

First Nations Access to Cash and Financial Services

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Based on the **TWO** papers: 1) *An Exploration of First Nations Reserves and Access to Cash* 2) *Identifying Financially Remote First Nations Reserves*

Motivation

Providing bank notes is a core BoC function

- Adequacy of cash distribution
- Access to cash, incl more remote regions & communities

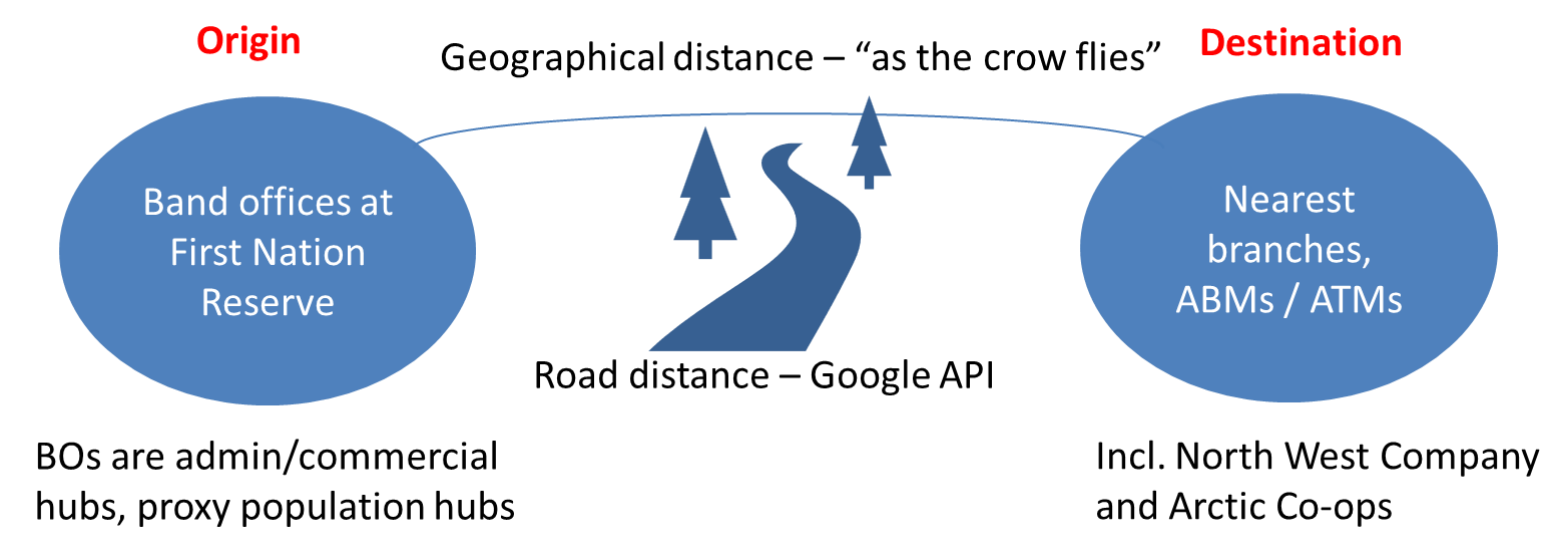
Access to cash also affects how BoC thinks about CBDC

- Availability of bank notes, incl for marginalized populations ([Lane 2020](#))

