

CITY OF BALTIMORE
COUNCIL BILL 19-0182R
(Resolution)

Introduced by: Councilmember Henry, President Scott, Councilmembers Dorsey, Burnett,
Pinkett, Middleton, Clarke, McCray, Bullock, Reisinger, Schleifer

Introduced and read first time: December 2, 2019

Assigned to: Taxation, Finance and Economic Development Committee

REFERRED TO THE FOLLOWING AGENCIES: Department of Housing and Community Development,
Baltimore Development Corporation, Department of Planning, Department of Finance

A RESOLUTION ENTITLED

1 A COUNCIL RESOLUTION concerning

2 **Informational Hearing – Banking Deserts**

3 FOR the purpose of inviting the Commissioner of the Department of Housing and Community
4 Development, the Director of the Department of Finance, the CEO of the Baltimore
5 Development Corporation, and the Director of the Department of Planning to discuss the
6 prevalence of banking deserts in Baltimore City.

7 **Recitals**

8 Banking deserts are areas that lack adequate banking services such as bank branches or
9 ATMs. Fringe financial services such as check cashing businesses, pawn shops, and payday loan
10 stores frequently serve as the only options for financial services in banking deserts. According to
11 “The Municipal Banking Movement: An Opportunity for Baltimore”, a report published by the
12 Abell Foundation outlining the state of banking in Baltimore City, “between June 2010 and June
13 2016, commercial banks closed 181 branches in the Baltimore Metropolitan Statistical Area. In
14 Baltimore County, these closings amounted to 25% of bank branches. The closings tended to
15 occur in lower-income and non-white neighborhoods.”

16 Banking deserts disproportionately affect African Americans. The Abell Foundation Report
17 stated “In 2013, the last year for which data are available, 41% of African Americans in the
18 Metropolitan Statistical Area that includes Baltimore City were underbanked, while 13% were
19 fully unbanked.” A person is underbanked if the individual maintains some relationship with a
20 federally insured bank but also relies on fringe financial service providers like check cashing
21 businesses and payday lenders for their financial needs. A person is unbanked if the individual
22 lacks any relationship with a federally insured financial institution. More affluent and white
23 neighborhoods such as Remington, Charles Village, Roland Park, and Harbor East are
24 experiencing the proliferation of banking branches. The City Council is interested in learning
25 more about the effects of banking deserts on City residents, as well as strategies to serve more
26 underbanked and unbanked populations in Baltimore City.

EXPLANATION: Underlining indicates matter added by amendment.
~~Strike out~~ indicates matter deleted by amendment.

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1 **NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF BALTIMORE,** That the City
2 Council invites the Commissioner of the Department of Housing and Community Development,
3 the Director of the Department of Finance, the CEO of the Baltimore Development Corporation,
4 and the Director of the Department of Planning to discuss the prevalence of banking deserts in
5 Baltimore City.

6 **AND BE IT FURTHER RESOLVED,** That a copy of this Resolution be sent to the Commissioner
7 of the Department of Housing and Community Development, the Director of the Department of
8 Finance, the CEO of the Baltimore Development Corporation, the Director of the Department of
9 Planning, and the Mayor's Legislative Liaison to the City Council.