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Promoting Rural Financial Well-Being and Inclusion

Aligning Strategies with Community Needs

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While poverty in rural places has steadily decreased over the past decade, the rural poverty rate is still higher than the poverty rate nationwide.[1] Many rural communities experience notable financial challenges, such as the continued loss of local banking branches leading to banking deserts (NCRC 2017), lack of credit records, and prevalence of predatory lending practices (CFPB 2022). Despite these economic challenges, rural communities are resilient, thriving, and rich with cultural, social, racial, and economic diversity.[2] As financial service providers seek to invest in rural prosperity and financial inclusion, it is important to take an asset-based approach that focuses on existing community resources and potential instead of deficiencies. This will help ensure that rural communities are not stereotyped to a single way of living; investment strategies are tailored to local realities; and strategies are targeted to acknowledge and leverage existing community assets beyond just economic and financial wealth, such as social connectedness and presence of anchor institutions within the community.

At the federal, state, and local policy levels, there have been growing efforts to bolster investment in rural communities, with the latest updates to the Community Reinvestment Act (CRA) garnering considerable attention and holding the potential for significant impact. Scheduled to take effect in 2026, financial service providers will have more flexibility in leveraging CRA incentives and adapting their business activities to meet rural community needs. This will require a closer review of the distribution of their existing products and service areas and how they overlap with communities both in and outside of CRA assessment areas. While the CRA and other policy tools[3] can provide incentives to promote investments in underserved communities, addressing rural financial challenges requires business activities and philanthropic efforts—such as equity investments, grants, and capacity-building activities—to work in tandem.

This brief explores the landscape of financial well-being and inclusion in rural communities through a typology framework, demonstrates variations across different community types, and shows how incorporating nonfinancial community assets could help ensure that business and philanthropic investment decisions are meeting community needs. In addition, the brief highlights examples of promising programs and practices that leverage existing community assets to improve various aspects of financial well-being and consider each community's unique rural context.

Understanding Rural Financial Needs through a Typology Lens

Measuring Rural Financial Well-Being and Inclusion

Financial well-being encompasses various financial aspects of an individual's or household's financial life. The Urban Institute defines financial well-being as the ability to meet basic living needs, manage daily finances, be resilient to financial shocks, and plan for the future (Ratcliffe, Quakenbush, and Congdon 2019). Relatedly, an inclusive financial system is one that supports positive outcomes for consumers and positions them to be financially secure, economically resilient, and upwardly mobile (Garon et al. 2024). For this analysis, we identified a selection of metrics from data sources available at the county level for rural communities (table 1). While not exhaustive, the metrics included in this study shed light on various aspects of financial well-being and inclusion across rural communities.

TABLE 1

Financial Well-Being and Inclusion Metrics

Measure	Source	Year
Median household income	American Community Survey	2021
Bank deposits per capita	Federal Deposit Insurance Corporation	2022
Homeownership rate	American Community Survey	2021
Share of people with a subprime credit score	Tabulations of Urban Institute credit bureau data[a]	2021

Notes: Urban Institute credit bureau data are aggregated to the county level by Urban researchers. These data are presented as the share of people with a subprime credit score among consumers who have a credit score. See more details at "Credit Health during the COVID-19 Pandemic," Urban Institute, updated March 8, 2022, https://apps.urban.org/features/credit-health-during-pandemic/.

[a] Kassandra Martinchek, Alex Carther, Breno Braga, Caleb Quakenbush, and Signe-Mary McKernan, "Credit Health during the COVID-19 Pandemic (Dataset)," *Urban Data Catalog*, Urban Institute, updated March 8, 2022, https://datacatalog.urban.org/dataset/credit-health-during-covid-19-pandemic.

