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Older Adults and Banking Deserts

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Introduction

The post-pandemic surge in bank branch closures across the United States — a result of industry consolidation and adoption of online banking — left many consumers without a traditional bank branch nearby.[2] Using the latest population data, about 12.8 million Americans live in banking deserts (areas with no physical banking locations nearby), and another 11.6 million live in potential deserts (areas with just one bank remaining) — approximately 7.3 percent of Americans in total.[3]

Online and mobile banking usage has grown over the years, but in-person banking remains important for certain consumers, particularly older adults. While nearly half of all banked households in the U.S. use mobile banking as their main source of access, older consumers are more likely to rely on in-person banking.[4] Nearly one-third of banked consumers aged 65 and older use a bank teller as the primary method to access their account.[5] Consumers with disabilities or lower incomes and those who live in rural areas are all more likely to bank in-person, too.[6] Traditional banks with trained frontline personnel also offer in-person opportunities to spot and stop financial exploitation, complementing digital fraud prevention technologies.[7]

What Is a Banking Desert?

This fact sheet defines banking deserts consistently with the Fed Communities Banking Deserts Dashboard.[8] A banking desert is a census tract without a bank branch[9] within it or within a certain radius from its population center. That radius is determined by the type of community:

- Two miles for urban communities
- Five miles for suburban communities
- 10 miles for rural communities

A potential banking desert is a census tract that can become a banking desert if one bank branch closes.

[1] The views expressed here are those of the author and do not necessarily reflect the views of the Federal Reserve Bank of Philadelphia or the Federal Reserve System. Karen Kali at AARP Public Policy Institute provided invaluable input on an earlier version of this fact sheet.

[2] Alaina Barca and Harry Hou, *U.S. Bank Branch Closures and Banking Deserts*, Philadelphia: Federal Reserve Bank of Philadelphia, 2024, available at www.philadelphiafed.org/community-development/credit-and-capital/u-s-bank-branch-closures-and-banking-deserts. For more information on methodology, refer to the Philadelphia Fed report.

[3] Author's calculations based on 2020–24 American Community Survey (ACS) estimates and 2025 estimates from the Fed Communities Banking Deserts Dashboard, available at www.fedcommunities.org/data/banking-deserts-dashboard.

[4] Federal Deposit Insurance Corporation (FDIC), 2023 *FDIC National Survey of Unbanked and Underbanked Households*, Washington, DC: FDIC, 2024, available at www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report; Alicia Williams, *2023 AARP Age-Friendly Banking Survey*, Washington, DC: AARP Research, 2023, available at doi.org/10.26419/res.00712.001.

[5] FDIC, *2023 FDIC National Survey*.

[6] FDIC, *2023 FDIC National Survey*.

[7] Jilenne Gunther and Pamela Teaster, *The Impact of Training Financial Professionals to Prevent Financial Exploitation*, Washington, DC: AARP Public Policy Institute, 2019, available at www.aarp.org/content/dam/aarp/ppi/banksafe/2022/homepage/AARP_BankSafe_FullResearchReport.pdf.

[8] The Banking Deserts Dashboard contains an interactive map and public tract-level data, available at www.fedcommunities.org/data/banking-deserts-dashboard.

[9] The sample of branches used are inclusive of brick-and-mortar, non-in-store, full-service, and retail branches. We include all types of banks and credit unions.

