

## Decline in Bank and Credit Union Locations May Affect Rural Access to Financial Services

May 2026

### Introduction

This fact sheet compares rural and urban access to local financial services provided by banks and credit unions. Using data from the Federal Deposit Insurance Corporation (FDIC) and the National Credit Union Administration (NCUA), the Center analyzed the number and change in branch offices (i.e., physical locations) at the county level from 2015 to 2025. Among the key findings were the following:

- Rural Pennsylvania continues to have fewer total bank and credit union locations than urban Pennsylvania, although rural areas maintain a higher number of institutions on a per-capita basis.
- From 2015 to 2025, both rural and urban Pennsylvania experienced steady declines in the number of bank and credit union locations, reflecting broader national trends in financial consolidation and changing consumer banking practices.
- Pennsylvania experienced a decline in banks and credit unions headquartered within the Commonwealth, including in rural communities, which may reduce locally based financial decision-making capacity.
- The loss of physical bank and credit union locations may present challenges for rural residents, businesses, and communities that rely on in-person financial services and locally embedded institutions.

### Why Combine Banks and Credit Unions?

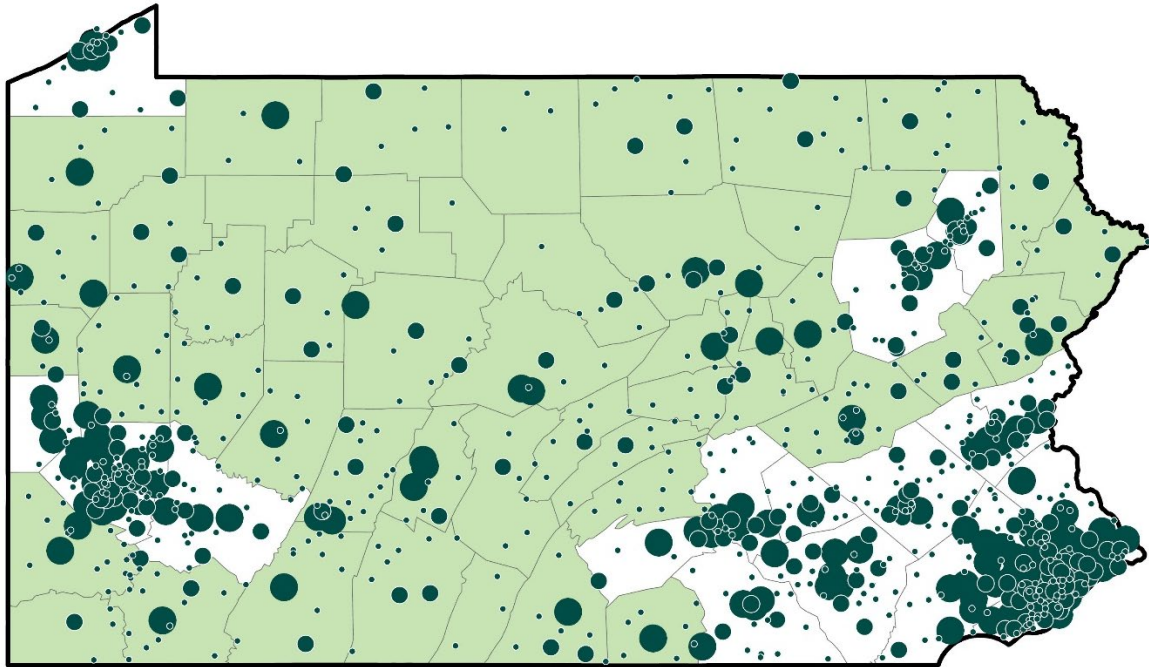
Although structurally banks and credit unions operate under different principles, both share a core function of providing investment opportunities and access to credit. Given that the focus of this fact sheet is understanding the level of access to these financial services in rural and urban areas and how it has changed over time, the Center combined these different institutions into the same dataset for analysis.

### Number of Banks and Credit Unions

In 2025, there were 4,316 bank and credit union locations in Pennsylvania. Thirty percent of these locations were in a rural county and 70 percent in an urban county. On a per capita basis, rural areas had more banks and credit unions than urban areas (38.0 and 31.2 per 100,000 population, respectively). Forest County is the only county in Pennsylvania with no bank or credit union; the last time an institution operated in a physical location there was in 2023.

