental and social justice;
- divert institutional investors' money away from financial speculation and high-risk activities and stabilize financial markets;
- encourage the emergence of new forms of mutual and employee-owned investment vehicles;
- use its power as a stockholder and creditor to improve labor conditions and democratize industrial relations within firms;
- strengthen the role of public actors in financial markets and prevent further privatization of productive assets.