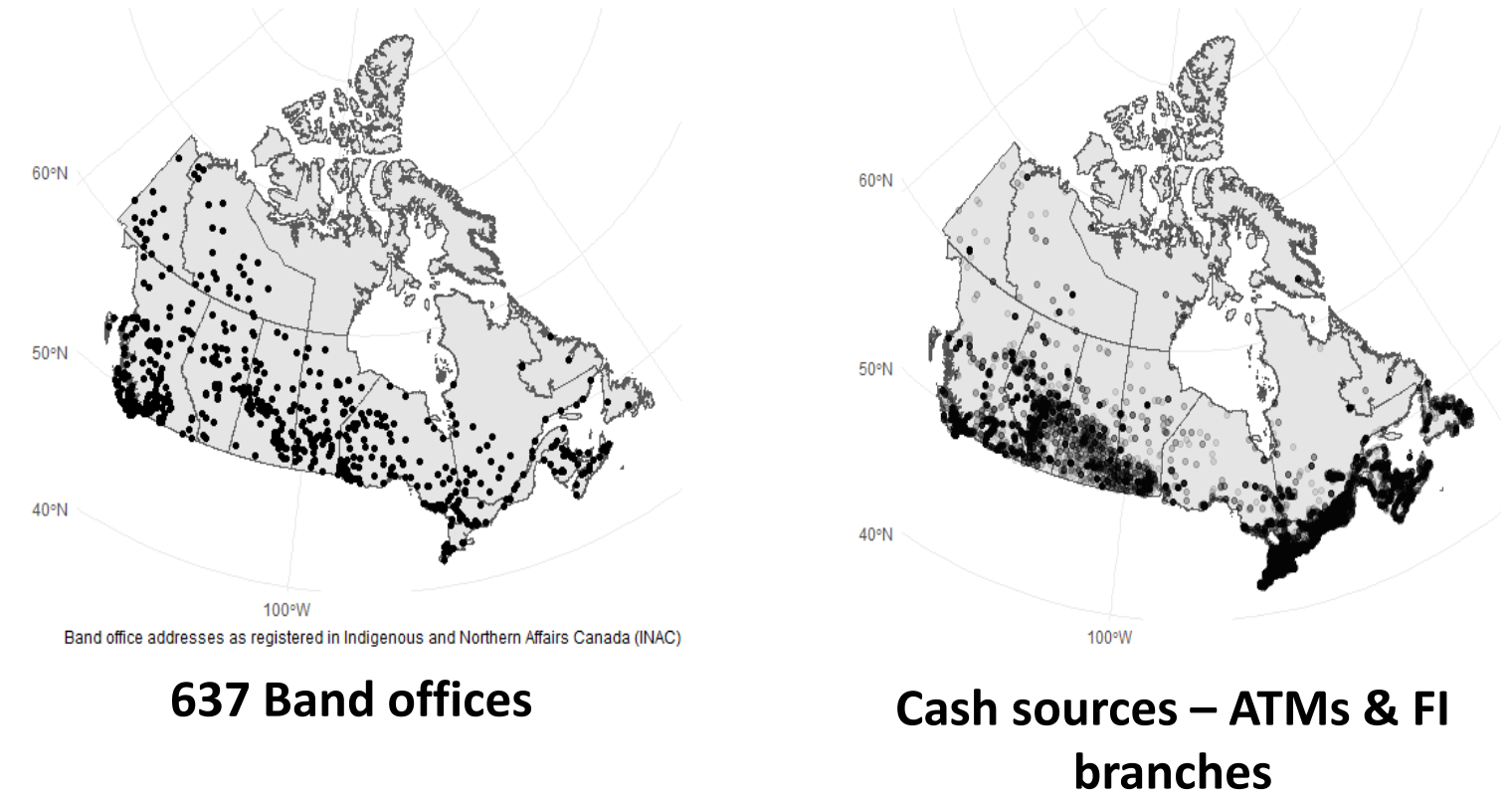
Access to cash for First Nations reserves

