

Statement by FDIC Chairman Jelena McWilliams on the Proposed 2021 FDIC Operating Budget at the FDIC Board Meeting

Last Updated: December 15, 2020

Today, the Board is considering a proposed budget for 2021 that will enable the agency to fulfill our critical mission as we continue to navigate considerable economic uncertainty.

Formulating a budget for our supervisory and resolution activities is never an easy task, but it is particularly difficult this year given the uncertain economic impact of the ongoing COVID-19 pandemic and the potential impact on the banking industry.

The budget before us – which reflects extensive scenario analyses by our Divisions of Insurance and Research, Risk Management Supervision, and Complex Institution Supervision and Resolution – strikes an appropriate balance. It includes substantial contingency reserves for possible pandemic-related supervisory and resolution activities, which reserves will expire at the end of 2021 if unused. Combined with the numerous actions we have taken in 2020 to increase personnel in key areas and to prepare operationally for any surge activity, this budget helps ensure that we will be prepared to respond to any economic scenario.

In addition, the budget ensures the continuation of our efforts to transform the FDIC's operations, including by modernizing our information technology systems and infrastructure; fostering an organizational culture that values diversity, equity, and inclusion; and promoting innovation within the banking industry.

I would like to thank the team in the Division of Finance – as well as the leaders of all the FDIC's divisions and offices – for their hard work in formulating a responsible and prudent budget. I encourage the Board to adopt the proposal.