



Global Financial Inclusion Improved for the Second Consecutive Year Despite Challenging Macroeconomic Conditions, According to the Global Financial Inclusion Index From Principal®

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- Singapore retains number one position as the world's most financially inclusive market for the third year in a row, as Asia-Pacific markets comprise half of the top 10.
- All regions saw improvement in financial inclusion with only eight out of the 41 markets analyzed experiencing a decline in scores.
- The U.S. financial inclusion score remained unchanged, but now ranks seventh, falling outside of the top five markets for the first time since the inception of the Index.

DES MOINES, Iowa--(BUSINESS WIRE)--Oct. 8, 2024-- Singapore is once again the world's most financially inclusive market across 41 analyzed, followed by Hong Kong, South Korea, Switzerland, and Sweden, according to the third edition of the [Global Financial Inclusion Index](#) (the Index) from [Principal Financial Group](#)®.

The research released today, conducted by the Centre for Economics and Business Research (Cebr) and Principal®, ranks markets based on the support provided by employers, the government, and the financial system to foster financial inclusion. The report provides a comprehensive and comparative evaluation of financial inclusion on a global scale – ranking 41 markets on a relative basis in addition to an absolute score assigned at the global and regional levels.

"It's been a challenging year with inflation outpacing wage growth, interest rate hikes, and ongoing market uncertainty. However, even amid these economic pressures, we've seen global financial inclusion improve for the second year in a row, as employers, governments and financial systems continue to collectively increase access to useful and affordable financial products and services," said **Dan Houston, chairman and CEO of Principal**. "As it became harder for businesses and households to access lending, we have seen how governments and the private sector have stepped up to help societies weather these economic conditions. This has led to levels of financial inclusion continuing to increase around the world."

Key findings

- **Financial inclusion has improved globally for the second consecutive year**, with all regions and subregions seeing improvements. Latin America showed the greatest improvement.
- **The Asia-Pacific region increased its number of top-performing markets**. Singapore, Hong Kong, South Korea, Thailand, and Australia all secured spots in the top 10 this year.
- **Employers in young Asian economies have stepped up** to help consumers and businesses weather local market economic challenges by supporting households through short-term periods of financial strain. Southeast Asian economies including Vietnam, Thailand, Malaysia, and Indonesia have seen upticks in elements of employer support around flexible pay initiatives such as advancing paychecks or increasing regularity of payments.
- **Latin American markets leap forward in financial inclusion with advancements in digital financial infrastructure**. Argentina leads the way, jumping 14 places overall.
- **Consumer perception of financial inclusion has fallen across the world**. Consumer perception of financial inclusion globally has fallen 13.7 points from 74.2% to 60.5%. Perception scores dropped in 39 out of 41 markets.

"The past year has been marked by a combination of significant macroeconomic and geopolitical challenges," said **Christopher Breen, head of economic insight, Centre for Economics and Business Research**. "Against this backdrop, it is very positive news that financial inclusion has improved in so many markets across the Index. This reflects governments, the financial system, and employers stepping in at the point of need. While there is still clearly room for progress, the increases in financial inclusion are a testament to the investment and positive progress these groups have made in recent years."

Declines in employer and financial system support sees U.S. fall outside the top five ranking for the first time

The U.S.'s financial inclusion score remains unchanged year over year, suggesting a show of resilience in the face of economic headwinds. However, the market now ranks outside the top five, falling from fourth to seventh. The fall was driven by declines in financial system support (rank down five places from first place to sixth) and employer support (rank down eight places from 12th to 20th). Meanwhile, the U.S.'s ranking for government support rose three places to 16th.

Within the employer support pillar, large employers lead the way in offering financially inclusive measures, such as insurance and retirement benefits, but the gap between smaller and larger firms is narrowing. In 2023, the difference in employer support scores between the largest (over 500 employees) and smallest (under 100 employees) businesses stood at 62.0 points. This year that figure has shrunk to 43.1 points**.

“For the third year in a row, employers are the institution Americans agree does the most to make them feel financially included,” **said Amy Friedrich, president of Benefits and Protection at Principal.** “This highlights the unique position of employers to positively impact employees’ day-to-day lives. For example, as we see ongoing declines in how financially included people across the U.S. feel, employers are well positioned to help improve financial confidence. Employer actions such as investing in benefits and providing guidance on financial topics can have significant impact on workforce wellbeing, which in turn drives greater retention and efficiency.”

Explore the full results of the Global Financial Inclusion Index [here](#).

Learn more about the [methodology here](#).

Notes to editors

* Global” encompasses the 41 markets contained within the Index

** Calculated using the weighted averages according to the US Census Business Demography Statistics

About the Global Financial Inclusion Index

The Global Financial Inclusion Index ranks 41 markets on three pillars of financial inclusion—government, financial system, and employer support—using data points across public and survey-based sources. These pillars represent the key stakeholders responsible for promoting financial inclusion across the population. The Index explores the challenges and opportunities surrounding increasing access to useful and affordable financial products and services that meet their needs—transactions, payments, savings, credit, and insurance, etc.

The Index was conducted in partnership with the Centre for Economics and Business Research (Cebr). The methodology combines various data sources into one unified measure of financial inclusion at the market level.

About Principal Financial Group®

Principal Financial Group® (Nasdaq: PFG) is a global financial company with nearly 20,000 employees¹ passionate about improving the wealth and well-being of people and businesses. In business for 145 years, we’re helping more than 64 million customers¹ plan, protect, invest, and retire, while working to support the communities where we do business, and build a diverse, inclusive workforce. Principal® is proud to be recognized as one of the 2024 World’s Most Ethical Companies® by Ethisphere², a member of the Bloomberg Gender Equality Index, and a “Best Places to Work in Money Management³.” Learn more about Principal and our commitment to building a better future at [principal.com](#).

¹ As of June 30, 2024

² Ethisphere, 2024

³ Pensions & Investments, 2023

About Centre for Economics and Business Research (Cebr)

The Centre for Economics and Business Research (Cebr) is an independent economics consultancy with a reputation for sound business advice based on thorough and insightful research. Since 1992, Cebr has been at the forefront of business and public interest research, providing analysis, forecasts and strategic advice to major UK and multinational companies, financial institutions, government departments and agencies and trade bodies. For further information about Cebr please visit [www.cebr.com](#).

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Media:

Ashley Miller, 515-878-6295

miller.ashley@principal.com

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