Improving Financial Inclusion through Communal Financial Orientation: How Financial Service Providers Can Better Engage Consumers in Banking Deserts

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Banking deserts, vulnerable communities that lack access to mainstream banks, represent a serious societal problem. Mainstream banks successfully entering banking deserts can help to assuage this problem. Drawing from research on the psychological consequences of poverty, we propose that mainstream banks can more successfully operate in banking deserts by increasing consumers’ perception of communal financial orientation as a bank benefit (i.e., consumers’ perception that engaging with the bank is beneficial for their community’s well-being). Two field studies, comparing customers of a credit union who live in a banking desert and those who do not, show that the perception of communal financial orientation as a bank benefit increases banking-desert consumers’ beliefs that engaging with the credit union is beneficial and increases their likelihood of patronizing and recommending it; consumers living outside banking deserts do not display these effects. These findings provide novel insights into psychological mechanisms distinctly associated with banking-desert consumers and establish the importance of communal financial orientation. This is a win-win proposal for under-served communities and financial service providers because it helps both improve financial inclusion and increase the viability of serving banking deserts.

**Keywords** Financial inclusion; Communal orientation; Vulnerable consumers; Banking deserts; Financial well-being

The United States currently has two banking systems—one for the rich, one for the poor (Baradaran, 2012, p. 483).

The well-being of individual consumers and their communities is inextricably linked to their financial inclusion—"a state in which all people of working age have access to a full suite of quality financial services, provided at affordable prices, in a convenient manner, and with dignity for the clients" (Accion International, 2009). Financial inclusion has substantial benefits. On an individual level, consumers participating in the financial system are more likely to save, invest in education, and absorb financial shocks; on a societal level, financial inclusion reduces income inequality and bolsters economic growth (Demirguc-Kunt, Klapper, Singer, Ansar, & Hess, 2018).

Financial inclusion implies access to mainstream financial service providers, but many communities in the United States do not have such access. For example, consumers living in low-income (vs. higher-income) census areas are more than twice as likely to live in “banking deserts”—vulnerable communities...
that have inadequate or no access to mainstream banks (Baradaran, 2015; Morgan, Pinkovsky, & Yang, 2016). Banking deserts emerge as traditional banks—typically driven by economic motives—re-allocate their branches and services away from relatively poorer communities to more prosperous ones (Baradaran, 2012; Hegerty, 2016). More plainly, banking deserts are “neighborhoods abandoned by mainstream banks” (Baradaran, 2017, p. 260). Consequently, fewer socio-economic communities have historically limited access to mainstream banks, and these consumers often turn to high-cost alternative (fringe) financial service providers, such as payday lenders and check-cashing services, which can undermine consumers’ long-term financial well-being (Karger, 2004; Sawyer & Temkin, 2004; Tufano, 2009).

The few mainstream banks that do open branches in banking deserts often fail to operate successfully there because they “fail to speak the financial language of the poor” (Baradaran, 2012, p. 495) and do not understand that poor consumers “cannot be offered banking services as though they are simply rich people with less money” (p. 485). Research on the psychology of poverty suggests that poor consumers tend to be more communally oriented than more affluent consumers; that is, they are more concerned with the needs and welfare of others, as well as their community as a whole (Haushofer & Fehr, 2014; Piff, Stancato, Martinez, Kraus, & Keltner, 2012). We extend that research to the financial service domain and examine consumers’ perception of “communal financial orientation as a bank benefit,” which we conceptualize as the extent to which consumers perceive that their engagement with a focal bank in their community is beneficial to their community’s well-being. Consumers high in the perception of communal financial orientation as a bank benefit recognize the vital importance of a mainstream bank for their community and should be more likely to engage with the bank. Accordingly, we propose that mainstream banks that enter banking deserts can more successfully appeal to consumers in those areas by emphasizing the link between a consumer’s financial engagement with the bank and the community’s well-being.

In two field studies, we compare customers of a credit union who live in a banking desert and customers who live in non-banking-desert areas. The results indicate that higher levels of consumers’ perception of communal financial orientation as a bank benefit increase their likelihood to patronize and recommend the credit union; consumers in non-banking-desert areas do not display these positive effects.