- A few words on access to financial services generally

Basic Idea



First Nations Reserves meet cash sources

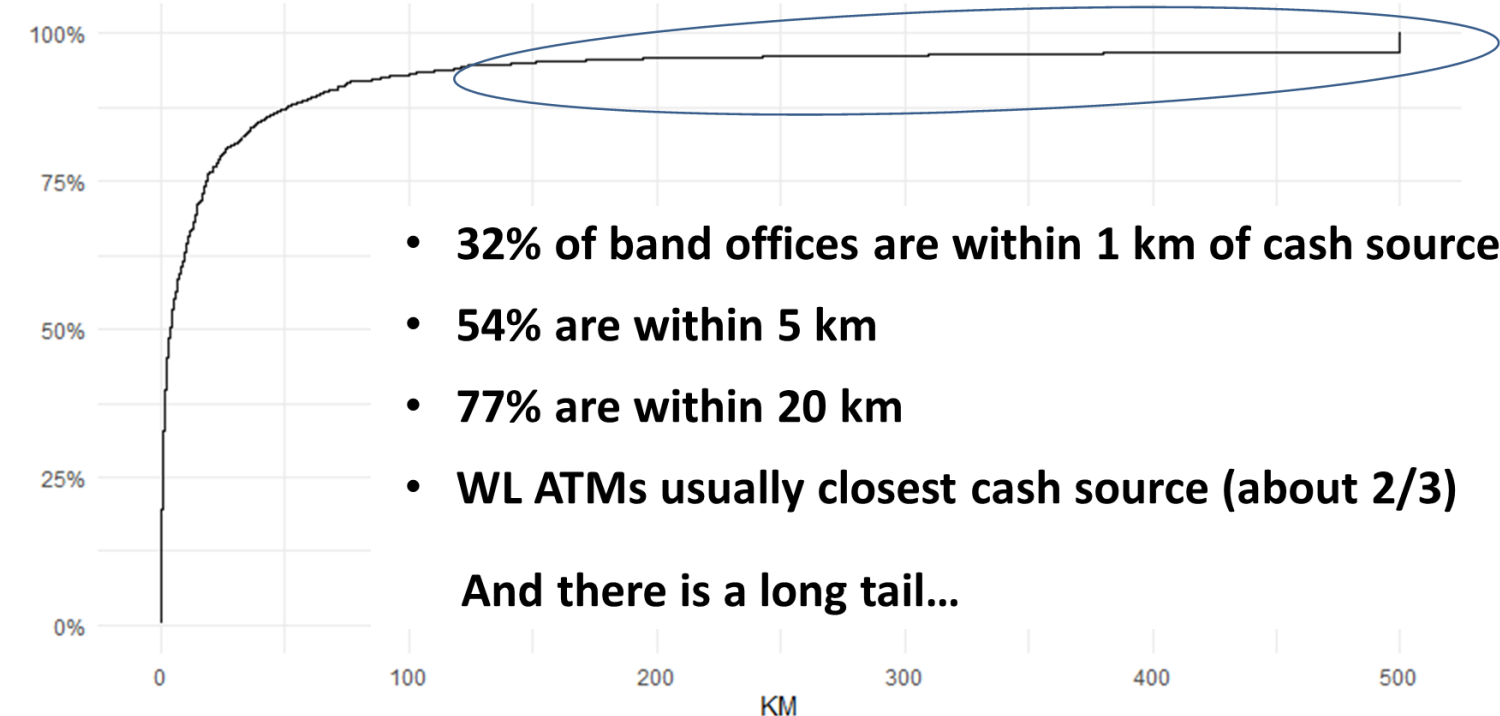


Distribution of Band Offices

	Percentage of Band Offices that have a cash source within specific distances					
	1 km	5 km	10 km	20 km	100 km	400 km
Geodistance	33%	59%	69%	82%	99%	100%
Geodistance incl NWCo	35%	59%	69%	83%	99%	100%
Road distance	29%	55%	63%	77%	93%	96%
Road distance incl NWCo	31%	55%	63%	77%	93%	96%

However, results are highly skewed

CDF for distance to closest cash source



The Long Tail: Financially remote locations

Type	# of BOs
Closest ATM or FI branch is more than 100 km	22
No identified route to ATM or FI branch	23
Identified route requires a boat trip	4
Total	49

Total pop of 49 locations is small ~ 10K to 37K* (2016)

More about the 49 financially remote locations

		49 Financially Remote Locations	Canadians
Digital Access	Broadband 50/10 Mbps	6%	99% urban
	LTE (4G)	56%	99%
Remoteness index on population & proximity to other communities (Alasia et al, 2017)		Avg score is at 91st percentile (only 9% of communities are more remote by this measure)	
Community well being index – combines measures of education, labour force activity, income & housing (ISC, Statistics Canada)		Avg CWB score for 49 locations is at 12th percentile of all CSDs in Canada – 88% of communities have higher scores	

Next questions, a research program

1. What methods of payment are used on reserves, in remote areas generally – cash, debit, credit, other?
2. What access to payment & financial services should be expected for Indigenous people and others in remote areas, and in lower-income urban areas? (normative aspects)

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References

1. Chen, H, W. Engert, K.P. Huynh and D. O’Habib. 2021. “An Exploration of First Nations Reserves and Access to Cash.” Bank of Canada Staff Discussion Paper 2021-8.
2. Chen, H, W. Engert, K.P. Huynh and D. O’Habib. 2021. “Identifying Financially Remote First Nations Reserves.” Bank of Canada Staff Discussion Paper 2022-11.



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