Defining Rural Communities

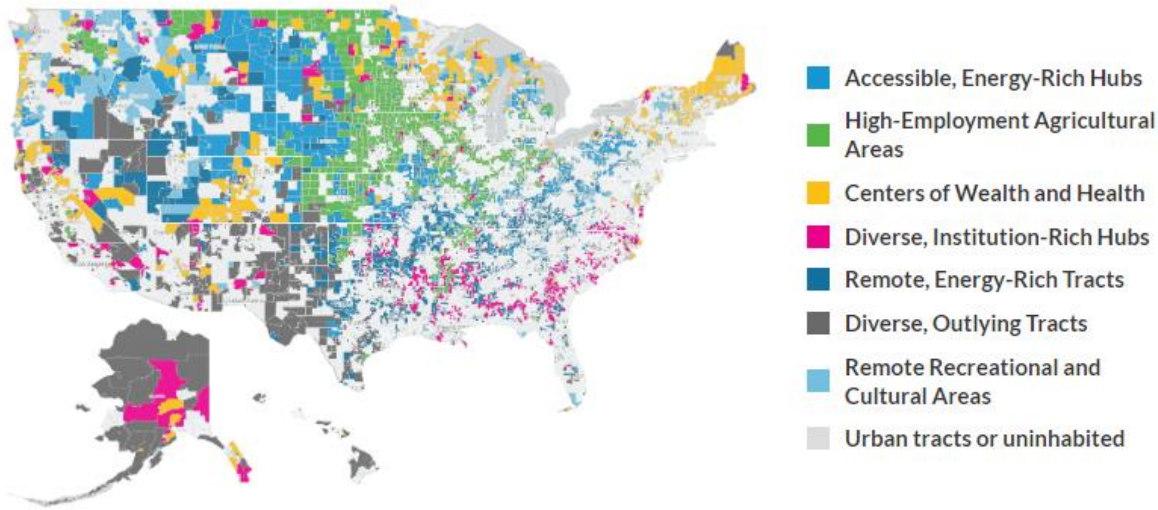
Leveraging the Urban Institute's previous innovative research classifying rural communities into peer groups (box 1), we take a closer look at financial well-being and inclusion across seven different types of rural communities and explore the correlation between these metrics and local nonfinancial contexts.

BOX 1

Reenvisioning Rural America

In a 2020 study conducted by the Urban Institute, we used public data to describe assets within rural census tracts across seven types of community capitals: Built, Social, Cultural, Natural, Political, Civic, and Financial.[a] Using these data and a cluster analysis methodology, we constructed a typology of seven peer groups that highlights similarities and differences in strengths and potential across rural America.

- **Accessible, Energy-Rich Hubs:** Communities in this group have relatively high access to coal mines and oil and natural gas wells, as well as the best physical access to infrastructure such as banks, health care facilities, and broadband. They also have the greatest religious diversity but are largely homogeneous across race, ethnicity, and language.
- **High-Employment Agricultural Areas:** Communities in this group have the highest average share of land area covered in crops, highest labor force participation rate, and highest average census participation rate.
- **Centers of Wealth and Health:** Communities in this group are strongest across the largest number of measures, including those related to finance, health, education, and quality of life. With generally high scores across each of these groups, these communities offer residents ample supports to help them thrive.
- **Diverse, Institution-Rich Hubs:** Racially and ethnically diverse, communities in this group have strong access to community institutions and health facilities. Additionally, this group has high racial and ethnic diversity; the average tract in this group is around 10 percent tribal land, the second-highest share of any group.
- **Remote, Energy-Rich Tracts:** Communities in this group are relatively close, on average, to mining, oil, and natural gas resources. The average tract's land area contains about 11 percent tribal land, the highest share of any group. Compared with Accessible, Energy-Rich Hubs, communities in this group have limited access to transportation infrastructure.
- **Diverse, Outlying Tracts:** With the highest racial, ethnic, and linguistic diversity, communities in this group tend to be located farther from many resources, such as emergency operations centers, highway exits, convention centers, colleges, and farmers markets.
- **Remote Recreational and Cultural Areas:** Local, state, and national parks cover more than three-quarters of the average tract in this group, the highest share of any group. Communities in this group lack physical access to many services, such as fire stations and emergency medical services, banks and credit unions, health care facilities, public libraries, and schools.



