

U.S. DEPARTMENT OF THE TREASURY

Press Center



Fact Sheet: U.S. Treasury Focus on Financial Inclusion

2/11/2015

MUMBAI, INDIA - Today, Secretary of the Treasury Jacob J. Lew visited a Unique Identification Enrollment Center in Mumbai, India. These centers, which have been established by the Government of India across the country, have already provided identification for and helped establish bank accounts for 800 million Indian citizens. This initiative underscores the importance of financial inclusion and how increasing active participation in a society's economy helps promote growth and prosperity.

Financial inclusion is a high priority for the U.S. Department of the Treasury. Not only is financial inclusion an important goal in and of itself, but it is increasingly recognized that financial *exclusion* can be a factor in preventing countries from reaching their full economic potential. At the household level, financial inclusion enhances the ability to smooth consumption, manage life's risks, and take advantage of economic opportunities such as starting or growing a small business. Also, from a broader macroeconomic perspective, studies show that financial inclusion has a direct bearing on national economic growth rates and is inter-related to the issues of financial stability, integrity, and protection.

The following points highlight some of the work that Treasury has done to promote financial inclusion domestically and internationally.

- **Treasury is a leading member of the G20 Global Partnership for Financial Inclusion (GPFI)**, where we are working with our global counterparts to ensure safe, supportive and enabling policy environments for financial services.
- **Treasury is a major donor to multilateral development banks** such as the World Bank, the African Development Bank, the Asian Development Bank, and the Inter-American Development Bank, amongst others, and as part of our oversight role with these institutions we work closely with their leadership to support programs aimed at expanding financial inclusion.
- **Treasury regularly collaborates with international groups** such as the Alliance for Financial Inclusion (AFI) and the Better Than Cash Alliance (BTCA) in their efforts to engage regulators, governments and institutions on the benefits of financial inclusion and digitizing government payments.
- **Treasury works with its interagency partners and bureaus to tackle financial inclusion domestically as well as internationally.** Here in the United States, agencies like the Federal Deposit Insurance Corporation and the Consumer Financial Protection Bureau are undertaking research, educational activities, and enforcement measures to make sure that market-based financial products and services work well for consumers.
- **Treasury is prioritizing its work on financial inclusion powered by new technologies that promise to enable hundreds of millions of people to access financial services for the first time.** New technologies are rapidly changing the face of financial services across the globe, allowing the financial sector to reach more people in remote places and at a lower delivery cost than ever before. Advances in technology are enabling new business models and creating a capacity for exciting and transformational changes in terms of cost and ability to reach scale so that universal access may be achievable in the not too distant future.
- **Treasury's Office of Technical Assistance (OTA) works closely with global central banks, finance ministries and other public sector financial institutions** to develop financial inclusion strategies, draft laws and regulations that support financial inclusion objectives, build capacity for supervisors and regulators, and modernize financial infrastructure and government payment

systems. While policy is important, implementation on the ground is where the most impact is felt, and OTA leads the way in this important aspect.

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