Our research contributes to a deeper understanding of the consumer psychology related to (more effective) financial inclusion of relatively poor consumers: First, poor communities remain under-represented in consumer research (Lee, 2018; Pham, 2016; Rapp & Hill, 2015). Most consumer research still assumes that poor consumers have the same needs, goals, preferences, and responses to appeals as relatively wealthier consumers, which hinders the development of more effective strategies for engaging consumers in low-income communities (Carey & Markus, 2016). In addition, many financial well-being programs are tailored to financially well-off consumers and “are mostly unsuccessful and unsuitable for low-income families and financially vulnerable people” (Engelbrecht, 2014, p. 252) who need them the most. One way to alleviate this problem is for mainstream banks to develop financial inclusion programs tailored to under-banked communities (Stein, Randhawa, & Bilandzic, 2011). We show that banks that enter a banking desert can more effectively appeal to consumers living there by leveraging the perception of communal financial orientation as a bank benefit, such that consumers believe that they are patronizing a bank that is in turn supporting their community. This finding offers incentives for banks to serve under-banked communities and broaden their customer base (McIntyre, 2017); in other words, this approach can both improve financial inclusion and increase the viability of serving banking deserts, resulting in a win-win for under-served communities and financial service organizations.

Second, research in marketing, economics, and finance has examined the financial services industry as providing financial products to individuals, viewing behavior from the perspective of personal finance and non-social activity. Our research suggests that banks can target and serve banking-desert consumers more effectively if they adopt a communal finance perspective and offer financial products and services not just for the benefit of individual customers but also for the community as a whole.

Communal Orientation as a Psychological Consequence of Poverty and Platform for Financial Inclusion in Banking Deserts

Our conceptual framework draws from research on the psychological consequences of poverty (Haushofer & Fehr, 2014; Piff et al., 2012) to propose that banks can better engage consumers in banking deserts by highlighting how engaging with the bank can help the whole community, thereby increasing the perception of communal financial orientation as a bank benefit.
The term “communal orientation” refers to an “awareness of interconnectedness among people, and a sense of mutual responsibility” (Hurley, Boykin, & Allen, 2005, p. 516); it describes feelings of sensitivity and responsiveness to others’ needs in addition to one’s own (Clark & Finkel, 2005; Meyers-Levy, 1988). As such, communal orientation is often contrasted to agentic orientation, which focuses on the individual self and a desire for independence (Bakan, 1966; Kurt & Frimmer, 2015; Rucker & Galinsky, 2016). Extending this research to the financial relationship between consumers and banks, we investigate the effects of the perception of communal financial orientation as a bank benefit among banking-desert (vs. non-banking-desert) consumers and theorize that banks can more effectively engage banking-desert consumers who perceive that engaging with the bank is beneficial to their community’s well-being.

Consumers in banking deserts are relatively more likely to be communally oriented. Prior research on the psychology of poverty has shown that income levels and income inequality are related to a broad array of psychological outcomes (Hausofoer, 2013; Hausofoer & Fehr, 2014; Kraus, Piff, Mendoza-Denton, Rheinschmidt, & Keltner, 2012). Specifically, owing to disparities in resources and rank, heightened environmental threat, and lower personal control, poor consumers tend to be more other-oriented (i.e., communal orientation). By contrast, wealthier consumers tend to be more self-focused (i.e., agentic orientation), due to their greater control and freedom of choice, lower vulnerability to threats, and emphasis on individualism and personal accomplishment (Piff & Robinson, 2017; Piff et al., 2012). For example, compared with more affluent individuals, who can use material wealth to deal with difficulties, low-income consumers depend more on their community to adapt to difficult environments (Stellar, Manzo, Kraus, & Keltner, 2012). This interdependence makes them more concerned with the needs of others and more likely to act pro-socially to improve the welfare of their communities (Keltner, Kogan, Piff, & Saturn, 2014; Piff, Kraus, Côté, Cheng, & Keltner, 2010; Piff et al., 2012).

We expect that banks emphasizing that engaging with them can help the whole community will resonate more with banking-desert consumers than with consumers living outside of banking deserts. Consumers in a banking desert, who may otherwise feel disconnected with and even distrustful of banks, should be more open to engaging with a bank that they believe will help not just themselves but also their community. Against this background, we expect a positive relationship between the perception of communal financial orientation as a bank benefit and consumer engagement with the bank in banking-desert communities. Specifically, we predict that as the perception of communal financial orientation as a bank benefit increases, banking-desert consumers will view engaging with the bank as more beneficial and will be more likely to engage with and recommend this bank. We do not expect these effects for consumers in wealthier non-banking-desert areas, where the community benefits of engaging with the bank are less pronounced.