Source: For a full description of the peer groups, including a methodology overview, see "Reenvisioning Rural America: How to Invest in the Strengths and Potential of Rural Communities," Urban Institute, September 21, 2021, https://reenvisioning-rural-america.urban.org/.
[a] Cornelia Butler Flora, Mary Emery, Susan Fey, and Corry Bregendahl, "Community Capitals: A Tool for Evaluating Strategic Interventions and Projects" (Ames, IA: North Central Regional Center for Rural Development, 2005).

We adapted the census tract–based framework of the Reenvisioning Rural America study to align with the county-level financial well-being metrics considered in this study. To do so, we looked at the distribution of types of tracts within the county and assigned the county type based on which tract type was most common within the county. For example, if most rural tracts within a county were identified as Remote Recreational and Cultural Areas, we categorized the entire county type as "Remote Recreational and Cultural Areas." Although this method is not perfect and may overlook the diversity of tract types within a county, the final county-level distributions are comparable to and consistent with census tract–level distributions (table 2). Collectively, Remote Recreational and Cultural Areas represent the fewest rural geographies, with the other six types more evenly distributed among rural communities.

TABLE 2

Percentage of Total Rural Counties and Tracts Assigned to Each Community Type

Community type	County distribution	Tract distribution
Accessible, Energy-Rich Hubs	19%	19%
High-Employment Agricultural Areas	22%	17%
Centers of Wealth and Health	12%	17%
Diverse, Institution-Rich Hubs	12%	15%
Remote, Energy-Rich Tracts	18%	14%
Diverse, Outlying Tracts	12%	14%
Remote Recreational and Cultural Areas	4%	5%

Source: Authors' calculations based on data from "Reenvisioning Rural America: How to Invest in the Strengths and Potential of Rural Communities," Urban Institute, September 21, 2021, https://reenvisioning-rural-america.urban.org/.

Variations Across Rural Community Types

Once we disaggregate rural counties into the seven different types, we can see how financial well-being and inclusion measures vary across the United States (table 3). For example, median household incomes and per capita deposits vary significantly across community types, with an almost $20,000 difference, on average, between the highest and the lowest. Similarly, the share of the population with subprime credit scores also varies, with the percentage in Diverse, Institution-Rich Hubs more than double that of Centers of Wealth and Health. Homeownership rates tend to be more consistent across different community types, likely due to the relatively high overall homeownership rate in rural areas.[4]

Each community type has different strengths. Centers of Wealth and Health have the highest median household incomes and the lowest shares of the population with a subprime credit score, while High-Employment Agricultural Areas and Remote Recreational and Cultural Areas have the highest per capita deposits and homeownership rates, respectively.

TABLE 3

Financial Well-Being and Inclusion by Community Type

County type	Median household income	Per capita deposit	Homeownership rate	Percentage of population with subprime credit score
Accessible, Energy-Rich Hubs	$63,259	$32,376	75%	19%
High-Employment Agricultural Areas	$67,170	**$39,558**	74%	18%
Centers of Wealth and Health	**$72,191**	$28,782	74%	**15%**
Diverse, Institution-Rich Hubs	**$53,691**	**$21,514**	**69%**	**33%**
Remote, Energy-Rich Tracts	$54,981	$23,426	75%	27%
Diverse, Outlying Tracts	$62,819	$29,992	70%	27%
Remote Recreational and Cultural Areas	$57,124	$24,787	**78%**	19%

Source: Authors' calculations based on American Community Survey data; Federal Deposit Insurance Corporation Bank Data and Statistics; aggregated data from "Credit Health during the COVID-19 Pandemic," Urban Institute, updated March 8, 2022, https://apps.urban.org/features/credit-health-during-pandemic/; and "Reenvisioning Rural America: How to Invest in the Strengths and Potential of Rural Communities," Urban Institute, September 21, 2021, https://reenvisioning-rural-america.urban.org/.

Note: The minimum and maximum values within each variable are bolded.