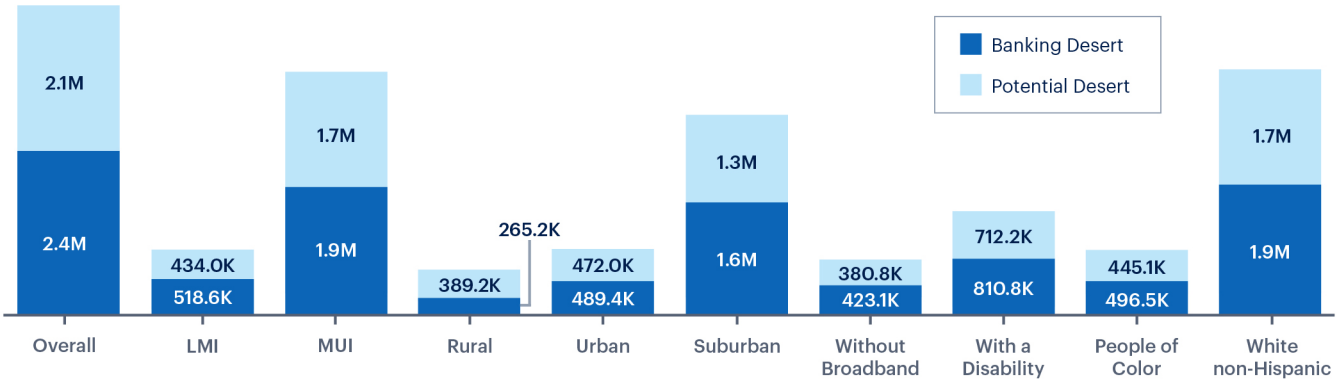
Lack of access to in-person banking may force even reluctant consumers to rely on online or mobile banking, which might leave some populations behind. Older, lower-income, and rural populations are all less likely to own smartphones.[10] These populations, in addition to people of color, are also all less likely to have home broadband.[11] As the number of older adults in the U.S. continues to grow, access to banking services — whether online, mobile, or in-person — is necessary for personal finance activities such as accessing accounts, savings, and trusted financial professionals, all of which offer opportunities to foster financial health and build wealth.[12]

This fact sheet describes the number and growth of older adult populations living in banking deserts. We use data from the Fed Communities Banking Deserts Dashboard and American Community Survey estimates for 2015–19 and 2020–24.[13] We define older adults as those who are 65 and older ("65+").

By the Numbers: How Many Older Adults Live in Banking Deserts?

Among the 58 million Americans who are 65 and older, 2.4 million live in banking deserts and another 2.1 million live in potential deserts. The bulk of older adults living in banking deserts are non-Hispanic White and live in middle- and upper-income (MUI) suburban neighborhoods.[14] Still, banking deserts and potential deserts are home to many 65+ adults who could experience greater impacts to their banking access, including over 950,000 living in low- and moderate-income (LMI) areas, 1.5 million with a disability, and over 800,000 without broadband internet at home.

FIGURE 1 **Populations of Adults 65+ Living in Banking Deserts and Potential Deserts**



Notes
Author's calculations based on 2025 Banking Deserts Dashboard data estimates and 2020–24 American Community Survey estimates. Desert population estimates are as of June 2025.

[10] Pew Research Center, "Mobile Fact Sheet," available at www.pewresearch.org/internet/fact-sheet/mobile.

[11] Pew Research Center, "Internet/Broadband Fact Sheet," available at www.pewresearch.org/internet/fact-sheet/internet-broadband.

[12] Zoe Caplan and Megan Rabe, "The Older Population: 2020," *2020 Census Briefs*, available at www2.census.gov/library/publications/decennial/2020/census-briefs/c2020br-07.pdf.

