AMERICAN ECONOMIC ASSOCIATION

< The Reform of Federal Deposit Insurance

Journal of Economic Perspectives
ISSN 0895-3309 (Print) | ISSN 1944-7965 (Online)

☰ Menu

The Reform of Federal Deposit Insurance

Lawrence J. White

JOURNAL OF ECONOMIC PERSPECTIVES
VOL. 3, NO. 4, FALL 1989
(pp. 11–29)

Download Full Text PDF
(Complimentary)

Article Information

Abstract

In early 1989, the system of deposit insurance in the United States was in crisis. The Federal Savings and Loan Insurance Corporation (FSLIC), the U.S. government agency that provided deposit insurance for savings and loan (thrift) institutions, had sustained massive losses from the insolvencies of hundreds of thrifts. Tens of billions of dollars of general Treasury revenues will be necessary to make good the losses in the insurance fund, which had previously been financed solely through premiums assessed on thrifts' deposits. The Federal Deposit Insurance Corporation (FDIC), which provides similar insurance for deposits in commercial banks, has sustained much [illegible] is considered to be in poor enough financial condition that its

This website uses cookies.
By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our Privacy Policy.

Accept

Citation

White, Lawrence J. 1989. "The Reform of Federal Deposit Insurance." *Journal of Economic Perspectives* 3 (4): 11–29.

DOI: 10.1257/jep.3.4.11

Choose Format:

JEL Classification

D82 Asymmetric and Private Information; Mechanism Design

G21 Banks; Depository Institutions; Micro Finance Institutions; Mortgages

G28 Financial Institutions and Services: Government Policy and Regulation

Terms of Use
Privacy Policy
Copyright 2026 American Economic Association. All rights reserved.

This website uses cookies.

By clicking the "Accept" button or continuing to browse our site, you agree to first-party and session-only cookies being stored on your device to enhance site navigation and analyze site performance and traffic. For more information on our use of cookies, please see our Privacy Policy.

Accept