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Wells Fargo and JPMorgan Chase: Is it time to stop worrying about them?



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Since the financial crisis, JPMorgan Chase and Wells Fargo have reported healthy report quarterly earnings. So can we finally stop worrying about the health of our financial system?

Updated (9:30am EST): Friday morning, megabanks [JPMorgan Chase](#) and [Wells Fargo](#) reported positive earnings. Wells Fargo said its profits were up 23 percent last quarter, and at JPMorgan Chase, profits jumped 34 percent compared with a year ago.

Big banks have come a long way from when they and the entire financial system were on the verge of collapse. Major U.S. banks have largely had healthy balance sheets recently, with record profits. This leaves Americans to wonder whether it's finally safe to let go of fears that they could again threaten to fail and drag the entire economy down with them.

"I definitely don't think there's nearly as much to worry about now as there was five or six years ago," says Morningstar bank analyst Jim Sinegal. "Capital levels at all of the big banks have doubled, tripled or even more since the depths of the financial crisis."

When there's literally more money in the bank, there's less worry about catastrophe. Banks are playing it safer in a number of ways, including much tighter lending standards. (Too strict, in the view of some small business owners, who are frustrated about not being able to get adequate loans for expansion.)

It's nice to be healthy when the overall economy is recovering. And the [big banks did survive the Fed's latest simulated crisis](#) -- but that's not the real test.

“We will only find out whether the new situation now is a better one for the country, for the economy, for the consumer when the next crisis comes by,” reminds Mauro Guillen, director of the Lauder Institute at the University of Pennsylvania's Wharton School.