Across the United States, in 2025, 26 counties had no bank or credit union. Most of these were in remote areas of Alaska, Hawaii, and the Midwest. However, all consistently had extremely low resident populations and were classified as rural based on the Center's definition (see the Appendix). Pennsylvania was the only state in the northeast to have a county with zero banks or credit unions.

**Figure 1: Number of Bank and Credit Union Locations by ZIP Code, 2025**



**Statewide Total Number of Banks and Credit Unions = 4,316**

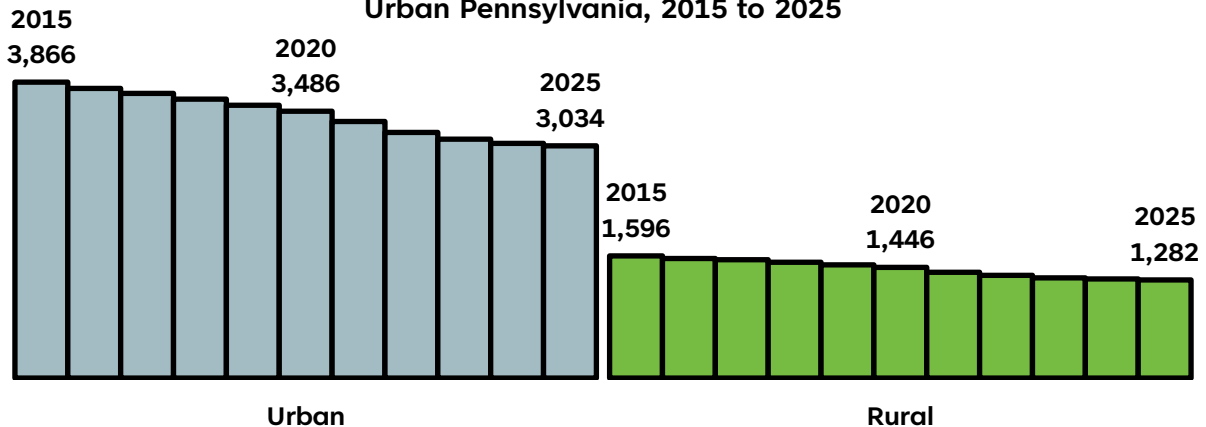
- <5 Banks and Credit Unions
- 5 to 9 Banks and Credit Unions
- 10+ Banks and Credit Unions
- Rural County
- Urban County

*Data Sources: FDIC and NCUA.*

**Change in the Number of Bank and Credit Union Locations**

As Figure 2 indicates, both rural and urban areas experienced a decrease in bank and credit union locations. From 2015 to 2025, the number of rural banks and credit unions decreased 20 percent, and for urban, there was a 22-percent decrease. Figure 3 shows that all but four Pennsylvania counties had a decrease in the number of bank and credit union locations from 2015 to 2025.

