Your MONEY and Your LIFE

A Run on American Union Bank, New York, 1931
Image: Wikimedia Commons

Helping to Protect Your Money

One thing you almost never saw during the financial crisis that's come to be known as The Great Recession: Lines of panicked depositors hoping to withdraw their money from their banks. In large part, that's because the federal government, through the Federal Deposit Insurance Corporation (FDIC), has insured bank deposits since the 1930s. Few measures have done more to shore up confidence in the banking system. Today (2012), FDIC coverage is $250,000 for single accounts, joint accounts, and individual retirement accounts.

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Also during the "Great Recession" the Federal Reserve System, America's central bank, helped to stabilize the banking system by acting as "lender of last resort" to financial institutions and providing liquidity to the financial markets. It also worked with the U.S. Treasury Department to coordinate the Troubled Asset Relief Program (TARP) and continued to conduct "stress tests" to evaluate whether or not the largest U.S. bank holding companies "continue to meet supervisory expectations for capital adequacy."

Consumer Protection

There was a time when *caveat emptor* (buyer beware) was the only form of consumer protection. But today there are federal regulations in place that give consumers a measure of protection from unsafe products and unscrupulous dealings.

Improvements in auto safety provide a striking example. Today automakers emphasize safety and point to their "five-star" safety ratings, but that wasn't always the case. "Safety doesn't sell" used to be the refrain among auto executives. Then in 1965, a young lawyer named Ralph Nader published *Unsafe at Any Speed*, which detailed the auto industry's indifference to safety concerns. Congress invited Nader to testify on his findings, and his testimony ultimately led to new safety regulations, safer cars, and fewer highway fatalities.

Consumer demand eventually might have prompted automakers to take safety more seriously. But how much longer might it have taken if Nader's book had not spurred Congress to take action?

Safer Behind the Wheel

	Highway Fatalities	Per 100 Million Vehicle Miles Traveled
1900	36	36.00
1910	1,599	44.66
1920	12,155	25.54
1930	31,204	15.12
1940	32,914	10.89
1950	33,186	7.24
1960	36,399	5.06
1970	53,816	4.85
1980	51,091	3.35
1990	44,599	2.08
2000	41,945	1.53
2010	32,788	1.09

Source: U.S. Department of Transportation, Federal Highway Administration, and U.S. Census Bureau

Woman Poses with 1960's Era Chevrolet
Image: iStockphoto.com

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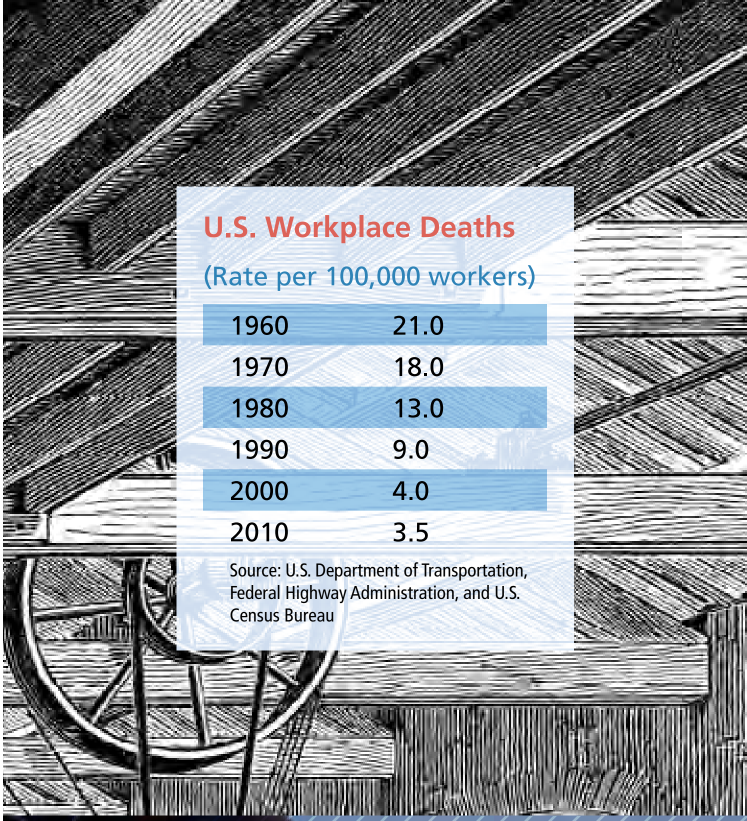
Safer on the Job

No one worried much about workplace safety when the Industrial Revolution began in the early 1800s. Employers figured it was less expensive to find new workers than to make safety improvements. And that was pretty much the prevailing philosophy for the next 150 years.

One of the things that helped to bring about a change was the Occupational Safety and Health Act of 1970, which created OSHA, the Occupational Safety & Health Administration.

Yes, OSHA regulations can be a pain: Wear your helmet! Wear your goggles! Wear your earplugs! Wear your respirator! Blah! Blah! Blah!

But losing your eyesight, a limb, or a finger can be an even bigger pain. Chronic lung disease is nothing to sneeze at either. And dying on the job can really ruin a person's day.



U.S. Workplace Deaths

(Rate per 100,000 workers)

1960	21.0
1970	18.0
1980	13.0
1990	9.0
2000	4.0
2010	3.5

Source: U.S. Department of Transportation, Federal Highway Administration, and U.S. Census Bureau

Worker Poses with Safety Equipment
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