



Progress in Global Financial Inclusion Stalls after Two Years of Significant Improvement, According to the 2025 Research Study from Principal®

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- Over the past year, heightened business uncertainty has made it harder for companies to offer key support to employees — employers have regressed in their role across the globe.
- Higher financial literacy results in lower loan default rates, higher loan affordability, and stronger GDP growth.

DES MOINES, Iowa--(BUSINESS WIRE)--Oct. 20, 2025-- Financial inclusion, which improved globally over the last two years, plateaued in 2025, according to the latest [Global Financial Inclusion Index](#) (the Index) from [Principal Financial Group](#)®. The findings mark an inflection point, with business uncertainty arising from shifting global trade dynamics and geopolitical tensions driving companies to provide measures supporting financial inclusion, such as flexible pay or more generous insurance and pension benefits. In response, the data shows governments and financial systems stepping in to help advance financial inclusion.

Now in its fourth year, the Index, conducted by the Centre for Economics and Business Research (Cebr) and Principal®, examines how governments, financial systems, and employers enable greater levels of financial inclusion across 42 markets. The report provides a comprehensive and comparative evaluation of financial inclusion on a global scale, ranking markets on a relative basis in addition to an absolute score. Singapore ranks as the world's most financially inclusive market – a position it has held since the Index launched.

“Capital markets have stepped in while employers have regressed in their ability to provide support. This year highlights how financial literacy creates a positive cycle, empowering households to better manage their debt, which in turn frees up money for retirement savings and business opportunities,” said Kamal Bhatia, president and CEO, Principal Asset ManagementSM. “In a year defined by geopolitical shocks and tighter funding conditions, markets with stronger financial literacy and tech-enabled access were better able to cushion families from debt stress. Those gains translate into resilience at a national level- supporting growth, investment, and stability- while markets relying on more traditional approaches of employer support are at risk of falling behind as the pace of financial innovation bifurcates.”

Key Findings:

- **The overall global financial inclusion score stands at 49.4 out of 100—a marginal drop of 0.2 points from 2024.**
 - This is markedly higher than 41.7 when the Index launched in 2022. In 2025, 20 markets showed annual improvements in their scores, while 19 markets analyzed experienced declines.
- **Employer support slowed globally, with the worldwide score falling 0.6 points.**
 - Thirty-five markets (83%) registered declines in their employer support scores – strongly suggesting the impact of geopolitical and trade risks on business confidence causing companies to adopt more conservative approaches to employee benefits and flexible pay initiatives.
- **As employers pulled back, governments and financial systems stepped up efforts to enable better access to, and understanding of, financial products and services.**
 - Globally, the government support score rose 0.6 points, increasing in every major region and, across the wealthier regions of North America, Europe and the Middle East, the financial system score also rose. Thirty-five markets showed year-over-year improvements for either or both government and financial system scores.
- **Detailed modelling shows higher financial literacy results in improved household debt management and lower borrowing costs.**
 - A 1% improvement in financial literacy levels is associated with a 2.8% reduction in defaults on household loans and a 6.7% reduction in household debt-to-income ratios. This has a discernible GDP benefit over the long term.
- **Since the launch of the Index, the markets which have increased their financial inclusion scores most are those that have successfully digitized their financial systems via investment in instant payments and open banking.**
 - Argentina, South Korea, Brazil, Thailand and Singapore – the Index's biggest improvers – have made flagship reforms to their digital financial infrastructure.
- **The Middle Eastern Gulf states saw the largest year-over-year increase in the financial system pillar, fueled by fintech, and digital transformation.**
 - The UAE rose the most in the pillar (up five positions and 3.9 points), followed by Saudi Arabia (up four positions and 1.8 points).

“Geopolitical shocks and economic headwinds are reshaping financial inclusion. Employer-led efforts are losing momentum, while governments and financial systems are stepping in. To sustain progress, we need improved financial literacy, resilient institutions, and balanced partnerships,” said **Pushpin Singh, managing economist at the Centre for Economics and Business Research.**

The United States shows improvements in overall financial inclusion amid economic headwinds

The U.S. registered a marginal increase in its financial inclusion score, while its ranking remained unchanged at seventh. Improvements were primarily driven by a small rebound in financial system support, including gains in the underlying scores for presence and quality of fintech's, borrowers' and lenders' protection rights, and access to credit, particularly the rise of private lending systems.

While the expansion of access to credit and financial tools supported the increase in the U.S. score, the data suggests the more challenging economic backdrop was a barrier to greater progress. There was stagnation in access to credit and declines in the enabler of small and medium enterprise growth indicators, reflecting reduced funding availability, driven by concerns and confusion over policies and functions.

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

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

Notes to editors

* "Global" encompasses the 42 markets contained within the Index

About the Global Financial Inclusion Index

The Global Financial Inclusion Index ranks 42 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 approximately 20,000 employees¹ passionate about improving the wealth and well-being of people and businesses. In business for 146 years, we're helping over 70 million customers¹ plan, insure, invest, and retire, while working to support the communities where we do business and building an inclusive workforce. Principal® is proud to be recognized as one of the 2025 World's Most Ethical Companies² and named as 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, 2025

² Ethisphere, 2025

³ Pensions & Investments, 2024

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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