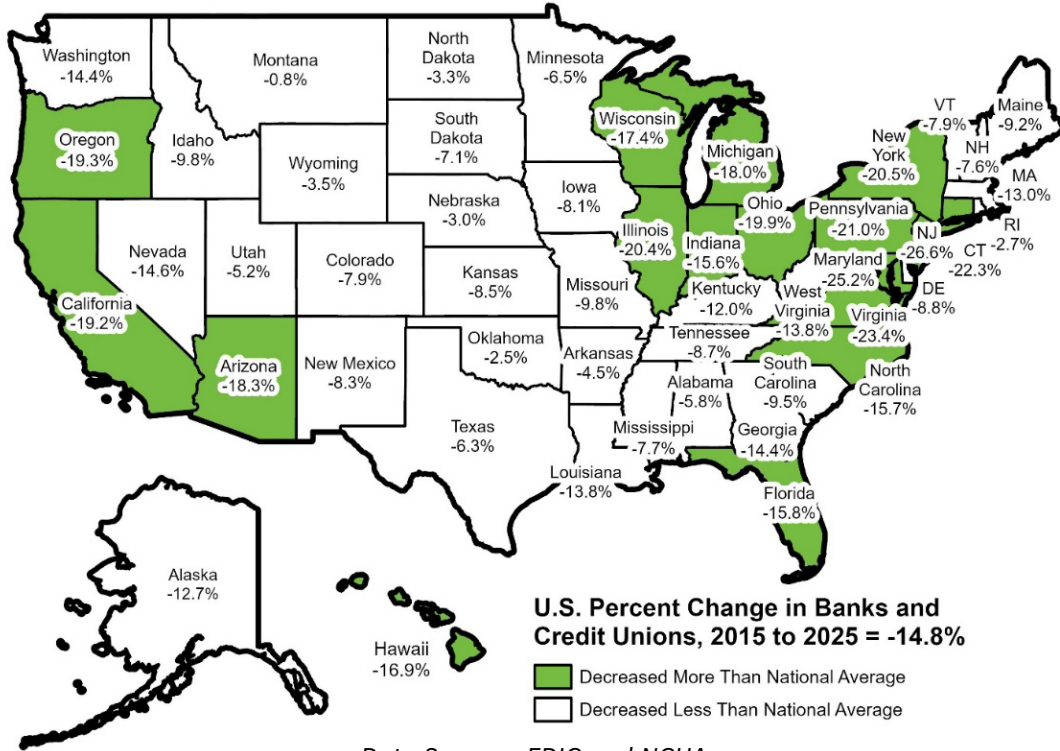
**Figure 2: Number of Bank and Credit Union Locations in Rural and Urban Pennsylvania, 2015 to 2025**



*Data Sources: FDIC and NCUA.*

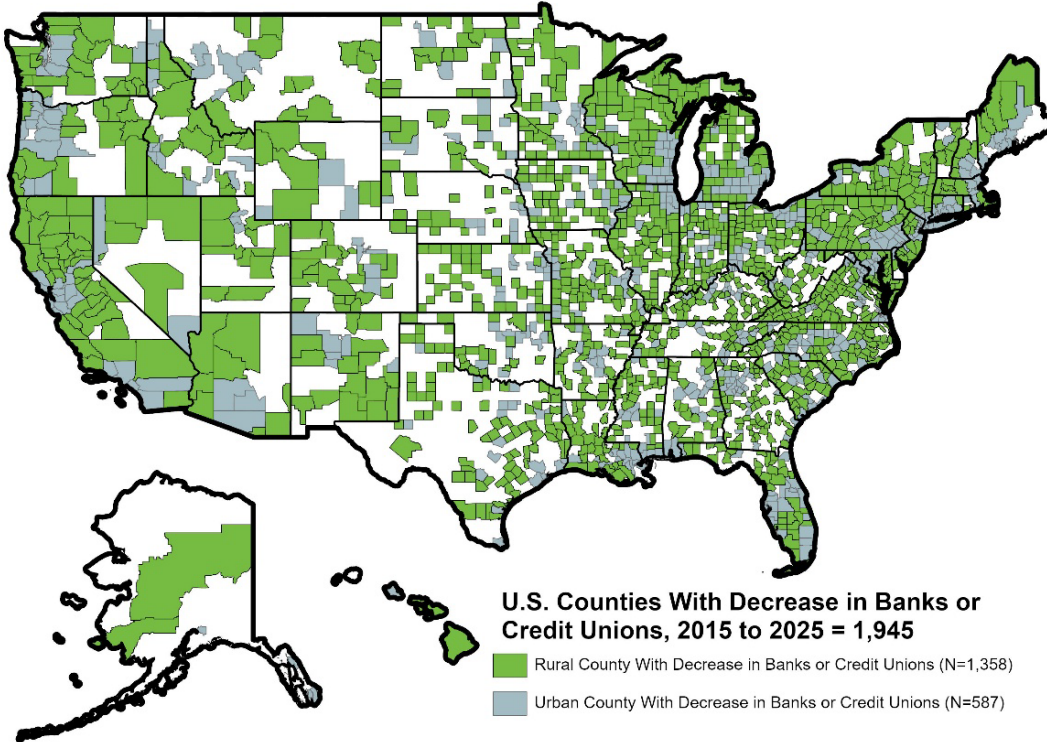


**Figure 4: Percent Change in Number of Bank and Credit Union Locations by State, 2015 to 2025**



Data Sources: FDIC and NCUA.

