LATINOS
& SOCIETY
aspen institute

Aspen Principles for the Future of Remittances

1 FACILITATE ACCESS TO REMITTANCE SERVICES

2 LEAD WITH TRANSPARENCY

3 OPEN PATHWAYS TO FINANCIAL SERVICES

4 WORK IN PARTNERSHIP ACROSS SECTORS

The Aspen Principles for the Future of Remittances provide a set of actionable guidelines designed to promote financial access among remittance users in the United States and beyond.

Aspen Principles for the Future of Remittances

Executive Summary

Over the past decade, international remittances have become a crucial financial tool for millions of households in the United States and beyond. Often seen only in the context of supporting family abroad, they also play a significant role domestically, serving as a routine financial activity for working families, a first touchpoint with the formal financial system, and a catalyst for broader economic empowerment.

These funds, typically sent in small, regular amounts, support recipients' basic needs such as food, education, and medical care, but also provide capital for family-owned businesses and other economic projects.

Many unbanked and underbanked households in the U.S. rely on remittances as a routine financial activity — in fact, they are almost twice as likely to use them compared to banked households. This pattern highlights a major opportunity: remittances can act as an entry point to transaction and savings accounts, credit, insurance, and other financial services.

Yet significant barriers remain. Many services are costly or complex, and while digital platforms improve speed and affordability, not everyone has the skills or infrastructure to use them. For this reason, brick-and-mortar providers remain essential, even as digitization offers the greatest potential for expanding financial inclusion.

The Aspen Principles for the Future of Remittances provide actionable guidelines to expand financial access, empower consumers, and strengthen remittance systems in the United States and beyond. Developed with experts from finance, policy, advocacy, and philanthropy, these principles address the key challenges facing remittance users today.

Together, they offer a roadmap for policymakers, financial institutions, service providers, and community organizations to create a more inclusive and transparent ecosystem.

Introducing the Aspen Principles for the Future of Remittances (FLOW):

1. **F**ACILITATE ACCESS TO REMITTANCE SERVICES
   Ensure that everyone, regardless of income, location, nationality, or tech savviness, can send and receive money affordably and reliably.
2. **L**EAD WITH TRANSPARENCY
   Give consumers clear, upfront information about costs, exchange rates, and transfer times so they can make informed choices.
3. **O**PEN PATHWAYS TO FINANCIAL SERVICES
   Use remittances as a bridge to savings, credit, insurance, and other financial tools that build long-term stability.
4. **W**ORK IN PARTNERSHIP ACROSS SECTORS
   Foster collaboration between governments, financial institutions, and service providers to create a stronger and more inclusive system.

Introduction

Over the past decade, international remittances have become a crucial financial tool for millions of households in the United States, and around the world. Defined as cross-border, typically recurrent, person-to-person payments of relatively low value (Ardic et al 2022, 6), remittances are often framed in terms of their impact abroad, as a way for migrant workers to support family members in their countries of origin. However, they are equally significant domestically as a routine financial activity for working families, a touchpoint with the formal financial system, and a potential catalyst for broader economic empowerment.

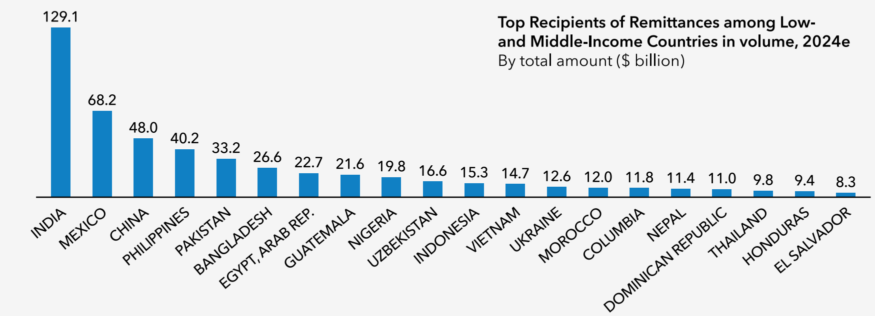
In 2023, the Federal Deposit Insurance Corporation (FDIC) found that 4.2% of U.S. households remained unbanked, representing more than 5.6 million households without access to formal financial services. This figure was even higher among specific demographic groups, including 9.5% of Latino households that were unbanked, more than twice the national average (FDIC 2024, 2). For many in these communities, the lack of access to traditional financial institutions often leads them to rely on informal or predatory financial services, which can carry high fees, limited consumer protections, and greater risk.

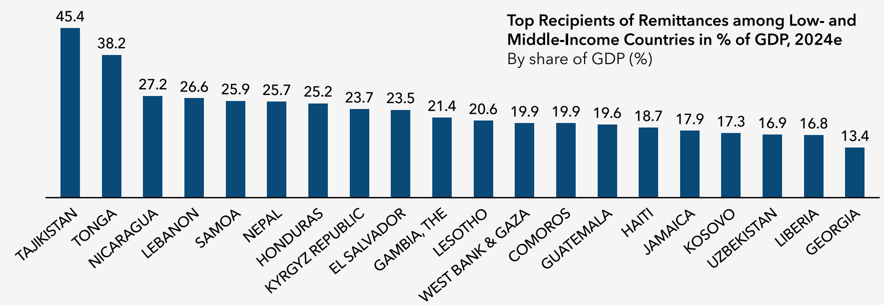
4.2%
U.S. households unbanked

9.5%
Latino households unbanked

According to the World Bank, total remittances reached $905 billion worldwide in 2024, with a significant share originating in the United States (Ratha et al 2024). While India is the largest remittance-receiving country in the world, with inflows exceeding $129 billion from the US, the Gulf states, the United Kingdom, and others, the U.S.–Mexico corridor alone accounts for more than $64 billion, making it the largest remittance corridor globally (BBVA Research 2025, 1). These funds, typically sent in small, regular amounts, support recipients' basic needs such as food, education, and medical care, but also provide capital for family-owned businesses and other economic projects.