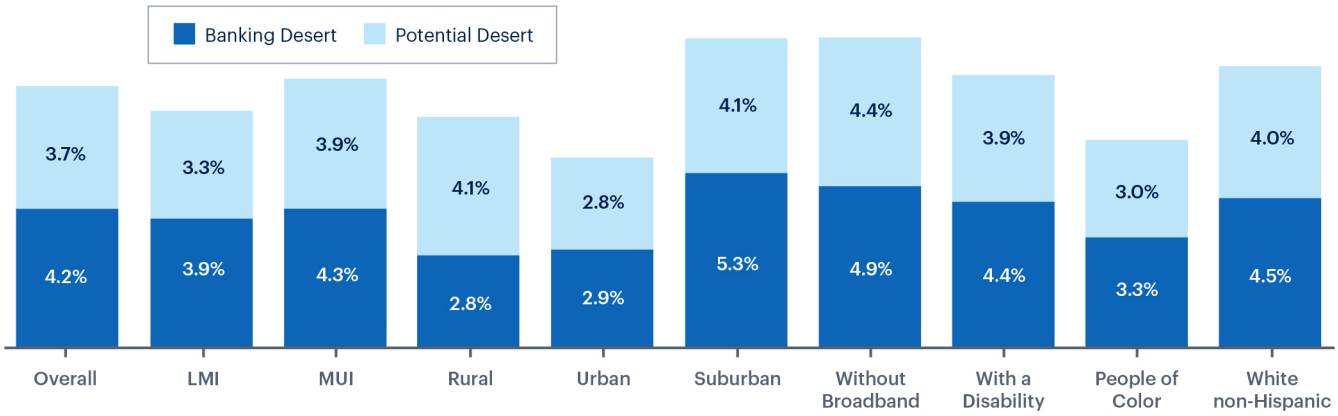
[13] To improve the accuracy of desert population estimates for older adults and the small subpopulations included in this brief, we use five-year estimates from the ACS that differ from previously used vintages in related Banking Deserts Dashboard publications. We use the 2020–24 ACS for 2025 desert populations and the 2015–19 ACS for 2019 desert populations. Some figures may differ from previously published estimates that use different population vintages. Not all comparisons included are necessarily statistically significant, particularly for population growth estimates, which may be driven by both changes in population and changes in banking deserts.

[14] The Banking Deserts Dashboard data defines LMI census tracts as those with a 2016–20 ACS median family income below 80 percent of the area median family income, and MUI census tracts as those with a median family income greater than or equal to 80 percent of the area median. For more information on the methodology, refer to the *U.S. Bank Branch Closures and Banking Deserts* report from the Philadelphia Fed.

Representation: Which Older Adult Populations Are Overrepresented in Banking Deserts?

About 7.9 percent of 65+ adults live in banking deserts or potential deserts. Non-Hispanic White populations and those in suburban and MUI areas tend to be overrepresented in banking deserts. Older adults without broadband at home also tend to be overrepresented in both banking deserts and potential deserts compared with the nation overall.

FIGURE 2 **Percent of Adults 65+ Who Live in Banking Deserts and Potential Deserts**



Notes
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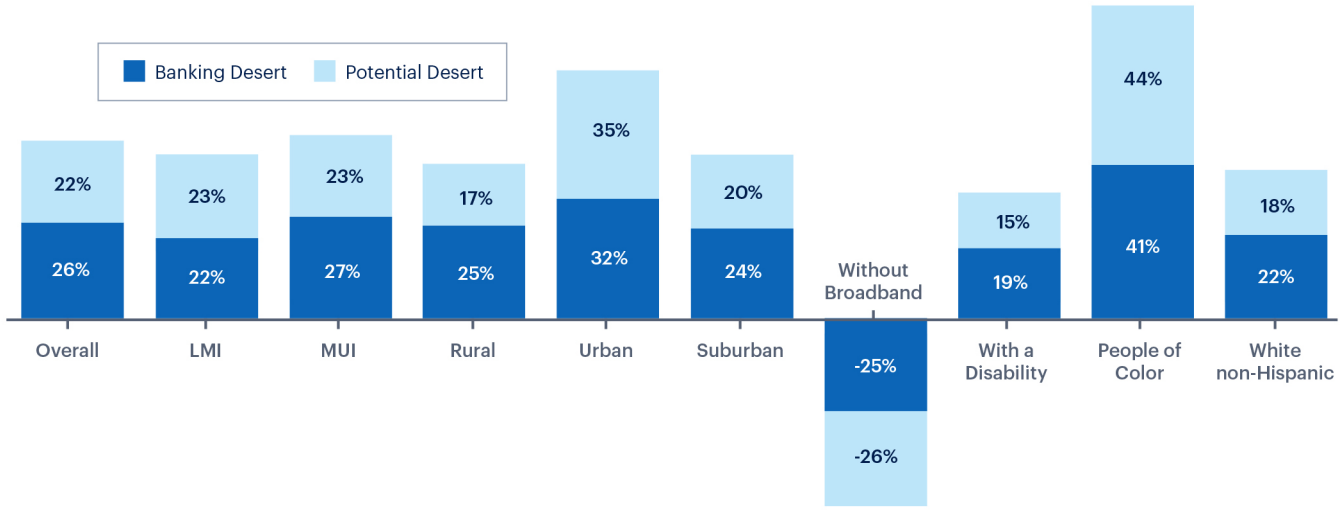
Growth: How Are Banking Deserts Changing?

