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File photo, Wall Street, American International Group (AIG) offices in New York City, 02/24/09. (photo: Mario Tama/Getty Images)

11 Facts About Biggest Banks

By Pat Garofalo, Think Progress

08 October 11

occupy wall street
take the bull by the horns

11 facts you need to know about the nation's biggest banks.

The Occupy Wall Street protests that began in New York City more than three weeks ago have now spread across the country. The choice of Wall Street as the focal point for the protests - as even Federal Reserve Chairman Ben Bernanke said - makes sense due to the big bank malfeasance that led to the Great Recession.

While the Dodd-Frank financial reform law did a lot to ensure that a repeat of the 2008 financial crisis won't occur - through regulation of derivatives, a new consumer protection agency, and new powers for the government to dismantle failing banks - the biggest banks still have a firm grip on the financial system, even more so than before the 2008 financial crisis. Here are eleven facts that you need to know about the nation's biggest banks:

- **Bank profits are highest since before the recession ...:** According to the Federal Deposit Insurance Corp., bank profits in the first quarter of this year were "the best for the industry since the \$36.8 billion earned in the second quarter of 2007." JP Morgan Chase is currently pulling in record profits.
- **... even as the banks plan thousands of layoffs:** Banks, including Bank of America, Barclays, Goldman Sachs, and Credit Suisse, are planning to lay off tens of thousands of workers.

Live Occupy Wall Street Tweets



niewinski (just now)

"We wish to plead our own cause; too long have others spoken for us." #ows #occupywallstreet #occupyportland



RhythmFootPrint (just now)

RT @GypsyDesert: In Washington Sq. Park. cops, media chopper. Probably 2,000 here. #OccupyWallStreet GA in progress. <http://t.co/qE3Vz2m9> via @breakingnews



Aine (just now)

RT @Jason_Pollock: The only way we can all rise up is if we help the people at the bottom rise up first. #OccupyWallStreet #OWS



OccupySpringfld (just now)

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accounts for about 30 percent of total corporate profits, which is actually *down* from before the financial crisis, when they made closer to 40 percent.

- **Since 2008, the biggest banks have gotten bigger:** Due to the failure of small competitors and mergers facilitated during the 2008 crisis, the nation's biggest banks - including Bank of America, JP Morgan Chase, and Wells Fargo - are now *bigger than they were pre-recession*. Pre-crisis, the four biggest banks held 32 percent of total deposits; now they hold nearly 40 percent.
- **The four biggest banks issue 50 percent of mortgages and 66 percent of credit cards:** Bank of America, JP Morgan Chase, Wells Fargo and Citigroup issue one out of every two mortgages and nearly two out of every three credit cards in America.
- **The 10 biggest banks hold 60 percent of bank assets:** In the 1980s, the 10 biggest banks controlled 22 percent of total bank assets. Today, they control 60 percent.
- **The six biggest banks hold assets equal to 63 percent of the country's GDP:** In 1995, the six biggest banks in the country held assets equal to about 17 percent of the country's Gross Domestic Product. Now their assets equal 63 percent of GDP.
- **The five biggest banks hold 95 percent of derivatives:** Nearly the entire market in derivatives - the credit instruments that helped blow up some of the nation's biggest banks as well as mega-insurer AIG - is dominated by just five firms: JP Morgan Chase, Goldman Sachs, Bank of America, Citibank, and Wells Fargo.
- **Banks cost households nearly \$20 trillion in wealth:** Almost \$20 trillion in wealth was destroyed by the Great Recession, and total family wealth is still down "\$12.8 trillion (in 2011 dollars) from June 2007 - its last peak."
- **Big banks don't lend to small businesses:** The New Rules Project notes that the country's 20 biggest banks "devote only 18 percent of their commercial loan portfolios to small business."
- **Big banks paid 5,000 bonuses of at least \$1 million in 2008:** According to the New York Attorney General's office, "nine of the financial firms that were among the largest recipients of federal bailout money paid about 5,000 of their traders and bankers bonuses of more than \$1 million apiece for 2008."

In the last few decades, regulations on the biggest banks have been systematically eliminated, while those banks engineered more and more ways to both rip off customers and turn ever-more complex trading instruments into ever-higher profits. It makes perfect sense, then, that a movement calling for an economy that works for everyone would center its efforts on an industry that exemplifies the opposite.



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