The digitization of remittance services has introduced new efficiencies, including faster transfers, greater transparency, and lower transaction costs. During the COVID-19 pandemic, the adoption of digital remittance platforms surged, enabling senders to continue supporting loved ones abroad amid restrictions on in-person services. According to a 2024 Mastercard report, digital remittances surpassed 50% of the global remittance market share in 2023, totaling over $439 billion in volume (Mastercard 2024, 10). In the U.S., this shift opened new opportunities for reaching underserved communities, but also exposed persistent barriers, including gaps in digital access, low trust in digital platforms, and a lack of financial literacy.





Source: Ratha et al, 2024

Despite these challenges, the moment is ripe for progress. Digital remittances provide a powerful entry point for expanding financial access and inclusion, both abroad and domestically. By leveraging new technologies and pre-existing financial habits, remittance services can help U.S.-based senders connect to checking and savings accounts, build credit histories, access insurance products, and develop financial resilience over time.

In response to this evolving landscape, the Aspen Institute Latinos & Society Program (Aspen Latinos) launched a research and policy initiative to explore the U.S. remittance experience from the perspective of senders. In 2024, Aspen Latinos conducted over 30 expert interviews and hosted two cross-sector roundtable discussions in Washington, D.C., engaging over 60 leaders from financial services, policy, advocacy, and philanthropy.

The result of this collaborative process is the Aspen Principles for the Future of Remittances — a set of actionable guidelines designed to promote financial inclusion among remittance users in the United States and beyond. These Principles build on global frameworks such as the G20 Roadmap for Enhancing Cross-border Payments, as well as key contributions from the United Nations, the World Bank, and the Bank for International Settlements, while centering the lived experiences of U.S. consumers.

Grounded in field insights and co-developed with a working group of 10 selected subject matter experts and practitioners, the Principles aim to catalyze new conversations, partnerships, and innovations that unlock the full potential of remittances for economic empowerment. Each principle is presented with actionable recommendations, supporting data, and best practices to inform implementation across the private, public, nonprofit, and academic sectors.

The Four Principles

1. **F**ACILITATE ACCESS TO REMITTANCE SERVICES
2. **L**EAD WITH TRANSPARENCY
3. **O**PEN PATHWAYS TO FINANCIAL SERVICES
4. **W**ORK IN PARTNERSHIP ACROSS SECTORS

1 FACILITATE ACCESS TO REMITTANCE SERVICES

REDUCE BARRIERS, SIMPLIFY ONBOARDING

Digital remittances offer important benefits, including lower costs, faster processing, enhanced security, and convenience. However, users face barriers such as limited access to high-speed internet, outdated devices, or insufficient digital skills, which may limit their ability to leverage these tools. Limitations to the deployment and adoption of digital ID solutions also represent a significant obstacle for remittance providers, as they need to comply with "Know Your Customer" (KYC) requirements. A range of remittance options — both digital and non-digital — must remain accessible, secure, and affordable to meet the diverse needs of consumers.

Actionable Guidelines

While cash-based remittance services will continue to meet the needs of many consumers, expanding meaningful choice requires coordinated action to strengthen both the digital origination and reception of remittances. The following guidelines outline steps to ensure that all users can meaningfully access and adopt digital remittance services — if and when they choose to do so.

A. Expanding the Digital Origination of Remittances: Empowering Senders and Improving the Front-End Experience.

- **Ensure access to internet and digital devices:** Affordable, high-quality internet and up-to-date devices (such as smartphones and computers) are essential to enable users to send remittances digitally. Governments can support digital access by investing in digital infrastructure and subsidy programs that prioritize underserved communities. Remittance service providers and FinTech firms can expand their reach by partnering with community-based organizations that implement culturally competent digital inclusion strategies. Advocacy groups can help ensure these efforts remain equitable and user-centered, advocating for policies and funding that close the digital divide.
- **Build digital skills and platform literacy:** Digital skills are critical for users to navigate platforms safely and effectively, protecting their privacy, avoiding fraud, and maximizing the functionality of digital services. Governments and philanthropic funders can invest in digital literacy programs that are

Did You Know?

Global average cost

4.95% Digital remittances

7.29% Non-digital remittances

- According to the World Bank's Remittance Prices Worldwide report, digital remittances have consistently been cheaper than traditional remittance transmission services. In Q3 2024, the global average cost for digital remittances was recorded at 4.95%, while the global average for non-digital remittances was 7.29% (meaning non-digital remittances were approximately 47% more expensive than digital remittances). The difference in cost is a result of lower fees and lower foreign exchange margins (World Bank 2024, 6).
- However, in the case of remittances to Latin America, the gap in cost between cash and digital services narrows down to 22% (World Bank 2024, 17). According to an Inter-American Dialogue blog, digital transfers were estimated to account for 44% of the U.S.–Latin America remittance market, with cash still playing a leading role for the majority of users (Orozco 2025).

(continued)

linguistically and culturally tailored to different communities. Companies should design accessible platforms and offer in-product education, while community organizations and advocacy groups can provide trusted, on-the-ground training and support to help users build confidence in using digital services.

- **Design inclusive, secure, and user-centered platforms:** Digital remittance providers should develop intuitive, user-friendly platforms with built-in safeguards to protect against scams, fraud, and misuse. Accessibility features should reflect the needs of a diverse range of users, including those with limited digital literacy. Furthermore, it is critical to integrate secure and flexible identity verification options, such as digital ID solutions or alternative forms of identification, to reduce onboarding barriers and expand access. Providers should actively engage users to understand their preferences and challenges, and use those insights, along with ongoing data analysis, to continually refine platform design and functionality.

