
 Download This Paper (Delivery.cfm/SSRN\_ID2189109\_code1851421.pdf?abstractid=2189109&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN\_ID2189109\_code1851421.pdf?abstractid=2189109&amp;mirid=1&amp;type=2)

 Add Paper to My LibraryShare:    

## How Large Has the Federal Financial Safety Net Become?

*FRB Richmond Economic Quarterly, vol. 96, no. 3, Third Quarter 2010, pp. 273-290*

18 Pages

Posted: 16 Dec 2012

Nadezhda Malysheva ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=1946387](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1946387))

Independent

John R. Walter ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=90975](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=90975))


Federal Reserve Banks - Federal Reserve Bank of Richmond

 [There are 2 versions of this paper](#)

Date Written: 2010

### Abstract

Legislative and regulatory actions taken in response to the financial turmoil that occurred between 2007-2009 expanded the extent to which financial institution liabilities were protected by federal government guarantees, i.e., these actions expanded the federal financial safety net. How large has the safety net become? Walter and Weinberg (2002) measured and examined the size of the safety net as it stood in 1999. We estimate the size of the safety net as of the end of 2009, after the creation of a number of government programs meant to back financial liabilities. We use methods similar to those employed by Walter and Weinberg and find that the safety net has expanded significantly. We briefly describe our results and provide tables detailing them.

[Suggested Citation](#) >[Show Contact Information](#) > Download This Paper (Delivery.cfm/SSRN\_ID2189109\_code1851421.pdf?abstractid=2189109&mirid=1)

Open PDF in Browser (Delivery.cfm/SSRN\_ID2189109\_code1851421.pdf?abstractid=2189109&amp;mirid=1&amp;type=2)

### 25 References

1. Since PBGC covers pensions only up to a specified maximum payment per year, a portion of beneficiaries' pensions in guaranteed plans-those with pensions paying above this maximum-are not insured. According to the PBGC, this portion is estimated to be 4-5 percent (Pension Benefit Guarantee Corporation  
Posted: 2007
2. To derive our figure, we begin with our previously determined estimate of all private pension fund liabilities that are included in PBGC (\$2,946) and then divide it by 0.9 to arrive at our total liability figure of \$3,273 billion. The PBGC insures only about two-thirds of private sector single-employerdefined benefit plans, but almost all multi-employer plans (Pension Benefit Guarantee Corporation  
Private Employer Pension Funds-Total Liabilities: There appears to be no data on the total liabilities of all private employerdefined benefit pension funds  
Posted: 2009
3. Total liabilities of AIG" found in its 10K report, less "estimated insured deposits" of AIG Federal Savings Bank found on the FDIC's website in the  
Other Financial Firms-Implicitly Guaranteed Liabilities
4. Tables L.116-Property-Casualty Insurance Companies; L.117-Life Insurance Companies; L.126-Issuers REFERENCES Board of Governors of the Federal Reserve System  
Other Financial Firms-Total Liabilities: Board of Governors  
Posted: 2010-03-11

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#)

[Policy \(https://www.elsevier.com/legal/cookiepolicy\)](https://www.elsevier.com/legal/cookiepolicy)

Do you have a job opening that you would like to promote on SSRN?

[Cookie Settings](#)[Accept all cookies](#)

DOWNLOADS	52
ABSTRACT VIEWS	744
RANK	507,932

- 1 Citations
- 25 References

PlumX Metrics



## Related eJournals

Regulation of Financial Institutions eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=2012950](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=2012950))

Follow ⓘ

Political Economy: Budget, Deficit, & Debt eJournal ([https://papers.ssrn.com/sol3/JELJOUR\\_Results.cfm?form\\_name=journalBrowse&journal\\_id=1245124](https://papers.ssrn.com/sol3/JELJOUR_Results.cfm?form_name=journalBrowse&journal_id=1245124))

Follow ⓘ

[View more >](#)

## Recommended Papers

Optimal Bank Capital ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1810296&rec=1&srcabs=2189109&pos=1](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1810296&rec=1&srcabs=2189109&pos=1))  
By Gilberto Marcheggiano ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=1646075](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1646075)), David Miles ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=91589](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=91589)), ...

How Large Has the Federal Financial Safety Net Become? ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=2189558&rec=1&srcabs=2189109&pos=2](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=2189558&rec=1&srcabs=2189109&pos=2))  
By Nadezhda Malysheva ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=1946387](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1946387)) and John R. Walter ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=90975](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=90975))

Pro-Cyclicality of Capital Regulation: Is it a Problem? How to Fix it? ([https://papers.ssrn.com/sol3/papers.cfm?abstract\\_id=1721563&rec=1&srcabs=2189109&pos=3](https://papers.ssrn.com/sol3/papers.cfm?abstract_id=1721563&rec=1&srcabs=2189109&pos=3))  
By Paolo Angelini ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=498895](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=498895)), Andrea Enria ([https://papers.ssrn.com/sol3/cf\\_dev/AbsByAuth.cfm?per\\_id=1587144](https://papers.ssrn.com/sol3/cf_dev/AbsByAuth.cfm?per_id=1587144)), ...

[View more >](#)

Feedback

[Submit a Paper >](https://hq.ssrn.com/submissions/CreateNewAbstract.cfm) (<https://hq.ssrn.com/submissions/CreateNewAbstract.cfm>)

SSRN Quick Links

SSRN Rankings

About SSRN

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](#) (<https://www.elsevier.com/legal/cookiepolicy>)

(<https://www.facebook.com/SSRNcommunity/>)  
 (<https://www.linkedin.com/company/493409/>)

[Cookie Settings](#)

Accept all cookies

(<http://www.elsevier.com>)

Copyright (<https://www.ssrn.com/index.cfm/en/dmca-notice-policy/>)      Terms and Conditions (<https://www.ssrn.com/index.cfm/en/terms-of-use/>)  
Privacy Policy (<https://www.elsevier.com/legal/privacy-policy>)

We use cookies to help provide and enhance our service and tailor content.



To learn more, visit [Cookie Settings](#).

(<http://www.relx.com>)

(<https://papers.ssrn.com/sol3/updateInformationLog.cfm?process=true>)

---

We use cookies that are necessary to make our site work. We may also use additional cookies to analyze, improve, and personalize our content and your digital experience. For more information, see our [Cookie Policy](https://www.elsevier.com/legal/cookiepolicy) (<https://www.elsevier.com/legal/cookiepolicy>)

[Cookie Settings](#)

Accept all cookies