Two studies, conducted in collaboration with a credit union, test these predictions. In reporting these studies, we note that credit unions are member-based financial institutions and are not technically banks; however, for brevity, we use the term “bank” to represent the broader category of financial service providers. Study 1 (a field survey) examines the extent to which the interaction between being a banking-desert (vs. non-banking-desert) consumer and perceiving communal financial orientation as a bank benefit increases the likelihood to engage with the bank. Study 2 (a field experiment) examines whether a bank that proactively signals a communal financial orientation in its marketing communications can increase financial engagement of banking-desert consumers.

Field Study 1: The Effects of the Perception of Communal Financial Orientation as a Bank Benefit on Financial Engagement

In study 1, we measure levels of consumers’ perception of communal financial orientation as a bank benefit to examine the hypothesized effects for consumers in banking deserts (vs. nonbanking deserts). We collaborated with an established U.S. credit union that recently opened a new branch in a banking desert where there had “never been a financial institution in [the community] that offered financial services without implementing outrageous rates or predatory lending practices” (Waters, 2016). At the time the banking-desert branch was announced, media reports noted that this credit union branch served as “a gateway to financial literacy and access to capital that could be transformative for [community] residents hoping to buy a home, start a business or simply have an account” (Waters, 2016). All the credit union’s other branches are not located in banking-desert communities.

Notably, banking deserts are systematically linked to poverty and often to people of color.
Table 1  
Constructs and Corresponding Measurement Items by Study

<table>
<thead>
<tr>
<th>Study 1*</th>
<th>Perceived Benefit of Engaging with the Credit Union (7-point scale)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I am confident this credit union can help me get the financial success I deserve in life</td>
</tr>
<tr>
<td></td>
<td>Perception of Communal Financial Orientation as a Bank Benefit (7-point scale; α = .81)</td>
</tr>
<tr>
<td></td>
<td>If I maintained my account in good standing with the credit union, I would feel I was helping my community</td>
</tr>
<tr>
<td></td>
<td>If I did not maintain my accounts in good standing with the credit union, I would worry that I would let down my community</td>
</tr>
<tr>
<td></td>
<td>Behavioral Engagement Intentions (7-point scale; α = .96)</td>
</tr>
<tr>
<td></td>
<td>How likely or unlikely you would be to do the following . . .</td>
</tr>
<tr>
<td></td>
<td>Use the credit union in the future</td>
</tr>
<tr>
<td></td>
<td>Continue to work with the credit union</td>
</tr>
<tr>
<td></td>
<td>Obtain additional financial products with the credit union</td>
</tr>
<tr>
<td></td>
<td>Try to obtain new accounts (e.g., loans, mortgages, retirement)</td>
</tr>
<tr>
<td></td>
<td>Word-of-Mouth Intentions (7-point scale; α = .96)</td>
</tr>
<tr>
<td></td>
<td>How likely or unlikely you would be to do the following . . .</td>
</tr>
<tr>
<td></td>
<td>Recommend the credit union to others</td>
</tr>
<tr>
<td></td>
<td>Say positive things about the credit union to others</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study 2 Pretest</th>
<th>Perception of Communal Financial Orientation of the Workshop (7-point scale; α = .97)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>If I attended this workshop, I would feel I was . . . helping my community . . . benefitting my community . . . improving my community . . . making my community better</td>
</tr>
<tr>
<td></td>
<td>Perceived NonCommunal Financial Orientation of the Workshop (7-point scale; α = .95)</td>
</tr>
<tr>
<td></td>
<td>If I attended this workshop, I would feel I was . . . helping myself . . . benefitting myself . . . improving myself</td>
</tr>
<tr>
<td></td>
<td>Subjective Financial Literacy (7-point scale; α = .69)</td>
</tr>
<tr>
<td></td>
<td>I know a lot about financial matters</td>
</tr>
<tr>
<td></td>
<td>I have a clear idea about which issues are important in financial planning</td>
</tr>
<tr>
<td></td>
<td>I understand how my debt and my bill paying behavior affect my credit score</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Study 2b</th>
<th>Perceived Benefit of the Workshop (7-point scale; r = .90, p &lt; .001)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The free online financial education workshop is . . . beneficial . . . valuable.</td>
</tr>
<tr>
<td></td>
<td>Behavioral Engagement Intentions (7-point scale; α = .94)</td>
</tr>
<tr>
<td></td>
<td>How likely or unlikely you would be to do the following . . .</td>
</tr>
<tr>
<td></td>
<td>Sign up for the workshop</td>
</tr>
<tr>
<td></td>
<td>Attend the workshop</td>
</tr>
<tr>
<td></td>
<td>Request more information about this workshop</td>
</tr>
</tbody>
</table>