**Figure 5: U.S. Counties With Decrease in Banks or Credit Unions, 2015 to 2025**

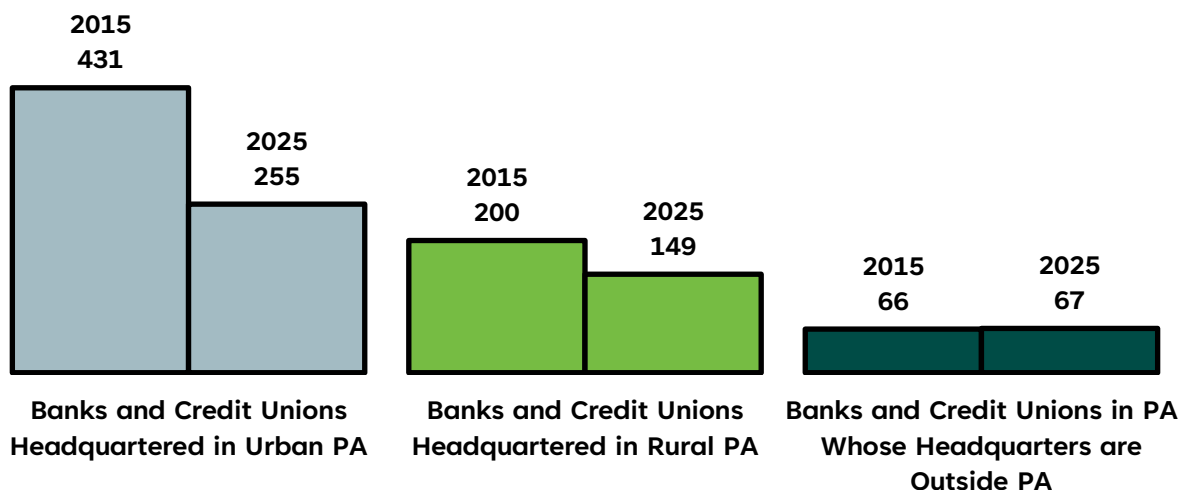


Data Sources: FDIC and NCUA.

### Disappearing Local Banks and Credit Unions

The FDIC and NCUA require each bank and credit union to identify the location of their main office, or headquarters, as well as the location of each of their branch offices. In 2025, 59 banks and 90 credit unions (for a total of 149 institutions) had their headquarters in a rural Pennsylvania county, while urban counties hosted the headquarters of 196 credit unions and 59 banks (for a total of 255 institutions). As Figure 6 shows, from 2015 to 2025, the number of rural- and urban-based banks and credit unions decreased (26 percent and 41 percent, respectively). In 2025, 67 banks and credit unions had their headquarters outside Pennsylvania. From 2015 to 2025, this number increased by one.

**Figure 6: Number of Banks and Credit Unions With Their Main Offices in Rural Pennsylvania, Urban Pennsylvania, and Out-of-State, 2015 to 2025**