B. Advancing the Digital Reception of Remittances: Strengthening Infrastructure and Accessibility for Recipients.

- **Invest in end-to-end digital infrastructure:** Fully digitizing the remittance experience requires improving infrastructure in receiving regions so recipients can use funds digitally, without needing to cash out. Remittance providers can partner with trusted retail, FinTech, telecom, and payments firms to create a robust network of endpoints and digital rails.
- **Address structural barriers to affordable digital disbursement:** In many markets, exclusive agreements or intermediary-imposed restrictions prevent providers from accessing efficient domestic payment systems (e.g., Automated Clearing House, real-time payment systems). Regulators in receiving markets should prohibit such practices to foster competition, lower costs, and enable faster, more affordable digital payouts.
- **Support community education on fraud prevention and digital tools:** Advocacy organizations and community-based groups play a key role in educating remittance recipients about digital tools, improving their comfort with technology, and reducing vulnerability to fraud.

Did You Know?

- According to the National Technology and Information Administration, 15% of American households lacked access to high-speed internet service in 2023 (National Technology and Information Administration 2023, 2).
- A 2020 National Skills Coalition report found that nearly a third of U.S. workers lacked digital skills (including 13% of workers who had no digital skills and 18% who had limited skills). The lack of digital skills was more prevalent among lower-income workers and those from underserved communities (Bergson-Shilcock 2020, 4).

Principle in practice

- In 2023, the Aspen Institute Latinos & Society Program published the Aspen Principles for Latino Digital Success, providing guidance to support digital inclusion across communities. While originally tailored to the U.S. Latino population, these recommendations can inform broader efforts to expand digital capacity in ways that are culturally relevant, equitable, and user-centered.
- FélixPago is a chat-based remittance platform serving U.S.-based Latinos sending money to Mexico, Guatemala, Honduras, El Salvador, the Dominican Republic, and Colombia. Through extensive market research, including in-depth interviews and focus groups with remittance users, the FélixPago team integrated its services with WhatsApp, a widely used and trusted messaging app across Latin America and among U.S. Latinos, owned by Meta. Recognizing that most customers were already familiar with the platform, FélixPago developed a bilingual chatbot that enables users to send money through a simple, conversational interface in either English or Spanish. This innovation marked a breakthrough in the remittance space, demonstrating the power of meeting users where they are.
- On the receiving side, new players in the remittance space, such as Walmart Mexico, are driving innovation to enable the digital delivery of funds and reduce reliance on in-person cash pickups, which can be less secure and more costly for users. Through its app, Cashi, Walmart Mexico enables users to receive remitted funds directly into a digital account, which can then be used to pay bills, make purchases at Walmart (with perks such as 2% cash back), or access credit. Through these features, Cashi serves as a potential gateway to broader financial services for remittance recipients.

2 LEAD WITH TRANSPARENCY

CLEAR PRICING, EXCHANGE RATES, AND FEES THAT EMPOWER USER CHOICE

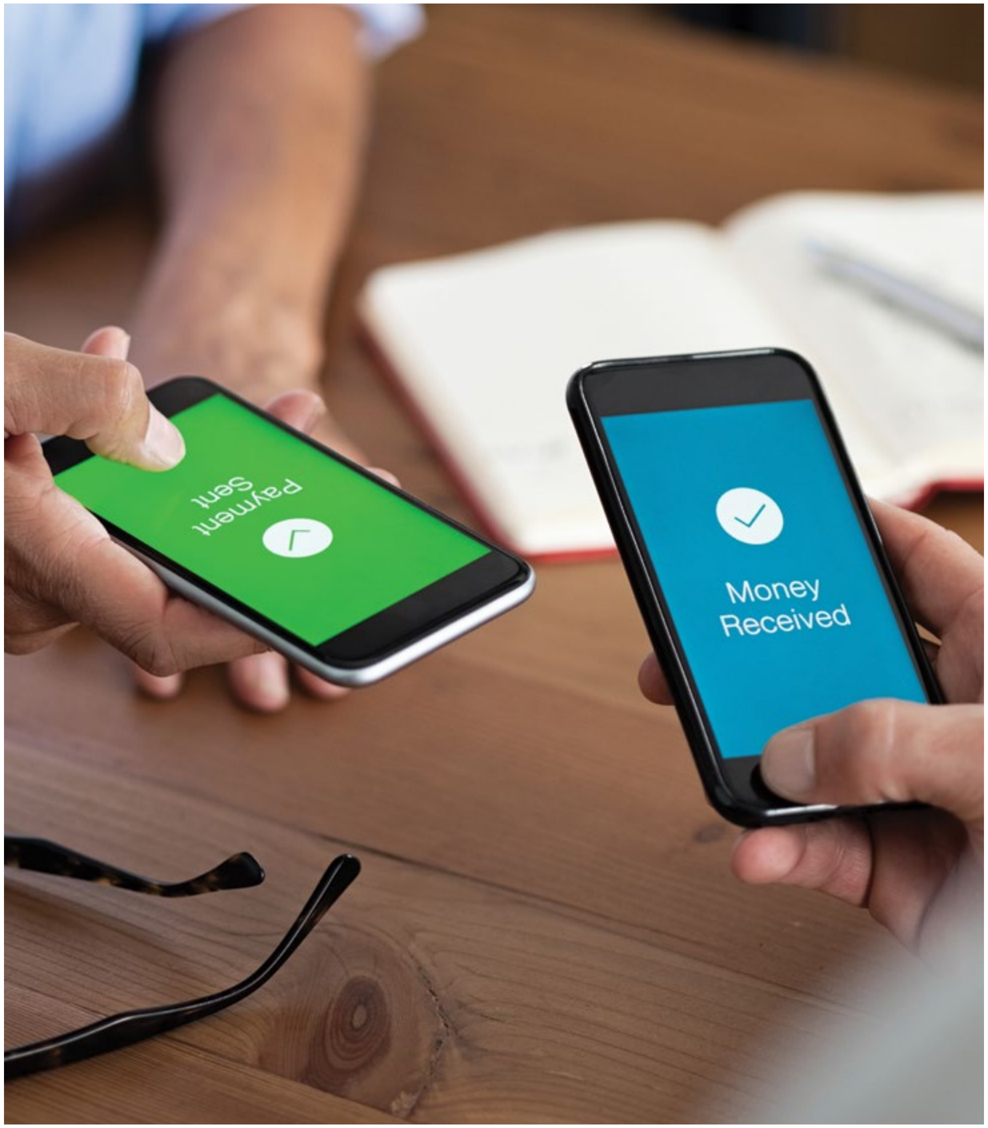
Despite growing usage, remittance pricing remains opaque for many users, making it difficult to assess value, compare providers, or detect hidden fees. While much has been done by industry associations, regulators, and firms to enhance transparency of the sector, there is still opportunities for improvement. Companies should clearly disclose the total cost, delivery time, and amount received in local currency to enable consumers to choose the service that best meets their needs.