"Corr(perceived benefit of engaging with the bank, behavioral engagement intentions) = 0.42, p < .001; Corr(perceived benefit of engaging with the bank, word-of-mouth intentions) = 0.45, p < .001; Corr(perceived benefit of engaging with the bank, behavioral engagement intentions, word-of-mouth intentions) = 0.82, p < .001.  
"Corr(perceived benefit of the workshop, behavioral engagement intentions) = 0.40, p < .001; Corr(perceived benefit of the workshop, word-of-mouth intentions) = 0.42, p < .001; Corr(perceived benefit of the workshop, behavioral engagement intentions, word-of-mouth intentions) = 0.77, p < .001.  
Baradaran, 2017; Morgan et al., 2016); that is,  
banking deserts are typically found "where racial and ethnic minorities live, and where incomes are low" (Kashian, Tao, & Perez-Valdez, 2015, p. 5).  
The banking desert that we examine has a 14% unemployment rate, and 49% of households are at or below the poverty line, as compared with 6% unemployment, and an 18% poverty rate across the greater metropolitan area served by the credit union (Bureau of Labor Statistics, United States Department of Labor; Data USA; Esri, 2014). Moreover, consistent with prior evidence on banking deserts (Friedline & Despard, 2016), study 1 participants who typically patronize the banking-desert branch tended to be lower-income ($25–$35K) and non-White (92%).  
We surveyed customers who patronized the banking-desert branch (n = 58) and a control group patronizing the other (non-banking-desert) branches (n = 99) in the same metropolitan area. We invited customers visiting the credit union branches to complete a questionnaire, which examined the perception of communal financial orientation as a bank benefit (e.g., "If I maintained my account in good standing with the credit union, I would feel I was helping my community"), perceived benefit of engaging with the bank (i.e., confidence that the credit union can help one achieve financial success), behavioral engagement intentions (e.g., likelihood to patronize the credit union), and word-of-mouth...
intentions (e.g., likelihood to recommend the credit union). Table 1 lists our key measures. Prior research has shown the importance of accounting for personal and contextual characteristics of vulnerable consumers (Hill & Kozup, 2007; Mende & van Doorn, 2015; Remund, 2010); therefore, we also included a broad set of individual-level control variables (age, gender, ethnicity, education, income, subjective financial literacy, and tenure with the credit union).

Results

We conducted an ordinary least squares regression analysis, with the perception of communal financial orientation as a bank benefit, branch location (nonbanking desert = -0.5, banking desert = +0.5), and their interaction as predictor variables. The dependent variables were perceived benefit of engaging with the bank, behavioral engagement intentions, and word-of-mouth intentions. The results reported here include control variables; Table 2 provides results both with and without control variables.

Perceived benefit of engaging with the bank. The regression analysis revealed significant main effects of branch location ($b = -2.03, t = -3.34, p = .001$) and the perception of communal financial orientation as a bank benefit ($b = 0.30, t = 4.11, p < .001$). Importantly, the analysis revealed the predicted two-way interaction ($b = 0.44, t = 3.25, p = .001$; see Figure 1).

Table 2
Study 1: Summary of Results

<table>
<thead>
<tr>
<th>Perception of communal financial orientation as a bank benefit</th>
<th>Perceived benefit of engaging with the bank</th>
<th>Behavioral engagement intentions</th>
<th>Word-of-mouth intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Branch location</td>
<td>No control variables</td>
<td>With control variables</td>
<td>No control variables</td>
</tr>
<tr>
<td>Banking-desert branch</td>
<td>0.40 ($&lt;.001$)</td>
<td>0.30 ($&lt;.001$)</td>
<td>0.20 ($&lt;.001$)</td>
</tr>
<tr>
<td>Perception of communal financial orientation as a bank benefit</td>
<td>0.61 ($&lt;.001$)</td>
<td>0.44 (.001)</td>
<td>0.26 (.01)</td>
</tr>
</tbody>
</table>

Effect of Communal Financial Orientation for Each Customer Group (Numbers represent the slope of each line in Figure 1.)

