

BY KATRINA MULLEN

New from the Richmond Fed's Regional Matters blog

Surekha Carpenter, Disha Dureja, and Avani Pradhan. "High and Dry: Banking Deserts Increased in the Fifth District During the Pandemic."

U.S. bank branches have been closing for years due to a shift in customer preferences, technological advancements, and bank strategy, but the rate of closures accelerated during the COVID-19 pandemic. As a result, more communities have become "banking deserts" with poor access to physical banking locations. In the Fifth District, the growth in banking deserts was higher than in the United States as a whole; and as of 2023, North and South Carolina had the highest number of banking deserts in the district (262 census tracts and 134 tracts, respectively). While most of these bank closures occurred in middle- and upper-income suburban areas that have more access to technology (e.g., online banking), underserved areas also experienced smaller, but still large, increases in banking deserts.

Joseph Mengedoth. "Virginia's Employment Recovery: Now and Then."

At the outset of the COVID-19 pandemic, initial job losses in Virginia were not as large as in the United States as a whole. At the beginning of 2021, the gap had closed between the two, but by November of that year, the U.S. recovery outpaced Virginia's. Since then, however, the two have been essentially even in their post-pandemic jobs recovery. Virginia's recovery could be attributed to the state's economic structure, workforce characteristics, and strong private sector ties to the government. Additionally, people with higher levels of education are more likely to have lower unemployment rates: In 2022, Virginia's share of the working-age population (ages 25-64) with at least a bachelor's degree was nearly 7 percentage points higher than that of the nation as a whole.

Alvaro Sánchez and Adam Scavette. "Digital Access Deficiencies in Rural Health Care Deserts: Identifying a Role for Telehealth."

Since the COVID-19 pandemic, telehealth — defined as digital access to health care services — has become increasingly used by American patients because of its potential to reach people in rural, underserved areas. Since access to broadband and digital devices is necessary for telehealth, areas without broadband services are less likely to benefit. In

the Fifth District, health professional shortage areas, or high needs areas, primarily exist in rural areas within South Carolina and southern Virginia, where only 51 percent of households use fixed wireline broadband (compared to 73 percent of households in the district overall). Fifth District households in these rural areas may have digital devices, but the device ownership gaps between those with high needs and the average

household remain large for smartphones, tablets, and laptops.

Bethany Greene and Matthew Martin. "Hurricane Helene: What We Are Learning."

Communities in the Fifth District, especially in western North Carolina, upstate and western South Carolina, and Southwest Virginia, are grappling with Hurricane Helene's aftermath. In North Carolina, the state Department of Transportation will need to restore more than 6,900 sites of damaged roads and bridges, while the state also has to repair the washed-out portion of Interstate 40 near Tennessee. Numerous sectors — leisure, hospitality and retail; manufacturing; and banking — have also been impacted through reopening delays, lost revenue, and operations disruptions. For example, hotels and stores in Asheville, N.C., experienced increased costs and low foot traffic during the fall, normally one of the region's most important tourist seasons.

Emily Wavering Corcoran and Anthony Tringali. "Credit Checkup: A Look at the Financing Experiences of Small Businesses in Virginia, Washington, D.C., and North Carolina."

Every fall, the 12 Federal Reserve Banks publish a survey — the Small Business Credit Survey — to report on the credit experiences and needs of small businesses over the preceding year. In 2023, 37 percent of firms applied for a loan, line of credit, or traditional financing, which mirrored pre-pandemic levels. Within the Fifth District, Virginia, Washington, D.C., and North Carolina resembled national trends in small business health and credit-seeking experiences, but there were some notable differences. For example, compared to the United States, small businesses in Virginia were somewhat less likely to apply for traditional financing (31 percent versus 37 percent), but those that did apply were more likely to use an online lender (37 percent versus 23 percent). **EF**

