

Macro Roundup Article

Headline: [Bank Funding during the Current Monetary Policy Tightening Cycle](#)

Article Link: <https://libertystreeteconomics.newyorkfed.org/2023/05/bank-funding-during-the-current-monetary-policy-tightening-cycle/>

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Summary: The banking system has seen a considerable decline in deposit funding since the start of the current monetary policy tightening cycle in March 2022. The speed of deposit outflows increased during March 2023, following the run on SVB, with the most acute outflows concentrated in a relatively narrow segment of the banking system, super-regional banks (those with \$50 to \$250 billion in total assets). Notably, deposit funding amongst the cohort often referred to as community and smaller regional banks (that is, institutions with less than \$50 billion in assets) were relatively stable by comparison. Large banks (those with more than \$250 billion in assets), which had been subject to the largest deposit outflows before March 2023, received deposit inflows throughout March 2023. Throughout, banks were able to replace deposit outflows by making use of alternative funding sources.

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Primary Topic: Banking

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