Areas with inadequate, or no bank access are defined as **banking deserts**

People in banking deserts **lack access to credit**, and daily financial transactions

Individuals left with **inadequate credit access** are exposed to predatory lending and burdened by financial illiteracy

Banking industry segregated into the **haves and the have nots**

**Background**

**Objectives**

1. **What causes the formation of banking deserts?**
2. Generate census tract-level data set with bank, and demographic information
3. **Use regression analysis** to analyze banking location patterns
4. Create informed policy applications and ideas geared towards helping those most effected by inadequate banking access

**Unit of Analysis:** Census-Tract

**Banking Access** – The per capita number of banks
**Median Income** – The median household income
**Population Density** – The people per square kilometer
**Race** – The percentage of demographic composition

**Year** – Indicator for each year
**County** – County-Level indicator

**Data:**

- FDIC, US Census Bureau
- ArcGIS
- IPUMS

**Our Model**

\[
Banking\ Access_{it} = \beta_1 \cdot \text{Median Income}_{it} + \beta_2 \cdot \text{Population Density}_{it} + \beta_3 \cdot \text{Race}_{it} + \text{Year FE}_{it} + \text{County FE}_{it} + \epsilon_{it}
\]

**Policy Solutions**

1. **Credit Unions**
2. **Develop Digital Banking**
3. **Postal Banking**
4. **Policy geared towards lower income areas**

**Link To Paper**