Since 2019, the number of adults aged 65 and older living in banking deserts and potential deserts grew by 26 and 22 percent, respectively.[15] The number of older adults living in banking deserts grew faster in MUI areas. Population changes for 65+ adults in deserts and potential deserts were particularly drastic in urban areas and among people of color. While older populations without broadband experienced declines in their desert and potential desert populations, this is largely because the number of 65+ people without broadband decreased by 34 percent overall.

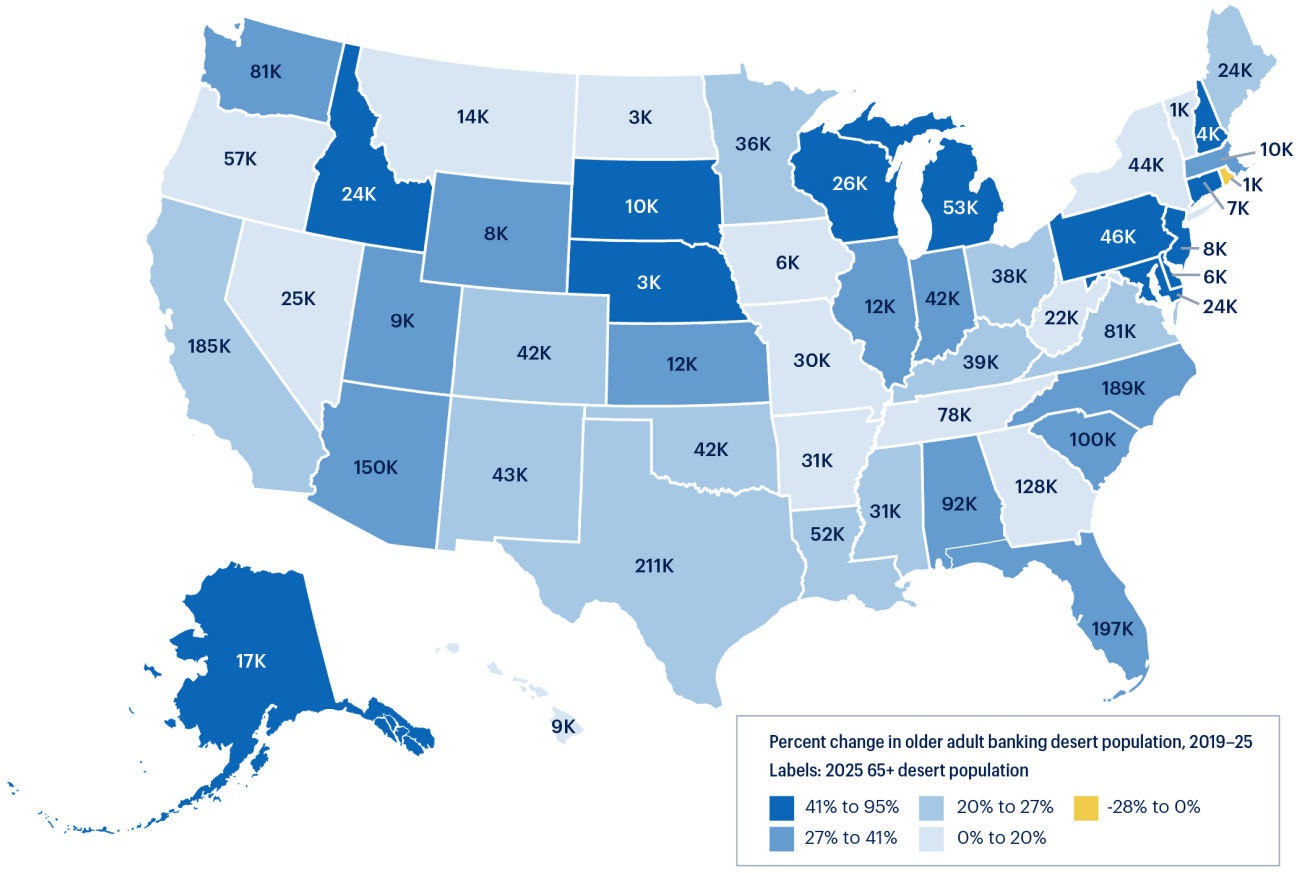
[15] Changes to populations living in deserts and potential deserts are not independent from overall population changes during the time period, e.g., of the 26 percent growth in the 65+ banking desert population, 16 percentage points is due to population growth within areas that remained deserts in both periods, while 10 percentage points is due to the net effect of desert boundary changes — primarily new areas becoming deserts.

