



PRESS RELEASE

Federal Deposit Insurance Corporation

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Media Contact:
David Barr (202) 898-6992

FDIC HOLDS LINE IN 2002 BUDGET

The Board of Directors of the Federal Deposit Insurance Corporation (FDIC) today approved a 2002 budget of \$1.1 billion, which is virtually the same level it approved for 2001.

"We're pleased that we were able to hold the line for next year, and we are looking for ways to reduce spending in years to come, in large part by becoming an even more efficient organization," said FDIC Chairman Don Powell.

Chairman Powell noted that, as with all FDIC corporate budgets, a major goal for 2002 is to maintain the FDIC's readiness to address problems that may emerge within the banking industry.

In that regard, the 2002 budget will fund the examination of FDIC-supervised institutions, the marketing and resolution of failed institutions, and the administration of the FDIC's deposit insurance program.

Approximately 67 percent of the 2002 budget will pay for FDIC personnel costs. The Corporation's staffing continues to decline. It has dropped from about 12,000 six years ago to 6,300 today, and is expected to fall below 6,000 by the end of 2002.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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