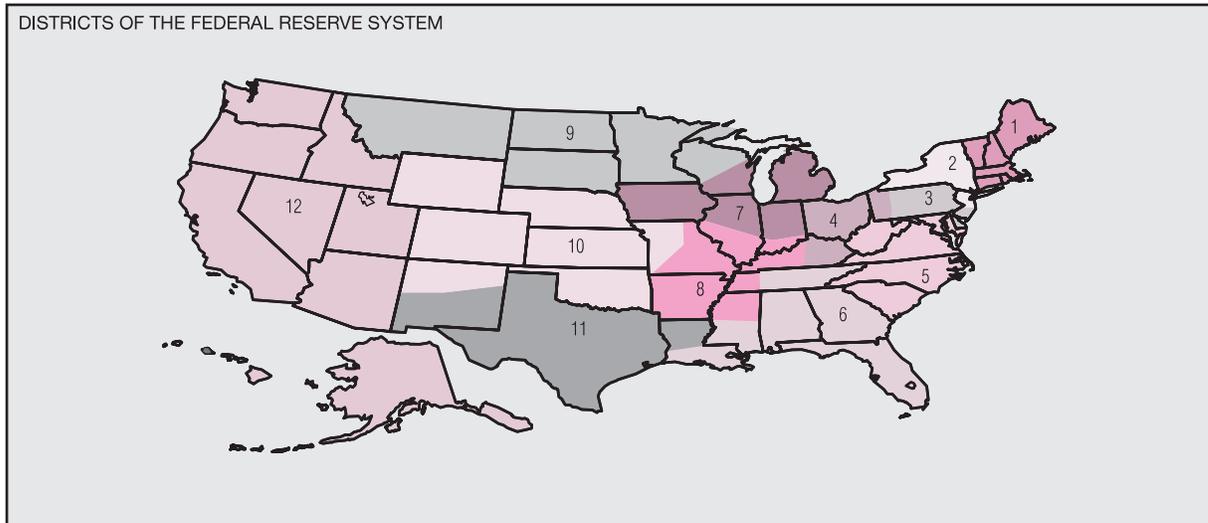


Banking Conditions — Then and Now



	Total Assets		Total Loans		Total Deposits		Number of Banks	
	1923:IIQ	1998:IIQ	1923:IIQ	1998:IIQ	1923:IIQ	1998:IIQ	1923:IIQ	1998:IIQ
Percent of total for all districts								
1. Boston	7.39	5.08	7.70	4.79	7.25	5.00	4.33	1.73
2. New York	29.07	17.85	26.76	13.10	29.60	15.16	4.33	3.28
3. Philadelphia	7.12	3.79	6.26	4.08	6.80	1.48	8.33	4.13
4. Cleveland	9.95	10.37	9.80	12.04	9.80	9.24	7.31	6.31
5. Richmond	4.39	16.97	4.92	17.57	4.04	13.88	8.93	7.05
6. Atlanta	3.54	8.19	3.93	8.96	3.42	7.80	6.38	9.17
7. Chicago	14.68	11.00	15.36	11.23	15.11	11.84	5.38	14.68
8. St. Louis	4.28	3.68	4.37	3.70	4.18	3.92	14.55	8.40
9. Minneapolis	3.37	4.41	3.69	5.28	3.38	5.13	6.30	9.33
10. Kansas City	4.58	3.21	4.73	3.02	4.65	4.67	10.03	16.66
11. Dallas	2.91	3.90	3.21	3.44	2.66	6.23	11.62	13.08
12. San Francisco	8.73	11.54	9.28	12.80	9.11	15.65	8.70	6.19
Total for all districts	32,687^a	3,569,960^a	18,750^a	2,222,583^a	27,087^a	579,644^a	9,856^b	3,632^b

a. Millions of dollars.

b. Number of member banks.

NOTE: Data in table are for all member banks of the Federal Reserve System. These represented 63% of all bank assets in 1923:IIQ and 72% in 1998:IIQ.

SOURCES: Federal Financial Institutions Examination Council, *Consolidated Reports of Condition and Income*, June 1998; and Board of Governors of the Federal Reserve System, *Banking and Monetary Statistics*. Washington, D.C.: National Capital Press, 1943.

One of the most common misperceptions about the Federal Reserve's 12 districts is that their boundaries are anachronisms. Considering the twentieth century's dramatic population shifts and economic changes, this notion goes, how can lines drawn near the century's beginning reflect banking needs at its end?

Perhaps surprisingly, banking activity is more evenly distributed across the Federal Reserve districts today than it was when the Fourth District's Cleveland building was

dedicated in 1923. At that time, nearly 30% of all assets of the System's member banks were concentrated in the New York District; today that figure is less than 18%. A calculation of the Herfindahl-Herschmann index, a standard measure of market concentration, shows that the concentration of banking assets within the System has declined substantially (from 1,432 in 1923 to 1,134 in 1998). A similar story can also be told about other measures of banking activity.

The Fourth District's relative importance as a banking center has grown in the last 75 years. Although the number of its member banks has continued to decline—falling in 1998 to 229, or 6.31% of all member banks in the Federal Reserve System—total assets and lending activity in the Fourth District remain strong. Indeed, it now provides over 12% of all lending by the System's member banks.