<table>
<thead>
<tr>
<th>Estimated effect size ($p$-value)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Perceived benefit of engaging with the bank</td>
</tr>
<tr>
<td>No control variables</td>
</tr>
<tr>
<td>Banking-desert customers</td>
</tr>
<tr>
<td>Non-banking-desert customers</td>
</tr>
</tbody>
</table>

*Without control variables, $n = 157$; with control variables, $n = 144$. Missing values are due to participants not responding to a survey question for a corresponding control variable. Results in bold indicate statistically significant ($p < .05$) effects of our focal constructs: perception of communal financial orientation as a bank benefit; and banking-desert (versus non-banking desert) branch customer.
Exploring the interaction shows that for banking-desert consumers, as communal financial orientation perceptions increased, perceived benefit of engaging with the bank increased \( (b = 0.52, p < .001) \); for non-banking-desert consumers, communal financial orientation perceptions did not affect perceived benefit of engaging with the bank \( (b = .08, p = .30) \), as expected.

Behavioral engagement intentions. The analysis indicated significant main effects of branch location \( (b = -1.036, t = -1.04, p = .22) \) and the perception of communal financial orientation as a bank benefit \( (b = 0.13, t = 2.59, p = .01) \). The predicted two-way interaction was marginally significant \( (b = 0.18, t = 1.80, p = .07; \text{Figure 1}) \). As predicted, for banking-desert consumers, as communal financial orientation perceptions increased, behavioral engagement intentions increased \( (b = 0.22, p = .01) \); for non-banking-desert consumers, communal financial orientation perceptions did not affect behavioral intentions \( (b = .05, p = .38) \).

Word-of-mouth intentions. The analysis revealed main effects of branch location \( (b = -1.50, t = -2.93, p = .004) \) and the perception of communal financial orientation as a bank benefit \( (b = 0.20, t = 3.29, p = .001) \); the predicted two-way interaction was also significant \( (b = 0.24, t = 2.12, p = .04; \text{Figure 1}) \). As expected, for banking-desert consumers, as communal financial orientation perceptions increased, word-of-mouth intentions increased \( (b = 0.32, p = .002) \); for non-banking-desert consumers, the perception of communal financial orientation as a bank benefit did not affect word-of-mouth intentions \( (b = .08, p = .21) \).

Discussion

This study reveals that as the perception of communal financial orientation as a bank benefit increased, customers of the banking-desert branch experience increasing levels of perceived benefit of engaging with the bank, engagement intentions, and word-of-mouth intentions, consistent with our theorizing. When the perception of communal financial orientation as a bank benefit is at higher levels, behavioral intentions and perceived benefit of engaging with the bank among banking-desert consumers are similar to those of non-banking-desert consumers. These positive effects of the perception of communal financial orientation as a bank benefit can aid banking-desert consumers through increased financial inclusion and the bank through increased patronage and word-of-mouth intentions, suggesting a win-win proposition for consumers and banks in banking deserts.

Interestingly, increased perceptions that engaging with the credit union can help community well-being led participants to believe that engaging with the credit union would also benefit them individually (as residents of the banking desert community). This is consistent with prior research linking individual benefits to communally oriented interventions (Hurley et al., 2005; Stephens, Markus, & Fryberg, 2012).
Expanding these insights, study 2 examines how banks can proactively signal communal orientation in financial inclusion efforts to increase consumer engagement in banking deserts. Guided by our theory, we manipulate, rather than measure, communal financial orientation and expect that banking-desert consumers will respond more positively to a bank that they perceive enhances community well-being.

