**Here’s How Silicon Valley Bank Collapsed in 48 Hours**

**Internal controls, external environment, general environment, economic dimension**

Description: Silicon Valley Bank, the go-to bank for U.S. tech startups, facing a sudden bank run and capital crisis, collapsed, leaving its high-powered customers and investors in limbo. It was taken over by federal regulators. At the time of the collapse, it was the largest failure of a U.S. bank since Washington Mutual in 2008 during the Great Recession.

*Use with:* <https://www.youtube.com/watch?v=bM2ioYt40gM>

1. What factors in the external environment led to the run-on Silicon Valley Bank (i.e., what caused depositors to withdraw $42 billion in a single day)?
2. What does the U.S. government do to prevent a potential banking crisis?
3. What role does confidence play in the banking system? What role did it play in Silicon Valley Bank’s collapse?
4. Why did the Fed and regulators take such swift action?
5. How were individuals affected by the Silicon Valley Bank collapse?