Understanding Local Contexts

Interpreting these differences requires a deeper dive into the defining characteristics of each community type and their local contexts. For instance, the high per capita deposits in counties in High-Employment Agricultural Areas might be attributed to the robust presence of agricultural sector employment opportunities in this type of rural community; while farming only accounts for a small portion of rural jobs (2.6 million, or 5.6 percent), clustering of agricultural employment is more likely to be associated with lower levels of poverty (Curtis et al. 2019). Although homeownership rates in rural areas are generally higher than those of urban areas, the high homeownership rate in counties in Remote Recreational and Cultural Areas is likely related to the high demand for second homes in high-amenity rural places.[5]

This typology method includes nonfinancial community assets that potentially point to investment solutions that incorporate local contexts. For example, overall, Centers for Wealth and Health have the highest financial well-being and inclusion conditions in two of the four dimensions we explored. Beyond financial and economic success, communities in the Centers for Wealth and Health group also score well on other quality-of-life measures, such as best access to home broadband, best air quality, and shortest average distance to transportation infrastructure. This might suggest a less pressing need for rural investments in these areas compared with other types of rural communities.

Diverse, Institution-Rich Hubs face the biggest challenges in three of the four financial inclusion and well-being measures we explored and have the lowest shares of households with access to home broadband or a cellular data subscription. However, this group has the best access to institutions such as convention centers, colleges, schools, fire stations, emergency medical services, and health care facilities. Promising strategies to promote financial inclusion in these communities might involve leveraging their rich existing local institutions, such as investing in existing community programs, which we explore in more detail in the next section.

Rural peer groups tend to cluster in certain regions (box 1). For example, Diverse, Institution-Rich Hubs are the most common rural community type in the Mississippi Delta and South Atlantic regions, which have higher shares of people of color and greater racial and ethnic diversity, suggesting a need to bolster financial inclusion activities in the southeastern United States and many tribal areas.

In summary, this section demonstrates the variation of financial well-being and inclusion conditions among the different types of rural communities and how investors could potentially incorporate nonfinancial community assets when making investment decisions. However, we acknowledge several limitations of this study, and decisionmakers should go beyond this illustrative framework and seek additional data and information to understand the unique local contexts of the communities where they are seeking to invest. First, because of the lack of reliable tract-level data on credit health, we aggregate the tract-level typology of rural communities to the county level, which may mask the variation of financial well-being within counties and limit our confidence in generalizing findings to all rural communities within a county. Additionally, although the typology attempts to categorize communities based on their biggest similarities and differences, the actual presence of certain specific community assets may vary even within the same types of community.[6] Furthermore, we developed our typology using only publicly available sources, limiting our ability to capture the full range of potentially critical community assets, such as climate resilience.

Despite these limitations, future research could benefit from more granular community-level financial well-being and inclusion data, further testing of correlations of different types of community assets, and community-engaged qualitative research methods to enhance the validity of these findings.

Understanding and Addressing Financial Well-Being

Building on our data analysis and findings on financial well-being conditions across different types of communities, we conducted a literature scan and key informant interviews to catalyze promising local solutions. Although many rural communities experience similar challenges, we provide examples of good practices that leverage existing community strengths and consider unique local contexts.

Common Financial Challenges among Rural Communities

Although communities have varying rural financial needs depending on their local contexts, we identified some common challenges to financial inclusion and well-being across different community types through a literature scan, particularly around declining physical access to banking services and the persistent digital divide.

ACCESS TO BRANCHES

According to a report by the Federal Reserve (2019), more than 40 percent of rural counties lost bank branches between 2012 and 2017, even though people living in rural areas are *more* likely to rely on physical banks, visiting banks at nearly double the rate of urban and suburban customers.[7] With more bank closures, individuals must travel greater distances to reach their closest banking institution. Since many rural communities lack a robust public transportation system (Henning-Smith et al. 2017), individuals need access to a car to reach a bank, leaving it nearly impossible for households without a car to receive financial services. Additionally, some rural areas (such as southeast Alaska) do not have a connecting road system, which can lead to increased costs and barriers, as individuals may need to use a sea plane or ferry boat to reach a bank.

