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Digital Equity Frontiers:
A Conversation on Digital Identity for Financial Inclusion in Mexico and Latin America

Rapporteur's Report

March 4, 2025 | Mexico City

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Introduction

On March 4, 2025, the Aspen Institute convened a one-day, invitation-only event called **"Digital Equity Frontiers: A Conversation on Digital Identity for Financial Inclusion in Mexico and Latin America."** This gathering brought together key stakeholders from the private, public, and nonprofit sectors to explore how digital identity can expand financial inclusion by integrating individuals and small businesses into the formal financial system. This Rapporteur's Report provides a summary of the event and its proceedings. As the event was held under the Chatham House Rule, all learnings are presented without attribution to any individual participant.

Background and Context

Mexico, with its population of 130 million, serves as a significant economic player in both North America and Latin America, acting as a nearshoring trade partner for the United States and Canada, while also hosting economic migrants from across the region. In addition to these macroeconomic factors, the Mexican financial services and technology sectors have seen tremendous growth in recent years. However, this growth has not yet mitigated persistent gaps in financial inclusion—defined as access to, use of, and benefit from financial services[1]—across Mexico.

Mexico's National Financial Inclusion Strategy (PNIF),[2] launched in 2020, identified financial inclusion as a critical goal. As of 2021, only 37% of adults in Mexico had formal financial accounts, and just 32% had made or received payments electronically, according to the Mexican National Survey of Financial Inclusion.[3] The PNIF aimed to address this by increasing access to financial products for individuals and small businesses, promoting digital payments, and enhancing the financial skills of the population.

The public sector has partnered with financial services leaders to improve financial inclusion for women. In 2022, the government created the Interinstitutional Committee for Gender Equality in Financial Institutions (CIIGEF)[4] to identify and address barriers to women's full participation in the financial sector. The launch of the Digital Transformation and Telecommunications Agency (ATDT)[5] in November 2024 further reinforces the commitment to modernizing government systems. However, as is true in economies around the world, public sector efforts alone will not move the needle on financial outcomes for households. Private sector leaders working in tandem with government and nonprofit leaders will be required to enhance the financial stability, resilience, and wealth of households and, in turn, increase economic growth in Mexico. Given the growth of financial technology (FinTech) and the appetite for its services, the energy and momentum in Mexico is palpable.

Key Concepts & Importance of Digital Identity for Financial Inclusion

1 Digital Identity

Digital identity[6] — a set of digitally-stored attributes that uniquely describes a subject in a given context — can take many forms. For the purposes of this report, we will focus on one aspect of digital identity, verifiable credentials, using the Beeck Center at Georgetown University's definition.[7] These credentials that store essential personal information such as name, address, date of birth, nationality, among others, hold significant promise for enhancing financial inclusion.

By providing a secure and verifiable means of identification, digital IDs can integrate individuals into the formal financial system, granting them access to essential financial services such as payments, savings, loans, insurance, investments, and government benefits. At the same time, the technology that underpins these solutions is far better at blocking fraudulent users trying to gain access to financial systems than a paper-based system ever was.

*A **verifiable credential** is a set of tamper-evident claims and metadata that cryptographically prove who issued it.*

Examples of verifiable credentials include, but are not limited to, digital employee identification cards, digital drivers' licenses, and digital educational certificates.

2 Digital Equity

Digital equity — the fair access to digital technologies — is crucial for inclusive economic growth. In the discussions at the event, participants highlighted that digital identity systems could reduce barriers for the unbanked and underserved, fostering economic opportunity, entrepreneurship, and broad-based growth

Challenges & Opportunities in Implementing Digital Identity

At the core of the Digital Equity Frontiers event was the recognition that a lack of formal identification remains a significant barrier to financial inclusion. In countries like Mexico, where 54.6% of the workforce is employed informally (according to the National Institute of Statistics and Geography, INEGI, as of Q4 2024),[8] many workers are excluded from the formal financial system. Informal workers often face challenges such as reliance on cash transactions, vulnerability to theft, and difficulty accessing credit or government benefits.