FIGURE 3 Percent Change in 65+ Banking Desert Population by Group, 2019–2025



Notes
Author's calculations based on 2019 and 2025 Banking Deserts Dashboard data estimates and American Community Survey (ACS) estimates. The 2020–24 ACS is used for 2025 desert populations, and the 2015–19 ACS is used for 2019 desert populations. Not all comparisons included are necessarily statistically significant. Desert population estimates are as of December 2019 and June 2025, respectively.

FIGURE 4 Percent Change in 65+ Banking Desert Population, 2019–2025



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Author's calculations based on Banking Deserts Dashboard data and American Community Survey (ACS) estimates. The 2020–24 ACS is used for 2025 desert populations, and the 2015–19 ACS is used for 2019 desert populations. Not all comparisons included are necessarily statistically significant. Desert population estimates are as of December 2019 and June 2025, respectively. Washington, DC, had no banking deserts in 2019 or 2025.

By Geography: How Are Older Populations in Banking Deserts Changing Across the Country?

Texas, North Carolina, Florida, and California have the greatest number of 65+ adults living in banking deserts, while New Jersey, Pennsylvania, and Nebraska saw some of the fastest growth of banking deserts with older adults living in them since 2019. Although uncommon, one state has seen reverse trends. In Rhode Island, fewer older adults live in banking deserts in 2025 compared with 2019.[16]

Discussion

Banks can play a critical role in the economic vitality of communities. Access to banking and credit facilitates consumers' ability to save, invest, and build wealth, all markers of financial health. Loss of access to in-person banking may leave some consumers — including older adults — behind.

The proliferation of banking deserts since 2019 gives rise to several implications to consider. Improvements in broadband infrastructure, device access, and digital literacy can facilitate mobile and online banking access for older adults currently unable to access these services. Recent innovations in the industry, such as mobile branches (i.e., banks-on-wheels) and interactive teller machines (ITMs), may also help improve access, although their effectiveness in filling service gaps has not been well studied. When closing branches, financial institutions may consider community transition strategies to bridge potential resulting banking access gaps such as mobile banking training, expanding hours at nearby branches, or cash pick-ups for small businesses, depending on identified community needs.

[16] More state-level estimates are available in the appendix. No state, including Rhode Island, has seen overall population declines in the 65+ population.