THE DIGITAL DIVIDE

The digital divide further compounds financial inclusion challenges, as many rural areas lack adequate internet connectivity and technological infrastructure. As of 2020, 22.3 percent of Americans in rural areas and 27.7 percent of Americans in tribal lands lacked broadband coverage, compared with only 1.5 percent of Americans in urban areas (FCC 2020). Although mobile internet access has expanded more rapidly in rural areas, it cannot fully substitute for fixed broadband services. This hinders residents' ability to engage in online banking and access digital financial services and financial literacy education.

Local Efforts to Address Financial Inclusion Challenges

Across the country, rural communities are testing and implementing creative models to increase financial inclusion and accessibility. Many of these groups are embracing an asset-based mindset by leveraging existing community resources and establishing partnerships with other local stakeholders. In this section, we provide examples, organized by key themes, of how creative service models are catering to rural financial needs. Based on our conversations with program staff in rural Alaska and Ohio, we also provide additional details on how community partners are coming together to improve financial well-being.

MEETING COMMUNITIES' FINANCIAL SERVICE NEEDS THROUGH TAILORED OFFERINGS

While online platforms and mobile apps can offer a range of financial products and services at a lower cost, research has shown that people living in rural areas are more likely to rely on physical banks (Critchfield et al. 2019). Below, we provide examples of how service providers can offer the most-needed services, rather than just a standardized suite of products and services, through both digital platforms and in-person spaces.

- **Provide financial services and products that meet unique local needs.** Rural areas have specific financing needs that may differ from those in other areas of the country, such as financial services related to agriculture or fishing. Farming sector businesses have traditionally been underbanked because of the risky and unpredictable nature of the industry, causing many business owners to turn to informal and predatory lenders. To address this challenge, Maine Harvest Solutions[8]—a program within the Five County Credit Union—provides financing for land, equipment, and businesses, as well as mortgages to farms, with the goal of supporting and strengthening Maine's farmland and food economy. Service providers in communities with a stronger farming economy, such as High-Employment Agricultural Areas and Diverse, Institution-Rich Hubs, could consider similar practices to meet local financing needs.

- **Expand financial services to remote rural areas.** With a national trend of bank branches closing in rural areas, the lack of viable brick-and-mortar banking services has left many area residents vulnerable to predatory lending.[9] With service areas in northeast Tennessee, southwest Virginia, and eastern Kentucky—where 26 percent of residents live below the poverty line and 28 percent are unbanked or underbanked[10]—the Appalachian Community Federal Credit Union is one of many credit unions that deployed a secure, electronic transaction processing platform to provide online financial services for communities in Remote, Energy-Rich Tracts. However, local branches and in-person communications are still crucial for many small businesses and families in rural places. The Tongass Federal Credit Union fills this gap by bringing in-person financial services to the most remote communities in Diverse, Outlying Tracts (box 2).

BOX 2

Interview Insights: Maintaining In-Person Financial Services in Rural Alaska

The Tongass Federal Credit Union's (TFCU) community microsites are an innovative and exemplary solution to address community banking needs. Located in southeast Alaska, TFCU created the community microsite model in 2006 in response to a lack of local financial institutions in small and remote southeast Alaskan communities. These communities are not connected to road systems and have populations ranging from 350 to 900 people. Residents had to fly by seaplane to a larger community, such as Juneau, for their banking needs because there were no banks in their local area. The microsites offer regular banking services, including debit and credit cards on demand, ATMs with no fees for members of the credit union, utility payments, and all types of consumer and mortgage loans, as well as US Department of Housing and Urban Development Section 184 home loans for Native Americans and business loans for equipment such as commercial fishing boats.

Additionally, the microsites provide financial education services, such as financial reality fairs for students. The microsites are created in partnership with the local community. A business or organization in the community typically volunteers the physical space for the microsite. In Thorne Bay, the microsite was originally located in a sporting goods store and is now within a city office building. In Hoonah, the microsite is housed in a canoe shed. In return, TFCU provides an ATM, loan services, financial education, and local jobs. Nearly half of the community in Kake and the majority of the Thorne Bay community are members of TFCU. Because the community microsites are located in a central area of the community and provide services that are otherwise inaccessible, they have helped filled critical gaps in financial needs.