Field Study 2: Communally Oriented Intervention Experiment

Study 2 employs a 2 (financial orientation of the workshop: communal vs. noncommunal) × 2 (banking desert vs. nonbanking desert) between-subjects design and manipulates financial orientation in the context of the opportunity to sign up for a free financial education workshop. Participants were a separate sample of customers from the same credit union as in study 1 (N = 896, 67% female, median age: 35–44 years, 42% non-White). Participants received an email from the credit union inviting them to participate in a study on financial well-being. They were offered the opportunity to enter a drawing for one of ten $50 gift certificates. The invitation email also contained a link that participants could click on, which directed them to the online study. We randomly assigned participants to one of two experimental conditions in which they saw a picture of a flyer about a free online financial education workshop the credit union was considering offering to its customers. The flyer emphasized the workshop’s benefits to the individual (non-communal-orientation condition) or to the community as a whole (communal orientation condition; see Appendix).

After viewing the flyer, participants indicated their behavioral engagement intentions (e.g., likelihood to sign up for and attend the workshop) and word-of-mouth intentions (e.g., likelihood to recommend the workshop; Table 1 lists all measures). Next, we measured the degree to which participants perceived the workshop as beneficial, as well as demographic information similar to study 1. Finally, we asked participants to report their home zip code. Participants whose home zip code matched the zip code of the banking-desert community described in study 1 comprise the banking-desert community group (n = 152), while all other participants living in communities with zip codes not matching the banking desert form the other non-banking-desert communities (n = 744) group. Banking-desert community participants, as compared to participants in other communities, tended to be non-White (57% vs. 39%; z = 3.802, p < .001) and had lower income levels ($30–$40 K vs. $50–$60 K median; Mann–Whitney z = 4.698, p < .001).

Pretest of Stimuli

We conducted a pretest (100 Amazon Mechanical Turk panelists, 49% female, median age: 25–34 years; 33% non-White) of the flyer stimuli (communal vs. noncommunal orientation). We randomly assigned participants to view one of the two flyers on their computer screen, and then administered measures of the perception of communal financial orientation as a workshop benefit (e.g., “If I attended this workshop, I would feel I was helping my community”) and perceived noncommunal financial orientation (e.g., “If I attended this workshop, I would feel I was benefiting myself”; see Table 1 for all items).

The participants who saw the communal flyer indicated greater perception of communal financial orientation as a bank benefit than those who saw the noncommunal flyer (M_Communal_Flyer = 4.33, SD = 1.66; M_Non-Communal_Flyer = 3.06, SD = 1.44; F(1, 98) = 4.07, p < .001). There was no difference between the groups in noncommunal orientation, given that both flyers contain benefits to the self (M_Communal_Flyer = 5.66, SD = 0.94; M_Non-Communal_Flyer = 5.73, SD = 1.22; F(1, 98) = .11, p = .74). This result is consistent with prior research that manipulates agentic (non-communal) orientation by stressing consideration of the self only and communal orientation by stressing both consideration of others and consideration of the self (Meyers-Levy, 1988). Overall, these results indicate that the perception of communal financial orientation as a bank benefit increases with exposure to the communal flyer, as intended.

Results of Main Study

We conducted analyses of covariance (ANCOVAs) as a function of community location (banking desert vs. nonbanking desert), financial orientation of the workshop (communal vs. noncommunal), and their two-way interaction on perceived benefit of the workshop, behavioral engagement intentions, and word-of-mouth intentions. Here, we report results using the same control variables as in study 1; Table 3 provides results both with and without control variables.

Perceived benefit of the workshop. ANCOVA revealed the predicted two-way interaction (F(1, 803) = 9.47, p = .002; see Figure 2); the communal financial orientation condition (F(1, 803) = 1.40, p = .24) and location (F(1, 803) = 0.07, p = .79)
main effects were nonsignificant. To explore the significant interaction, we examined the effects at each level of location. As expected, banking-desert consumers perceived greater benefit from a communally-oriented financial workshop (MCommunal = 5.94, SD = 1.12; MNon-Communal = 5.32, SD = 1.40; F(1, 803) = 5.49, p = .019). On the other hand, non-banking-desert consumers perceived greater benefit from a noncommunally oriented financial workshop (MCommunal = 5.33, SD = 1.68; MNon-Communal = 5.54, SD = 1.48; F(1, 803) = 5.15, p = .023).