The lack of access to formal banking products and government benefits has long-term negative impacts on households, communities, and the macroeconomy. Without access to, use of, and benefit from a suite of financial products that meet their needs, households that can only transact in cash are effectively "running in place." Unable to access public benefits, households experience more financial instability. Unable to use short-term liquidity solutions like small-dollar loans, emergency savings, or credit, households experience less financial resilience in the face of shocks. Finally, unable to benefit from long-term wealth-building products like mortgage loans, investment accounts, or small business loans, households have less wealth. Cutting across the myriad ways in which consumers interact with the economy is identity. Private sector and public sector providers need a clear way to identify that you are who you say you are, especially online, where more transactions of all types are occurring.

The implementation of digital identity solutions can bring more people into the formal financial system, boosting economic opportunity. High adoption of digital identity systems can boost GDP by 3% to 13% worldwide, with emerging economies seeing the greatest impact, according to a McKinsey study[9] presented at Digital Equity Frontiers. One of the key discussions focused on the potential of verifiable credentials to address fraud risks, which are common in traditional paper-based identification systems. In the current physical identity paradigm, consumers must often create an electronic paper trail of sensitive identity documents, which creates opportunities for identity theft and fraud. For instance, participants discussed cases in which consumers are asked to take a picture of an identity document (e.g., a driver's license) and send an email with sensitive information attached. This exposes the data to potential misuse and heightens security vulnerabilities. Digital Identity solutions offer a more secure, efficient alternative by allowing individuals to share only the necessary details of their identity through Zero Knowledge Proofs,[10] rather than storing or sending full electronic copies of sensitive documents.

However, there are significant challenges in moving from an identity designed for a world of in-person-only transactions to the future of finance. The healthy skeptics in the room noted that digital identity also carries risks, particularly around cybersecurity, and barriers to access, such as limited availability of digital devices. Participants discussed concerns about hacking and unauthorized access, as well as challenges faced by elderly users and those in rural areas who may have limited access to both the technology needed to utilize digital identity systems and the connectivity to bring devices online. The adoption of digital identity solutions in countries like Mexico is further complicated by the fact that one mobile phone is sometimes shared among multiple users, which can impede the use of these devices as identity storage tools. This is particularly true in cases where Multi-Factor Authentication is required or when users may not have physical access to the device when they need it.

Women, **rural populations**, and **Indigenous communities** are disproportionately affected by these barriers, with many unable to prove their identity and thus are unable to open formal financial accounts. This identity gap presents a substantial challenge in expanding financial services to historically underserved populations.

However, there was excitement and energy in the room among participants that we may be approaching a "leapfrog" moment in identity, much like M-Pesa in Kenya.[11]

Public-Private Sector Collaboration for Digital Identity Solutions

A central theme of the event was the importance of collaboration between public and private sectors in advancing the use of digital identities. Government agencies remain, for now, the trusted issuer of credentials accepted by financial services providers. The private sector, particularly fintech and technology companies, plays a key role in developing and implementing the digital infrastructure needed to support these solutions and drive adoption across tangible use cases.

Successful partnerships were highlighted, including the India Stack,[12] which uses open application programming interfaces (APIs) to provide secure digital access to government services, including financial products. While this system has contributed to increased financial inclusion in India, concerns about privacy and surveillance have emerged, underscoring the need for strong safeguards in such systems. A demonstration was offered by a startup digital wallet service in Mexico known as Tantan, which will allow Mexicans to store and hold digital IDs.

In breakout groups, participants identified key challenges and opportunities for digital identity in four unique use cases. In a discussion on the future of commerce, one group explored the potential for digital identity to leverage innovations across financial technology such as AI, blockchain, and the increasing need to prove that you are who you say you are online. Participants underscored the need to create and maintain trusted systems.

Another group of small and growing business (SGB) experts focused on how digital identity can be a tool for growth across Latin America. Experts discussed the importance of secure, verifiable digital identities in helping entrepreneurs build trust with financial institutions and access credit. Such digital identities would reduce regulatory barriers, fostering economic resilience and enabling the creation of new ventures and the growth and scaling of existing SGBs.