TFCU tracks its progress through membership growth, deposits, and loans. Credit-builder loans are available for individuals just starting out or for those starting over—for example, a loan to a high school senior to build their credit or someone who has struggled with their credit score—to help build their capacity for financial wellness into the future. Finally, TFCU also tracks hours spent on financial programming to understand how much community engagement is happening.

Source: Authors' interviews with staff at TFCU.

PROVIDING FINANCIAL AND ONLINE LITERACY THROUGH INTEGRATED APPROACHES

Research has shown that successful financial literacy education can shape financial behaviors and empower people's overall sense of financial security, self-assuredness, and overall quality of life (Kaiser et al. 2022; Loomis 2018). Financial education is especially important in rural communities that already have few local banking services and financial education options. In our scan, we focused on creative ways to deliver financial education by partnering with existing community resources and assets.

- **Integrated financial education and coaching in existing programs and services:** As a US Department of Housing and Urban Development–approved national intermediary, the Rural Community Assistance Corporation's housing counseling program builds partners' capacity to provide financial literacy training to housing counselors. By partnering with housing counseling agencies serving rural communities in its service area, as opposed to providing counseling services directly, the Rural Community Assistance Corporation can offer financial literacy education to more clients. The National Federation of Community Development Credit Unions and Neighborhood Trust Financial Partners developed Pathways, a technology platform that integrates financial counseling and coaching into community development credit union operations.[11] Pathways also builds the capacity of credit unions to track clients' financial health data and outcomes.

- **One-on-one digital and online literacy education by trusted local residents:** Digital navigator programs are educational programs that increase digital literacy, which in turn can help individuals more easily access online financial opportunities and supports. For example, Oklahoma State University and AARP Oklahoma joined forces to run a pilot program at five rural libraries[12] around the state to share information and knowledge about digital connectivity through digital navigators. Digital navigators are trained local residents who have been selected to help people learn digital literacy, ranging from how to access the internet to how to create an email account. Service providers could consider investing in similar programs in communities that would benefit most from one-on-one, in-person trainings, such as places with rapidly aging populations.[13]
- **Culturally sensitive education:** For education programming to be successful, it needs to be culturally relevant to residents of the community, especially in Diverse, Institution-Rich Hubs and Remote, Energy-Rich Tracts that have higher shares of populations of color and tribal land coverage. In 2001, the First Nations Development Institute and the Oweesta Corporation partnered with the Fannie Mae Foundation to produce Building Native Communities: Financial Skills for Families (BNC), a Native community–oriented financial education curriculum.[14] The curriculum centers fundamental Native values such as honesty, listening, generosity, respect, and connectedness. The BNC train-the-trainer sessions place financial educators in the field. Once an instructor has been certified, they receive access to a range of teaching tools for use in their tribal community. Now in its fifth edition, the BNC curriculum is the leading resource for financial educators in Native communities, reaching more than 2,000 students annually and 20,000 students since 2005.

BOX 3

Interview Insights: Providing Financial and Digital Education through Partnerships with Existing Community-Based Organizations

Rural LISC has multiple programs that uplift the importance of financial education and coaching. Rural LISC's Financial Opportunity Centers (FOCs) provide integrated financial, employment, and income support coaching to individuals and families. FOCs are embedded in preexisting community-based organizations. These existing organizations may already be delivering at least one of the educational or coaching services, and Rural LISC helps the organization integrate the other services they are not yet offering. For example, in Findlay, Ohio, an existing Habitat for Humanity became an FOC and now provides financial education and coaching to the community. There are currently 19 FOCs operating in rural communities. Through long-term, one-on-one relationships, coaches help people set financial and employment goals and align their actions to reach those goals. Rural LISC's role is to generate resources from funders, partners, and programs and distribute those resources into a community.

In order to become a trademarked LISC FOC, an organization must use the LISC Family Financial Tracker to record client outcomes. Once an individual creates financial and employment goals, they build a family budget and an action plan. The coach then uses the Family Financial Tracker to track progress toward increasing key outcomes, such as net income, net worth, credit score, wages, and job retention. The tracker also records increased education and digital skills. This allows LISC to understand what aspects of the program are and are not working. For example, Rural LISC found that when financial coaching was paired with employment coaching, job retention doubled and individuals were 50 percent more likely to land a well-paying job.