Actionable Guidelines

- **Disclose Total Costs, Including Fees, Taxes, and Exchange Rates:** Remittance providers should clearly disclose service fees charged, any taxes that may apply, and the exchange rate applied to each transaction. Transparent pricing allows consumers to understand the true cost of sending money and to compare options across providers—empowering them to make informed decisions in a market where exchange rate markups often go unnoticed.
- **Clearly State the Amount to Be Received in Local Currency:** To improve market comparability and support informed consumer choices, companies should clearly communicate the exact amount the recipient will receive in their local currency. This helps senders assess the real value of the transaction, reducing confusion and mistrust.
- **Provide Timely Delivery Estimates and Real-Time Tracking:** Remittance providers should offer clear, accurate information about the expected delivery time of funds and provide real-time updates on transaction status. While transparency is essential, companies should also inform consumers that delivery times may be affected by factors beyond their control, such as correspondent banking delays, anti-money laundering or sanctions reviews. In addition, users should be informed of accessible channels for resolving delays or issues, helping to build trust and ensure accountability.
- **Strengthen Consumer Awareness Through Financial Education and Coaching:** Community organizations and advocacy groups can play a vital role in bridging information gaps by offering culturally competent financial education and outreach. These efforts ensure consumers understand the full cost of remittance services, avoid misleading pricing, and gain the knowledge needed to choose the most appropriate service for their needs.

Did You Know?

- The Financial Stability Board's (FSB) 2023 progress report on cross-border payments highlights foreign exchange (FX) costs as a major contributor to total remittance expenses. The report states that "for cross-border retail payments globally, the **FX cost generally constitutes more than half of the total cost, ranging from 60% for P2P [person-to-person] transactions to 97% for P2B [person-to-business] transactions.**" (Financial Stability Board 2023, 3)
- In the US context, UnidosUS's 2024 Latino Banking and Financial Health Survey found that **67% of US Latinos surveyed either did not think remittance providers could add fees in exchange rate mark-ups or were not sure.** This shows the extent to which the money transmitting market remains opaque to many consumers, who find it challenging to compare costs and choose the option that best fits their needs. (UnidosUS, 2024)



Principle in Practice

- In the United States, Regulation E of the Consumer Financial Protection Bureau's Electronic Fund Transfer Guidelines, as amended by the Remittance Transfer Rule, requires remittance providers to give consumers a receipt that includes key information before and after a transaction is completed. Mandatory information includes the amount to be received by the recipient, any applicable fees, the exchange rate, and the expected delivery date. These requirements serve as a concrete example of how regulatory frameworks can advance transparency, reduce consumer confusion, and foster trust in remittance services. Still, there are opportunities for improvement: the Rule's safe harbor provision excludes financial institutions that process less than 500 remittances a year from compliance with these transparency requirements, leaving customers of smaller service providers unprotected.
- In October 2024, the **Australian Competition and Consumer Commission (ACCC)** published its Best Practice Guidance for Foreign Cash and International Money Transfer Services. The guidance calls on all suppliers to take necessary steps to provide up-front disclosure of international money transfer speed and prices, including correspondent bank fees. It provides specific recommendations for both brick-and-mortar and digital providers, empowering consumers to compare across options.
- Similarly, in May 2025, the **United Kingdom's Financial Conduct Authority** published guidelines that clearly illustrate examples of good and poor practice for international money remittance and cross-border payments.

3 OPEN PATHWAYS TO FINANCIAL SERVICES

CONNECT REMITTANCES TO SAVINGS, CREDIT, INSURANCE, INVESTMENT

Remittances are more than a transaction — they are often the first step toward formal financial inclusion for underserved communities. For millions of people, the act of sending or receiving remittances serves as an entry point to savings, payments, credit, insurance, and other financial tools, marking the beginning of a longer journey toward financial health, resilience, and economic opportunity.

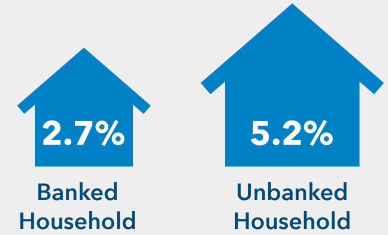
Actionable Guidelines

- **Leverage Emerging Technologies to Personalize Financial Journeys:** Digital remittance providers can harness emerging technologies, including generative artificial intelligence and machine learning, to reduce the cost of delivering tailored content, enabling users to access financial tools and information tailored to their unique needs and circumstances. These technologies can enhance the user experience while expanding access to relevant financial services.