In the third breakout, participants explored how digital identity can enhance government-to-person (G2P) payments and improve public services access. Discussions centered on using digital identity to streamline benefits delivery, reduce fraud, and ensure that public services reach vulnerable populations, especially during crises such as pandemics and natural disasters.

The final group focused on the role of digital identity in supporting migrants and refugees, especially as migration patterns shift in Latin America. Participants discussed how digital identity can streamline work permits, access to healthcare, education, and social services, and provide secure pathways for migrants to integrate into the formal economy.

Recommendations for Future Collaboration and Research

The discussions at Digital Equity Frontiers culminated in several actionable recommendations for further collaboration and research:

1 **Engage in Public-Private Sector Dialogue**

Working with regulators to provide private sector stakeholders with the clarity needed to pilot and expand the use of digital identity for customer identification and authentication, enabling remote account opening.

2 **Deepen Provider Demand**

Building on compelling research about the potential GDP gains from digital identity, while conducting further country-specific analysis to identify the use cases most likely to drive growth in Mexico and Latin America.

3 **Build Consumer Demand for More Secure Identity Systems**

Responding to widespread dissatisfaction with insecure physical identity documents by advancing thought leadership and coalition-building to accelerate adoption of digital identity systems that are more secure, resilient, and privacy-enhancing.

Observations on Cross-Network Relationship Building

As a "network demonstration" project, the Digital Equity Frontiers event focused on two key approaches. First, it aimed to inform the insights in the above section by convening Aspen's vast network of influential leaders in the region and assembling a diverse mosaic of ecosystem actors to advance the issue. Second, it sought to measure the advancement of relationships through self-reported data across these actors, while also creating spaces and facilitated experiences that helped participants build deeper understanding, trust, and lasting connections.

Included in this report are a set of "network maps" depicting various aspects of the Before and After states of the seven ecosystem actors that the Aspen Institute brought together in Mexico City. These include the pre-event state of ecosystem relationships (by person and sector), post-event shifts in perspectives and understanding of digital identity, and the post-event desire for people to stay in relationship with one another to help inform future coalition-building and follow-up efforts.

A few highlights of this gathering's impact on the digital identity ecosystem in Latin America include:

1 Creating Connections Between People

Prior to the convening, participants reported being most connected to others from the same country or sector. After engaging in intentionally designed activities and artful connections — such as facilitated dinner dialogues, intermixed assigned seating, and curated networking — they said they were most influenced by peers from different countries and sectors. Participants also noted that the individuals who most shifted their understanding of digital identity, and those they intended to follow up with, came from outside their own country or sector.

2 Fostering an Ecosystem of Stakeholders

Prior to the event, the average participant knew one or two fellow participants. Upon leaving the event, most participants reported having exchanged contact information with four or more participants, creating a more dense, interconnected ecosystem that spans countries and sectors.

3 Encouraging Transformative Interactions

Post-event, there was a high degree of cross-country (60%) and cross-sector (66%) connections that participants identified as meaningfully shaping their perspectives and approaches to the topics discussed during the event, suggesting that transformative interactions were abundant. Unlike additive interactions, where people from similar backgrounds add texture and nuance to shared perspectives, transformative interactions substantively shift how participants interpret and understand a topic.

4 Centering Private Sector Tech as First Movers

While the Aspen Institute initially served as the hub of the convening, by the end of the gathering, the CEOs and founders of Latin American tech companies had moved to the middle — playing a central role in a growing network of private, nonprofit, and public sector actors eager to stay connected and advance this work together.