**Behavioral engagement intentions.** ANCOVA indicated the predicted two-way interaction (F(1, 803) = 13.30, p < .001; Figure 2); the communal financial orientation condition (F(1, 803) = 1.52, p = .22) and location (F(1, 803) = 1.09, p = .30) main effects were nonsignificant. As predicted, banking-desert consumers reported greater behavioral intentions with a communally oriented workshop (MCommunal = 4.56, SD = 1.76; MNon-Communal = 3.68, SD = 1.95; F(1, 803) = 7.20, p = .007). Non-banking-desert consumers reported greater behavioral intentions with a noncommunally oriented workshop (MCommunal = 3.85, SD = 1.96; MNon-Communal = 4.19, SD = 1.78; F(1, 803) = 8.35, p = .004).

**Word-of-mouth intentions.** The predicted two-way interaction was significant (F(1, 803) = 13.12, p < .001; Figure 2). The communal financial orientation condition main effect was marginally significant (F(1, 803) = 3.49, p = .06), and the location main effect was nonsignificant (F(1, 803) = 0.41, p = .52). As expected, banking-desert consumers reported greater word-of-mouth intentions with a communally oriented workshop (MCommunal = 4.49, SD = 1.63; MNon-Communal = 3.59, SD = 1.75; F(1, 803) = 9.12, p = .003). Non-banking-desert consumers reported greater word-of-mouth intentions with a noncommunally oriented workshop (MCommunal = 3.82, SD = 1.81; MNon-Communal = 3.97, SD = 1.66; F(1, 803) = 4.41, p = .04).

**Discussion**

Consistent with our theorizing and study 1, study 2 demonstrates that perceived communal (vs. non-communal) financial orientation has a positive effect on banking-desert consumers. Banking-desert consumers perceived the workshop as more beneficial, were more inclined to attend it, and were more likely to spread positive word-of-mouth about it when the

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### Table 3

**Study 2: Summary of Results**

<table>
<thead>
<tr>
<th></th>
<th>Perceived benefit of workshop</th>
<th>Behavioral engagement intentions</th>
<th>Word-of-mouth intentions</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>No control variables</td>
<td>With control variables</td>
<td>No control variables</td>
</tr>
<tr>
<td>Communal financial orientation condition</td>
<td>2.12 (.15)</td>
<td>1.40 (.24)</td>
<td>2.52 (.11)</td>
</tr>
<tr>
<td>Banking-desert community</td>
<td>1.96 (.16)</td>
<td>0.07 (.79)</td>
<td>0.38 (.54)</td>
</tr>
<tr>
<td>Communal financial orientation condition × banking-desert community</td>
<td>9.01 (.003)</td>
<td>9.47 (.002)</td>
<td>13.46 (&lt;.001)</td>
</tr>
</tbody>
</table>

*Simple Main Effects: Communal vs. Noncommunal Financial Orientation for Each Customer Group*

- **Banking-desert customers:** 6.00 (.01) | 5.49 (.02) | 8.32 (.004) | 7.20 (.007) | 10.30 (.001) | 9.12 (.003)
- **Non-banking-desert customers:** 3.48 (.06) | 5.15 (.02) | 6.38 (.01) | 8.33 (.004) | 1.42 (.23) | 4.41 (.04)

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*aWithout control variables, n = 896; with control variables, n = 814. Missing values are due to participants not responding to a survey question for a corresponding control variable. Additional analyses of variance not reported here show that effects also hold for all DVs with the full sample when missing covariate values are imputed.

*bPlease see Figure 2 for illustrations of the corresponding crossover interaction results.

Results in bold indicate statistically significant (p < .05) effects of our focal constructs: communal financial orientation condition; and banking-desert (versus non-banking desert) community customer
workshop flyer conveyed that participating in the workshop could enhance community well-being.

Notably, and consistent with our theory, consumers living in non-banking-desert communities did not exhibit such differences. Instead, given their less communal focus, they responded more favorably (across all outcome variables) to the noncommunal messaging. Taken together, these findings further support the notion that mainstream banks that serve banking deserts need to better understand and “speak the financial language of the poor” (Baradaran, 2012, p. 495), while the more established messaging (emphasizing how personal finance benefits the individual) resonates better with consumers outside banking deserts.

General Discussion

Transformative consumer research strives to improve individual and collective well-being (Mick, 2006) while also highlighting “the sociocultural context or situational embedding of the well-being problem and opportunity” (Mick, Pettigrew, Pechmann, & Ozanne, 2012, p. 7). Against this background, our research focuses on the decline of financial inclusion and the related emergence of banking deserts (Baradaran, 2012; Economist, 2018).