Did You Know?

- The FDIC's 2023 National Survey of Unbanked and Underbanked Households sheds light on the reasons why unbanked households do not have bank accounts. Not having enough money to meet minimum balance requirements was the most cited primary reason (23.3%), followed by lack of trust in banks (15.7%) (FDIC 2024, 3).

Households sending or receiving international remittances



- Unbanked households were almost twice as likely to send or receive international remittances (5.2%) as banked households (2.7%) (FDIC 2024, 50).
- According to the Survey, roughly one in six U.S. households lacked mainstream credit, meaning they did not hold a credit card, auto loan, or other credit product reported to nationwide credit bureaus. Most of these households likely had no credit score, making it more difficult to access credit when needed. This gap disproportionately affects unbanked households, with 78.4% having no mainstream credit, compared to just 13.0% of banked households (FDIC 2024, 51).

(continued)

- **Guide Users Through a Step-by-Step Financial Roadmap:** To support long-term financial wellness, remittance platforms can offer integrated guidance that walks users through each stage of the financial inclusion journey. This may begin with access to transaction or checking accounts, and gradually introduce tools for savings, investments, credit, and insurance, empowering users to make informed decisions and build financial resilience over time.
- **Use Data Responsibly to Expand Access to Credit and Financial Products:** Generative AI and machine learning models can be used to analyze anonymized consumer behavior data and assess users' creditworthiness or readiness for additional financial services. However, it is essential to apply these tools ethically and transparently, ensuring that users are protected from over-indebtedness and have access to credit in a responsible and sustainable manner.

- **Partner with Financial Institutions to Create Inclusive Product Pathways:** Remittance providers can collaborate with community banks, credit unions, Community Development Financial Institutions (CDFIs), and Microfinance Institutions (MFIs) to design products specifically for remittance users, such as low-fee accounts, secured credit cards, or savings incentives, helping bridge the gap between initial financial engagement and long-term financial resilience.

Did You Know?

- The TIAA Institute-GFLEC Personal Finance Index annually assesses financial literacy among U.S. adults and examines the relationship between financial literacy and financial well-being. According to the 2024 report, most Americans are making financial decisions with a generally poor level of financial literacy. On average, U.S. adults correctly answered only 48% of the 28 index questions that year, with the index hovering around 50% since the inaugural 2017 survey. Financial literacy varies substantially by sociodemographic characteristics, including gender, race, ethnicity, and age (TIAA Institute and Global Financial Literacy Excellence Center 2024, 2).

Principle in Practice

- In 2023, the Aspen Institute Financial Security Program published a guidebook to support U.S. policymakers in preparing for and entering conversations to develop the United States' first National Strategy for Financial Inclusion. A year later, in October 2024, the Treasury Office of Consumer Policy published the inaugural National Financial Inclusion Strategy, "...intended to facilitate consumers' ability to access and use safe financial products and services that enable the building of financial resilience and well-being; and to promote an inclusive financial system that works to reduce rather than compound disparities" (U.S. Department of the Treasury 2024, 1). The strategy offers actionable recommendations to private, public, and nonprofit decision-makers committed to improving access to financial services.
- SUMA Wealth is a financial technology company advancing prosperity and financial inclusion for young U.S. Latinos through culturally relevant, tech-driven tools. With over 1.9 million users, its app offers bilingual, interactive financial education and experiences that resonate with the target audience. By blending culture, AI personalization, and analytics, SUMA seeks to empower its users to build wealth and financial confidence.
- Bank On is a network of 96 local coalitions of stakeholders to connect consumers to safe, affordable bank accounts across the U.S. Launched by the Cities for Financial Empowerment Fund, this initiative liaised with national banking, regulatory, and nonprofit organization partners to develop the Bank On National Account Standards, establishing a benchmark to address the barriers that prevent unbanked and underbanked households from fully accessing financial services. To date, more than 46,350 branches across the country offer certified accounts, with no overdraft fees.

4 WORK IN PARTNERSHIP ACROSS SECTORS
STRENGTHEN INDUSTRY STANDARDS AND PUBLIC-PRIVATE DIALOGUE

Advancing a secure, inclusive, and competitive remittance ecosystem requires both cross-industry coordination and ongoing collaboration with government stakeholders. By aligning on common standards and best practices, the remittance industry can strengthen efficiency, interoperability, and consumer trust across platforms and borders. In parallel, sustained public-private dialogue is essential to shaping a regulatory environment that supports innovation, facilitates access, and discourages the use of informal channels, which pose heightened risks for money laundering, illicit activity, and consumer harm.

Actionable guidelines

- **Establish an Industry-Led Body to Develop Standards and Coordinate Risk Mitigation:** Remittance service providers and industry associations should establish a governing body to collaboratively develop shared standards and coordinate responses to common challenges, such as fraud prevention, data security, and regulatory compliance. Such coordination can help lower operational costs, reduce systemic risk, and strengthen the integrity and resilience of the remittance ecosystem.
- **Implement Proportional, Risk-Based Compliance Standards:** Regulators and remittance providers should collaborate to adopt a proportional, risk-based approach to compliance that distinguishes between high- and low-risk transactions. Proportional requirements help ensure that consumers sending small, routine remittances are not overburdened by excessive documentation or penalties, reducing the likelihood that they will turn to informal or unregulated channels that pose greater risks to national security and consumer protection.

Did You Know?

- As of 2024, eight money transfer companies accounted for over 70% of the U.S.-Latin America remittance market (Orozco 2025). However, there is no single trade association representing them all. Instead, these companies are dispersed across separate organizations, such as the Money Service Business Roundtable, the Money Service Business Association, and the Financial Technology Association, with untapped opportunities for broader industry collaboration on standards and policy.