Often, Rural LISC pairs its Digital Connector program with the rural FOCs to address gaps in digital knowledge and increase digital equity. The program provides additional funding to train coaches to help individuals connect to low-cost internet, select the right device to meet their needs, and increase their digital skills. This is especially meaningful in rural areas, where access to affordable and reliable broadband may be limited.

Source: Authors' interviews with staff at Rural LISC.

IMPROVING FINANCIAL INCLUSION BY EXPANDING BROADBAND AND INTERNET ACCESS

Online banking and financial services are increasingly sought after as an alternative in places that lack brick-and-mortar banking services and affordable transportation, but not everyone in rural communities has access to reliable internet. In our scan, we found a number of programs that seek to improve both individual and community access to broadband in the absence of larger-scale investment and infrastructure, particularly in the Mississippi Delta region and in tribal areas (Cain et al. 2022).

- **Individual-level access:** To promote individual access to the internet, Oklahoma State University's Rural Library Hotspot Lending program[15] provides libraries with multiple hotspot devices with unlimited data for a full year. The hotspots are available to check out, similar to traditional books. In Louisa County, Virginia, solar-powered internet hotspots in trailer carts, known as the Wireless on Wheels program,[16] help fill the void in internet access in rural areas. The Wireless on Wheels units are built with materials available at most hardware stores, and each hotspot can support about five devices at one time within a 200-foot radius. "Final Mile" programs, such as the Arizona Rural Schools Association's project,[17] identify institutions that already have high-speed internet—such as libraries, schools, or hospitals—and host towers that broadcast internet service to homes in the area.

- **Community-level access:** Community-owned fiber networks are a solution to increase internet access at a broader level. In the Clearfork Valley in Tennessee and Kentucky, the Clearfork Community Institute[18] hosts an internet hotspot and is the only place in the valley currently offering public internet access. The Declaration Networks Group[19] uses an innovative combination of fixed wireless technology, meaning WiFi networks and TV white space, to provide broadband internet in rural Maryland and Virginia. Rural electric cooperatives are another way to bring internet access to a community. The Kit Carson Electric Cooperative in Taos, New Mexico, for example, offers fiber-optic internet access to thousands in the area.[20]

Implications for Policies and Investments in Rural Communities

While there is no simple solution to address challenges in meeting rural communities' financial needs, intentional program design and collaborations with existing community efforts are key themes throughout our case scan and interviews. For higher-capacity service providers and investors, investment in catalyst efforts—such as convening stakeholders with aligned interests and gathering and disseminating evidence on what works—would further knowledge and help policymakers develop tailored local solutions. Based on findings from our data analysis and case studies, as well as learnings from practitioners, we distilled three guiding principles for effective rural investment strategies that promote financial inclusion and well-being and build local capacity.

1. Offer Products and Services Tailored to the Needs of the Community

As our data analysis suggests, rural communities have varying needs depending on their local conditions, which underscores the importance of tailored rural investment strategies. For financial service providers, this may include offering financial products that acknowledge rural economies' unique realities, such as providing loans for boats or utility payments in fishing communities. In rural areas where many residents do not have access to reliable internet, prioritizing a physical location where people can come in person to receive financial services is important.

In the case of financial education programs, the topics offered should be applicable and culturally relevant. Working in partnership with existing community organizations that understand local contexts can help ensure the best outcomes. Evaluating the performance and impact of these solutions through rigorous data collection and research will allow financial service providers to determine what solutions work best for different rural communities.

2. Build Community Trust through Partnerships and Local Hiring

Financial institutions and service providers can foster trust by working with known and trusted organizations. Local organizations have expertise on the specific needs of the community and may have existing relationships with other organizations and community members that can offer a diverse range of support and resources, as well as facilitate connections between residents and the financial programming. Showing up where people are provides crucial opportunities to listen to community members and understand their needs. Supporting community events by providing food or partnering with schools, churches, or other trusted local organizations to provide financial education are paths toward relationship building and greater involvement with the community.