Poor communities remain under-represented in consumer research (Pham, 2016; Rapp & Hill, 2015). This is concerning because poverty can have particular psychological consequences, and better understanding and “targeting the psychological consequences of poverty holds much promise” for consumer well-being (Haushofer & Fehr, 2014, p. 866). For example, recent research indicates that consumers of low socio-economic status who feel “economically stuck” (i.e., perceive low economic mobility) experience a low sense of control and consequently engage in compensatory consumption (Yoon & Kim, 2017).

Similarly, our research provides a nuanced understanding of why relatively poor consumers make certain consumption decisions. We highlight psychological mechanisms among consumers in banking deserts and establish the role of the perception of communal financial orientation as a bank benefit. Our two field studies show that by conveying a communal financial orientation, banks can more successfully engage consumers in banking deserts because this orientation positively affects their patronage and word-of-mouth intentions. From an organizational perspective, this finding reveals a nontrivial incentive for mainstream banks to serve under-banked communities and broaden their customer base (McIntyre, 2017). Such an incentive is important in counteracting banking deserts and thereby supports financial inclusion and community well-being. For example, banking-desert consumers gain improved access to mainstream banks, which helps them benefit from participating in the financial system (e.g.,

Figure 2. (Study 2). The interactive effects of communal financial orientation of the workshop and community location on (a) perceived benefit of the workshop, (b) behavioral engagement intentions, and (c) word-of-mouth intentions. The effect is positive for consumers living in the banking-desert community. Note: graphs illustrate means and standard errors.
higher likelihood of saving and investing) (Demir-guc-Kunt et al., 2018) while avoiding high-cost fringe providers (e.g., payday lenders, check-cashing services) (Karger, 2004; Sawyer & Temkin, 2004). An increase in the perception of communal financial orientation as a bank benefit might also help poor consumers overcome the trust barrier that often discourages them from dealing with banks (e.g., Bar-adaran, 2015), and therefore offers a vital ingredient for a more trust-based relationship.

Furthermore, the notion of the perception of communal financial orientation as a bank benefit has policy and consumer advocacy implications. For example, policy makers and consumer advocates would be well-advised to make the content of financial inclusion programs targeted at relatively poorer households deliberately communal in nature.

Finally, our studies point to avenues for further research. Banking deserts, similar to food deserts (Block et al., 2011), deserve more attention in consumer psychology. For example, one important next step is to examine technology as a promising lever for financial inclusion (e.g., digital payments, mobile phones; Demirguc-Kunt et al., 2018; Gabor & Brooks, 2017). More broadly, financial inclusion is a win-win-proposition because it benefits vulnerable consumers, financial service providers, and society as a whole. Transformative consumer research offers meaningful contributions to advancing this vital goal for consumer financial well-being.
Participants in study 2 received an email in which they were informed by the collaborating credit union of the study. Once customers clicked on the study link, they received instructions:

“We are conducting marketing research about a potential financial education workshop we are considering offering to our members and we would appreciate your input as a valued credit union member. Imagine that you are visiting the credit union. You walk into the branch and see the following flyer, inviting you to participate in a free online financial education workshop.”

Then, embedded in the study, participants saw either the communal or the non-communal orientation flyer as displayed below (randomly assigned).

**Communal financial orientation**

Dear Member,

We would like to offer you the opportunity to sign up for a very useful online workshop on financial education.

**Bring financial empowerment to your community** by increasing your financial knowledge, skills, and resources.

Join us to find out how to manage your money, ensure financial security, and help your community!

If you and others in your community participate, the whole community will benefit immensely!

**Non-communal financial orientation**

Dear Member,

We would like to offer you the opportunity to sign up for a very useful online workshop on financial education.

**Bring yourself financial empowerment** by increasing your financial knowledge, skills, and resources.

Join us to find out how to manage your money, ensure financial security, and help yourself!

If you participate, you will benefit immensely!

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*Appendix.* Experimental stimuli used in study 2: communal versus noncommunal financial orientation of communications describing a financial education workshop.


Waters, T. (2016, June 27), [Region name] credit union opens, makes history. *USA Today*.