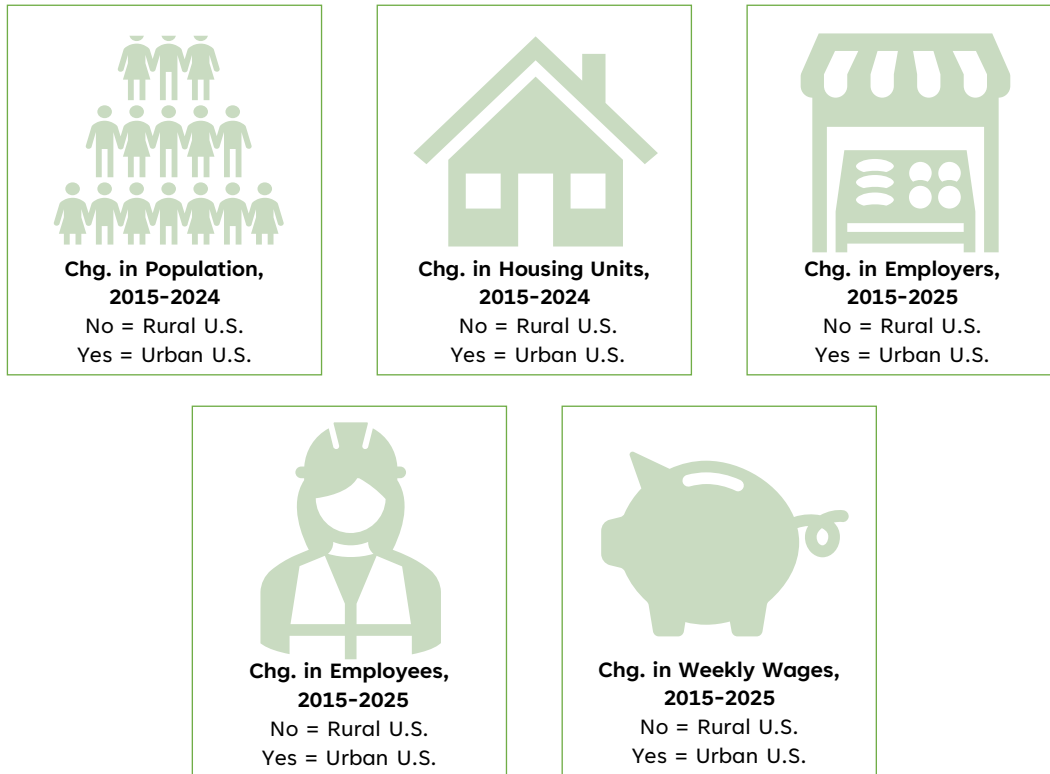


Data Sources: FDIC and NCUA.

### Factors Related to Change in Banks and Credit Unions

To better understand why some counties experienced an increase in banks and credit unions and others did not, five factors were examined: (1) population change, (2) housing unit change, (3) business establishment change, (4) employment change, and (5) change in weekly wages (see Figure 7). Within rural Pennsylvania, only the change in rural housing units was correlated (i.e., statistically significant) with the percentage change in the number of banks and credit unions. At the national level, each of these factors was significantly correlated with the change in urban banks and credit unions but not with rural areas.

**Figure 7: Factors Related to Change in Banks and Credit Unions in Rural and Urban United States**



*Data Sources: FDIC, NCUA, U.S. Census Bureau, and first quarter Census of Employment and Wages, U.S. Bureau of Labor Statistics. Financial data adjusted for inflation.*

## **Conclusion**

Over the past decade, both rural and urban Pennsylvania experienced substantial declines in the number of bank and credit union locations, reflecting broader national trends in financial consolidation and the increasing use of online banking services. However, the implications for rural communities may be more significant because physical financial institutions often serve as part of the local economic infrastructure that supports residents, small businesses, farmers, and community development efforts. The closure of local branches can reduce access to in-person financial services, particularly in communities with limited broadband access, aging populations, or long travel distances.

The findings also suggest a continued decline in locally headquartered banks and credit unions within Pennsylvania. Beyond the loss of physical locations, this trend may reduce local decision-making capacity and weaken relationships between financial institutions and the communities they serve. In many rural areas, local banks and credit unions have historically played an important role in supporting entrepreneurship, agricultural operations, housing development, and small business lending. As these institutions consolidate or relocate headquarters outside local communities, concerns may emerge regarding long-term access to locally responsive financial services.

Although this analysis did not identify strong statistical relationships between declining bank and credit union locations and several key economic indicators, the continued loss of financial institutions may still represent an important rural development issue. Physical access to financial services remains connected to broader questions of community sustainability, economic opportunity, and local capacity. The closure of the final bank or credit union in Forest County further illustrates how some rural communities may face increasing challenges in maintaining access to essential financial infrastructure.

### **Methods and Definitions**

**Data Sources:** Data on the number of banks and bank offices came from the Federal Deposit Insurance Corporation (FDIC), Summary of Deposits. The data on the number of credit unions and credit union offices came from the National Credit Union Administration (NCUA). For both data sources, the June 30th reports were used. The period of analysis was from 2015 to 2025. Population data used in the calculation of per-capita rates were for 2024 (the latest available at the time of this analysis) and from the U.S. Census Bureau.

*Rural / Urban:* According to the Center for Rural Pennsylvania, a rural county has a population density below the statewide rate of 291 persons per square mile. Urban counties have a population density at or above the statewide rate.

*Offices vs. Headquarters:* Organizationally, there is only one main office, or headquarters, for each bank or credit union. However, these institutions can have multiple branches or offices. This report analyzed both the number and change in offices and headquarters.

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