

Director of the Department of Finance, the CEO of the Baltimore Development Corporation, and the Director of the Department of Planning to discuss the prevalence of banking deserts in Baltimore City.

Recitals

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

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

Now, therefore, be it resolved by the City Council of Baltimore, That the City Council invites the Commissioner of the Department of Housing and Community Development, the Director of the Department of Finance, the CEO of the Baltimore Development Corporation, and the Director of the Department of Planning to discuss the prevalence of banking deserts in Baltimore City.

And be it further resolved, That a copy of this Resolution be sent to the Commissioner of the Department of Housing and Community Development, the Director of the Department of Finance, the CEO of the Baltimore Development Corporation, the Director of the Department of Planning, and the Mayor’s Legislative Liaison to the City Council.