$223B to $521B

Projected cost of fraud to the Federal government per year

- The Federal Trade Commission estimated that in 2023, American consumers lost up to $158 billion to fraud (Federal Trade Commission 2024, 28). Additionally, the U.S. Government Accountability Office projected that fraud costs the Federal government $223 billion to $521 billion per year, based on data from Fiscal Years 2018 through 2022 (United States Government Accountability Office 2024, 18).

(continued)

- **Evaluate Tax Proposals Through a Cross-Sector Lens to Avoid Unintended Consequences:** Any proposal to impose new federal or state taxes on remittance transfers should be carefully evaluated through inclusive, cross-sector dialogue. Increasing the tax burden on remittances can be counterproductive on multiple fronts — disproportionately impacting lower-income senders (many of whom already pay taxes on their income) and potentially pushing consumers toward informal, unregulated channels that lack transparency and oversight. Such shifts undermine both financial inclusion goals and anti-money laundering efforts. Policymakers should also ensure that taxation or regulatory requirements do not favor digital currencies (including cryptocurrencies and stablecoins) over fiat currencies for remittance purposes. Any friction placed on traditional remittances should apply equally to digital currency-based transactions, to maintain a level playing field and avoid regulatory arbitrage.
- **Discourage Blanket De-Risking and Foster Bank Partnerships to Reduce Costs and Strengthen Inclusion:** Regulators and policymakers should take steps to address de-risking practices that limit banking access for legitimate remittance providers. For instance, they can issue clear, risk-based guidance to financial institutions that distinguishes between high-risk and well-regulated actors. In addition, regulatory frameworks — potentially modeled on tools like the Community Reinvestment Act (CRA) — can discourage blanket de-risking and create incentives for banks to maintain accounts and accept cash deposits from licensed remittance companies. Doing so would lower compliance-related costs for providers — savings that could be passed on to consumers — while enhancing transparency, fostering competition, and strengthening the resilience of formal remittance channels.
- **Strengthen U.S. Data Collection on Remittances Through Cross-Sector Collaboration:** Government agencies and industry partners should work together to enhance the quality and consistency of remittance data collection in the United States, drawing on international best practices from organizations such as the World Bank. Improved, disaggregated data on remittance inflows and outflows is essential to inform evidence-based policymaking, track trends over time, and support greater transparency and financial inclusion across the ecosystem.

Did You Know?

- In 2017, the World Bank advised against taxation of remittances, arguing that "estimates suggest that the revenue raised from a tax on remittances will be small relative to the revenue base of the country" (Ratha et al 2017).
- The U.S. Congress Joint Committee on Taxation estimates that a 1% federal remittance tax would generate approximately $10 billion over ten years (Joint Committee on Taxation 2025, 6), representing less than 0.1% of the national budget. However, the cost to developing countries would be significant. The Center for Global Development projects that a 1% increase in remittance costs reduces outflows by about 1.6%, implying a loss of roughly $1.5 billion annually in remittances to Mexico alone (Dempster et al, 2025). Such reductions could undermine local economic stability and inadvertently increase emigration pressures.

Principle in Practice

- EMVCo is a global technical body that facilitates the worldwide interoperability and acceptance of secure payment transactions. It collaborates with industry stakeholders to develop technical specifications and programs that any party can use to design payment products that will work seamlessly and securely worldwide. Created in 1999, it is collectively owned by American Express, Discover, JCB, Mastercard, UnionPay, and Visa — competitors that recognized the value of collaboration in facing common challenges and obstacles.
- In 2024, the Aspen Institute Financial Security Program launched the National Task Force on Fraud and Scam Prevention to develop the first coordinated U.S. national strategy aimed at stopping financial fraud at its root, exemplifying the value at stake from enhanced collaboration within the financial services industry, including money transfer operators.
- The adoption of proportional, risk-based compliance standards is consistent with international guidance from the Financial Action Task Force (FATF), which encourages countries to apply risk-based supervision and customer due diligence to balance the need to counter money laundering and the financing of terrorism with financial inclusion goals. For example, some jurisdictions have introduced tiered KYC regimes that allow limited-value transactions to proceed with basic identification, while applying stricter requirements as transaction size or frequency increases (Financial Action Task Force 2017).
- Italy serves as an exemplary model of effective public-private data collaboration in the remittance sector. Remittance service providers are required to submit quarterly data to Banca d'Italia (Italy's Central Bank). The data is then aggregated and partially published in a non-attributable format to ensure confidentiality. In addition to tracking remittance prices, Italian authorities regularly commission market research to understand remitter behavior, including trends in digital service adoption, providing a robust evidence base for informed policymaking (IFAD, G20, and GPFI 2024, 11).

Afterword: Policy Environment in September 2025

The goal of these Principles is to offer an evergreen framework that decision-makers across the public, private, and nonprofit sectors can utilize to foster a remittance ecosystem that is more competitive, inclusive, and secure. However, a rapidly evolving U.S. policy landscape demands urgent attention, as it carries the potential for long-term consequences for both industry stakeholders and the communities they serve.

As of the publication of this document, the U.S. Congress passed the One Big Beautiful Bill Act, in July 2025. The bill enacted a 1% federal tax on remittance transfers for which the sender provides cash, a money order, a cashier's check, or other similar physical instrument to the transfer provider, effective for transfers made after December 31, 2025. The excise tax does not apply to electronic fund transfers from a U.S. account, or when the remittance transfer is funded with a debit card or credit card issued in the United States. The new regulatory framework underscores the urgency of advancing the digitization of U.S. remittance users to protect them from incurring additional costs when sending money to their families and loved ones, and will likely shape the trajectory of adoption for emerging technologies such as stablecoins in the ecosystem.