Hiring staff who are local to the area and understand the history, culture, and needs of the area can also help build trust. Residents may feel more comfortable and connected if they see someone they know working at the financial center or program. Other approaches include making sure engagement and outreach strategies are culturally and linguistically sensitive.

3. Leverage Existing Local and National Assets to Promote Investment

Communities that have the greatest needs still have existing assets to leverage. Our typology has shown that communities with limited financial resources or low labor force participation rates may still have rich community institution resources for partnership on service delivery. Beyond traditional strategies, such as direct investment in branches or local community development financial institutions, financial service providers could explore creative ways to deliver services that meet local needs, such as partnering with local businesses, local government, school districts, libraries, universities, churches, and other community-based organizations to fill service gaps and provide financial education.

Financial institutions and service providers could also engage key regional and national stakeholders. For example, they could leverage updated CRA regulations and evaluate their ability to leverage new incentives to expand or maintain investment and services in rural areas. Beyond partnerships within the financial sector, service providers could also explore other opportunities for collaboration, such as partnerships with organizations working to improve social, health, and environmental conditions in rural communities.

Conclusion

In this brief, we have identified many promising examples of ways to promote financial inclusion and well-being in rural communities. We also demonstrate how investors can incorporate a typology framework and mindset to understand rural realities. While we did not get into the specific metrics and calculations that go into the complex process of making investment decisions, we highlight how a proactive, asset-based approach centered on community strengths—rather than one focused on deficiencies and rural problems—can inspire community and institutional buy-in to promote sustainable investment strategies that support a diverse and prosperous rural America.

Notes

[1] "Rural Poverty and Well-Being: Overview," US Department of Agriculture Economic Research Service, accessed April 19, 2024, https://www.ers.usda.gov/topics/rural-economy-population/rural-poverty-well-being.

[2] Anne N. Junod, Clare Salerno, and Corianne Payton Scally, "Debunking Three Myths about Rural America," *Urban Wire* (blog), Urban Institute, accessed February 20, 2024, https://www.urban.org/urban-wire/debunking-three-myths-about-rural-america.

[3] For example, the Federal Housing Finance Agency's Duty to Serve program aims to expand access to mortgage financing for three underserved housing markets that pose persistent challenges: manufactured housing, rural housing, and affordable housing preservation.

[4] Joe Belden, "'True Homeownership' More Prevalent in Rural Areas," *Daily Yonder*, accessed February 20, 2024, https://dailyyonder.com/true-homeownership-more-prevalent-in-rural-areas/2020/08/06/.

[5] Na Zhao, "The Nation's Stock of Second Homes," National Association of Home Builders, accessed February 20, 2024, https://eyeonhousing.org/2022/05/the-nations-stock-of-second-homes/.

[6] The Reenvisioning Rural America tool does allow readers to compare individual census tracts with group averages and rural averages for all community capital measures.

[7] In 2019, 33.4 percent of banked rural households used a bank teller, compared with 16.9 percent of banked urban households and 18.7 percent of banked suburban households. See Federal Deposit Insurance Corporation, "How America Banks: Household Use of Banking and Financial Services" (Washington, DC: FDIC, 2020).

[8] "About Us: Maine Harvest Solutions," Five County Credit Union, accessed February 20, 2024, https://www.fivecounty.com/mhsabout.

[9] Palash Ghosh, "US Banks Closing Branches at Rapid Pace, Making Poor And Rural Customers Vulnerable to Usurious Lenders," *Forbes*, January 29, 2021, https://www.forbes.com/sites/palashghosh/2021/01/29/us-banks-closing-branches-at-rapid-pace-making-poor-and-rural-customers-vulnerable-to-usurious-lenders/.

[10] Roy Urrico, "Appalachian Community FCU Serves Underserved Communities with E-Signature Platform," *Credit Union Times*, March 28, 2019, https://www.cutimes.com/2019/03/28/appalachian-community-fcu-serves-underserved-communities-with-e-signature-platform/.

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