Appendix

Banking Desert Estimates by State

	Banking Deserts			Potential Deserts		
	65+ Population in 2025 Deserts	Percent of 65+ Population in 2025 Deserts	Change in 65+ Population in Deserts, 2019–2025	65+ Population in 2025 Potential Deserts	Percent of 65+ Population in 2025 Potential Deserts	Change in 65+ Population in Potential Deserts, 2019–2025
United States	2,404,313	4%	26%	2,144,131	4%	22%
Alabama	92,482	10%	28%	74,164	8%	22%
Alaska	17,350	17%	41%	7,848	8%	-2%
Arizona	150,138	11%	28%	83,187	6%	19%
Arkansas	30,983	6%	5%	22,062	4%	29%
California	185,311	3%	21%	158,801	3%	16%
Colorado	41,910	5%	26%	34,791	4%	17%
Connecticut	6,575	1%	56%	7,807	1%	8%
Delaware	5,845	3%	42%	3,535	2%	3%
District of Columbia	-	0%	0%	-	0%	0%
Florida	196,541	4%	28%	180,726	4%	33%
Georgia	127,621	8%	20%	74,522	5%	19%
Hawaii	8,910	3%	12%	5,033	2%	45%
Idaho	23,630	7%	54%	17,599	5%	-5%
Illinois	12,497	1%	34%	28,652	1%	25%
Indiana	42,032	4%	32%	52,245	5%	20%
Iowa	5,985	1%	15%	14,680	3%	17%
Kansas	11,867	2%	37%	14,133	3%	13%
Kentucky	38,827	5%	23%	28,433	4%	32%
Louisiana	51,908	7%	24%	40,871	5%	3%
Maine	24,383	8%	23%	14,270	5%	12%
Maryland	23,719	2%	53%	23,786	2%	50%
Massachusetts	10,325	1%	30%	9,666	1%	-1%
Michigan	52,833	3%	41%	76,122	4%	18%
Minnesota	35,639	4%	26%	30,653	3%	12%
Mississippi	31,097	6%	26%	29,998	6%	18%
Missouri	30,376	3%	15%	43,972	4%	20%
Montana	14,240	6%	15%	23,261	10%	32%
Nebraska	2,826	1%	76%	9,371	3%	-6%
Nevada	24,990	5%	19%	15,943	3%	90%
New Hampshire	4,316	2%	46%	8,171	3%	27%
New Jersey	7,881	0%	95%	13,304	1%	199%
New Mexico	42,949	11%	25%	30,338	7%	8%
New York	43,600	1%	18%	81,052	2%	23%
North Carolina	189,458	10%	27%	113,122	6%	27%
North Dakota	2,865	2%	8%	3,996	3%	22%
Ohio	37,526	2%	23%	47,401	2%	13%

Appendix

Banking Desert Estimates by State *(Continued)*

	Banking Deserts			Potential Deserts		
	65+ Population in 2025 Deserts	Percent of 65+ Population in 2025 Deserts	Change in 65+ Population in Deserts, 2019–2025	65+ Population in 2025 Potential Deserts	Percent of 65+ Population in 2025 Potential Deserts	Change in 65+ Population in Potential Deserts, 2019–2025
Oklahoma	42,350	6%	21%	51,305	8%	13%
Oregon	56,628	7%	9%	50,021	6%	64%
Pennsylvania	46,437	2%	81%	62,031	2%	30%
Rhode Island	1,165	1%	-28%	6,532	3%	33%
South Carolina	100,402	10%	35%	58,298	6%	6%
South Dakota	10,398	6%	46%	9,737	6%	0%
Tennessee	78,094	6%	12%	53,294	4%	5%
Texas	211,408	5%	20%	229,011	6%	23%
Utah	9,481	2%	27%	7,521	2%	-14%
Vermont	1,290	1%	5%	10,124	7%	29%
Virginia	80,522	6%	23%	56,917	4%	80%
Washington	80,906	6%	41%	53,414	4%	23%
West Virginia	21,877	6%	4%	21,483	6%	20%
Wisconsin	25,583	2%	64%	44,400	4%	27%
Wyoming	8,337	8%	34%	6,528	6%	11%

Notes

Author's calculations based on Banking Deserts Dashboard data and American Community Survey (ACS) estimates. The 2020–24 ACS is used for 2025 desert populations, and the 2015–19 ACS is used for 2019 desert populations. Not all comparisons included are necessarily statistically significant. Desert population estimates are as of December 2019 and June 2025, respectively.

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