Moving forward, any future discussions regarding the taxation of remittances at the federal or state level should carefully consider the unintended consequences that such a regulatory shift may have on users' financial health, small business outcomes, and broader national security interests:

- Remittance users are a diverse group, including migrant workers, religious organizations funding missions abroad, military families, and parents supporting children studying overseas. In many cases, a remittance tax amounts to double taxation—imposed even after income tax has been paid—reducing disposable income for both senders and recipients and impacting the financial health of communities in the U.S. and abroad.
- The economic impact would ripple across the remittance infrastructure, affecting small businesses, including convenience stores and bodegas, that act as agents for remittance providers

and rely on the increased foot traffic to obtain additional revenue. New regulatory requirements may place added administrative and reporting obligations on remittance service providers, likely increasing operational costs as companies invest in upgraded systems and agent training to comply with the law.
- Finally, from a national security standpoint, the policy risks undermining decades of progress in anti-money laundering and counter-terrorism financing efforts. Faced with higher costs, many users may turn to informal, unregulated channels, reducing transparency and increasing systemic risk.

It is our hope that U.S. Federal and State policymakers carefully weigh the unintended consequences of new legislation on consumers, small businesses, and national security. Rather than discouraging remittances through punitive measures, the focus should be on leveraging this ecosystem to promote financial inclusion, strengthen regulatory oversight, and benefit the broader U.S. economy.

Bibliography

- Ardic, Oya, Harish Baijal, Patrizia Baudino, Nana Yaa Boakye-Adjei, Jessica Fishman, and Rakiya A. Maikai. *The Journey So Far: Making Cross-Border Remittances Work for Financial Inclusion*. FSI Insights on Policy Implementation No. 43. Washington, DC: World Bank Group and Bank for International Settlements, June 2022. https://www.bis.org/fsi/publ/insights43.htm.
- Aspen Institute Financial Security Program. *Toward a National Strategy for Financial Inclusion*. Washington, DC: Aspen Institute, January 2023. https://www.aspeninstitute.org/wp-content/uploads/2023/01/2023_Toward-a-National-Strategy-for-Financial-Inclusion.pdf.
- Aspen Institute Latinos & Society. *Aspen Principles for Latino Digital Success*. July 2023. https://www.aspeninstitute.org/wp-content/uploads/2023/07/Aspen-Principles-for-Latino-Digital-Success.pdf.
- Australian Competition and Consumer Commission. *Best Practice Guidance for Foreign Cash and International Money Transfer Services*. October 2024. https://www.accc.gov.au/system/files/best-practice-guidance-Oct24.pdf.
- BBVA Research. *Mexico: Record in Remittances—$64.745 Billion in 2024 and Dark Spots for 2025*. Mexico City: BBVA Research, February 2, 2025. https://www.bbvaresearch.com/en/publicaciones/mexico-record-in-remittances-64745-million-dollars-in-2024-and-dark-spots-for-2025/#:~:text=Summary,growth%2C%20which%20began%20in%202014.
- Bergson-Shilcock, Amanda. *The New Landscape of Digital Literacy*. Washington, DC: National Skills Coalition, May 2020. https://nationalskillscoalition.org/wp-content/uploads/2020/12/05-20-2020-NSC-New-Landscape-of-Digital-Literacy.pdf.
- Consumer Financial Protection Bureau. *Electronic Fund Transfers (Regulation E), Subpart B – Requirements for Remittance Transfers*. 12 CFR § 1005.31. Accessed June 1, 2025. https://www.consumerfinance.gov/rules-policy/regulations/1005/31/.
- Dempster, Helen, Charley Ward, and Sam Huckstep. *Even at 1 Percent, the US Remittance Tax Hits Poor Countries Hard*. Washington, DC: Center for Global Development., July 2025. Accessed August 28, 2025. https://www.cgdev.org/blog/even-1-percent-us-remittance-tax-hits-poor-countries-hard.
- Federal Deposit Insurance Corporation. *2023 FDIC National Survey of Unbanked and Underbanked Households*. Washington, DC: FDIC, October 2024. https://www.fdic.gov/household-survey/2023-fdic-national-survey-unbanked-and-underbanked-households-report.
- Federal Trade Commission. *Protecting Older Adults: A Report of the Federal Trade Commission*. Washington, DC: Federal Trade Commission, October 2024. https://www.ftc.gov/system/files/ftc_gov/pdf/federal-trade-commission-protecting-older-adults-report_102024.pdf.
- Financial Action Task Force (FATF). *Guidance on Anti-Money Laundering and Terrorist Financing Measures and Financial Inclusion*. Paris: FATF, 2017. https://www.fatf-gafi.org/en/publications/Fatfgeneral/Financial-inclusion-cdd-2017.html.
- Financial Conduct Authority. *Consumer Duty: International Payment Pricing Transparency – Good and Poor Practice*. May 2025. https://www.fca.org.uk/publications/good-and-poor-practice/consumer-duty-international-payment-pricing-transparency-good-poor-practice.
- Financial Stability Board. *Annual Progress Report on Meeting the Targets for Cross-border Payments: 2023 Report on Key Performance Indicators*. October 2023. https://www.fsb.org/uploads/P091023-1.pdf.
- Financial Stability Board. G20 Roadmap for Enhancing Cross-border Payments. Consolidated progress report for 2024. October 2024. https://www.fsb.org/uploads/P211024-1.pdf.

Bibliography *(continued)*

- IFAD, G20, and GPFI. *Promoting Financial Inclusion through Digitalization of Remittances.* June 2024. https://www.ifad.org/documents/48415603/49747559/gpfi-report-2024.pdf/02bfc17b-5462-bbff-46fd-e51ad625f7fd.
- Joint Committee on Taxation. 2025. *Estimated Revenue Effects of Tax Provisions to Provide for Reconciliation of the Fiscal Year 2025 Budget as Passed by the House of Representatives on May 22, 2025.* JCX-26-25. Washington, DC: U.S. Congress. https://www.jct.gov/publications/2025/jcx-26-25/.
- Kumar, Ananya. 2025. "A Tax on Remittances Could Hurt US Households—and National Security." *Atlantic Council*, June 2, 2025. https://www.atlanticcouncil.org/blogs/new-atlanticist/a-tax-on-remittances-could-hurt-us-households-and-national-security/.
- Mastercard and PMCI. *The Future of Remittances: How Digital Innovation Is Transforming Money Transfers.* New York: Mastercard, March 2024. https://www.mastercard.com/news/media/ltfpfln3/pcmi_mastercard_the_future_of_remittances_en_march2024.pdf.
- National Telecommunications and Information Administration. *2023 Federal Broadband Funding Report: Investing in Internet for All.* August 2024. https://www.ntia.gov/sites/default/files/reports/federal_broadband_funding/2023-federal-broadband-funding-report.pdf.
- Orozco, Manuel. *"The State of the Remittance Industry and an Outlook for 2025" Inter-American Dialogue*, April 16, 2025. https://thedialogue.org/blogs/2025/04/the-state-of-the-remittance-industry-and-an-outlook-for-2025.
- Ratha, Dilip, Sonia Plaza, and Eung Ju Kim. "In 2024, Remittance Flows to Low- and Middle-Income Countries Are Resilient." *World Bank Blogs*, December 18, 2024. https://blogs.worldbank.org/en/peoplemove/in-2024--remittance-flows-to-low--and-middle-income-countries-ar.
- Ratha, Dilip, Supriyo De, and Kirsten Schuettler. "Why Taxing Remittances Is a Bad Idea." *World Bank Blogs*, March 24, 2017. https://blogs.worldbank.org/en/peoplemove/why-taxing-remittances-bad-idea.
- TIAA Institute and Global Financial Literacy Excellence Center. *2024 TIAA Institute-GFLEC Personal Finance Index (P-Fin Index)*. Washington, DC: TIAA Institute and GFLEC, April 2024. https://gflec.org/wp-content/uploads/2024/04/TIAA_GFLEC_Report_PFin_April2024_07.pdf.
- U.S. Department of the Treasury. *National Strategy for Financial Inclusion: U.S. Financial Inclusion Strategy 2024.* Washington, DC: U.S. Department of the Treasury, 2024. https://home.treasury.gov/system/files/136/NSFI.pdf.
- UnidosUS and Oportun. *Second Edition of Our Latino Banking and Financial Health Survey.* July 2024. https://unidosus.org/publications/second-edition-of-our-latino-banking-and-financial-health-survey/.
- United States Government Accountability Office. *Fraud Risk Management: 2018–2022 Data Show Federal Government Loses an Estimated $233 Billion to $521 Billion Annually to Fraud, Based on Various Risk Environments.* GAO-24-105833. Washington, DC: Government Accountability Office, April 2024. https://www.gao.gov/assets/gao-24-105833.pdf.
- World Bank. *Remittance Prices Worldwide Quarterly.* September 2024. https://remittanceprices.worldbank.org/sites/default/files/rpw_main_report_and_annex_q324.pdf.

Suggested Citation

Deleersnyder, Diego and Domenika Lynch. *Aspen Principles for the Future of Remittances.* Washington, DC: Aspen Institute, September 2025.

Acknowledgments

The Aspen Institute Latinos & Society Program is grateful to Prudential and the Mastercard Center for Inclusive Growth for their generous support of this initiative. The development of these Principles was made possible through the invaluable contributions and insights of the Aspen Remittances Working Group, which brought together the following subject matter experts, practitioners, and leaders:

- **Brent Adams**, Senior VP of Policy and Advocacy, Woodstock Institute
- **Angelena Bradfield**, Head of Policy, Financial Technology Association
- **Brigit Carroll**, Policy Lead, Wise
- **Jaime di Paulo**, President & CEO, Illinois Hispanic Chamber of Commerce
- **Sandy Fernandez**, VP, Mastercard Center for Inclusive Growth
- **Lakshmi Kumar**, Adjunct Professor, Georgetown University
- **Gene Nigro**, VP of Global Business Development, Remitly
- **Dilip Ratha**, Advisor to VP Operations, MIGA, World Bank Group
- **Santiago Sueiro**, Senior Policy Analyst, UnidosUS
- **Kathy Tomasofsky**, Executive Director, Money Services Business Association (MSBA)

The authors extend their gratitude to Sarah Zetterli, Director, Aspen Partnership for the Inclusive Economy, for her valuable feedback throughout the preparation of this publication.”

About the Aspen Institute

The Aspen Institute is a global nonprofit organization whose purpose is to ignite human potential to build understanding and create new possibilities for a better world. Founded in 1949, the Institute drives change through dialogue, leadership, and action to help solve society’s greatest challenges. It is headquartered in Washington, DC and has a campus in Aspen, Colorado, as well as an international network of partners. For more information, visit www.aspeninstitute.org.

About the Aspen Institute Latinos & Society Program

The Aspen Institute Latinos and Society Program convenes across sectors, ethnicities, and ideologies to co-create solutions to the barriers preventing greater American Latino mobility and catalyze actions that lead to a more prosperous and inclusive America for all.

LATINOS & SOCIETY
aspen institute

FOLLOW US

facebook.com/AspenLatinos
x.com/AspenLatinos
linkedin.com/company/aspenlatinos
instagram/AspenInstituteLatinos

aspenlatinos.org