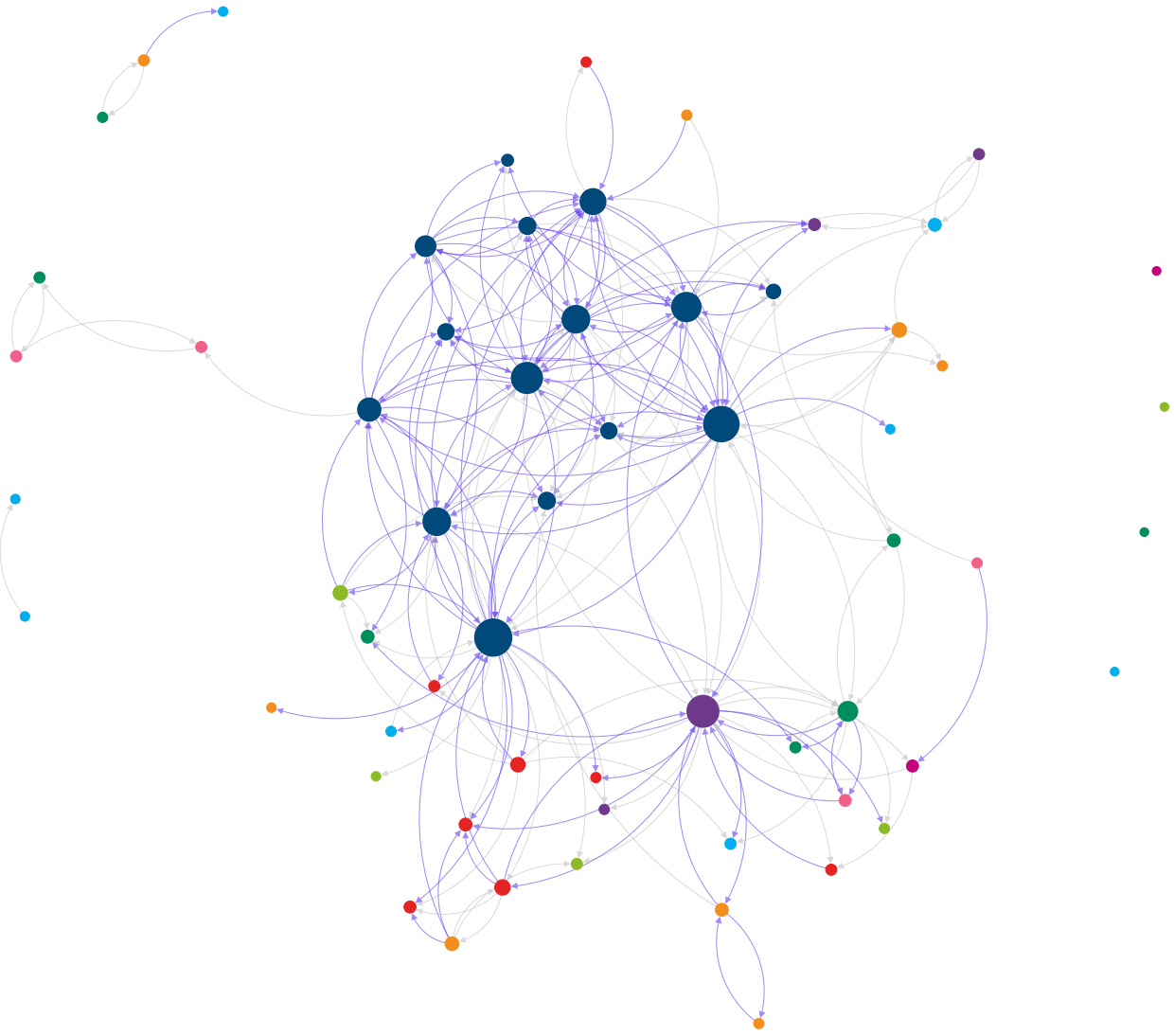
Conclusion

The Digital Equity Frontiers event highlighted the critical role digital identity can play in expanding financial inclusion and fostering economic opportunity in Latin America. Through the collaboration of public and private sectors, and by leveraging innovative technologies and insights from consumer advocates about what is needed to reach historically excluded populations, the conversation has shifted toward practical solutions to unlock the tools that are essential for every household's financial security and every country's economy.

The Digital Equity Frontiers event successfully deepened cross-country and cross-sector relationships by convening diverse ecosystem actors, fostering transformative interactions through intentional design, and shifting the network's center of gravity toward Latin American tech leaders now positioned to take action on digital identity.

Appendix: Network Maps and Diagrams

Figure 1 Pre-Event Survey: Existing Connections (By Person, Anonymized)



Nature of Connection:

- Worked Together (Past or Present)
- Met Socially or Professionally

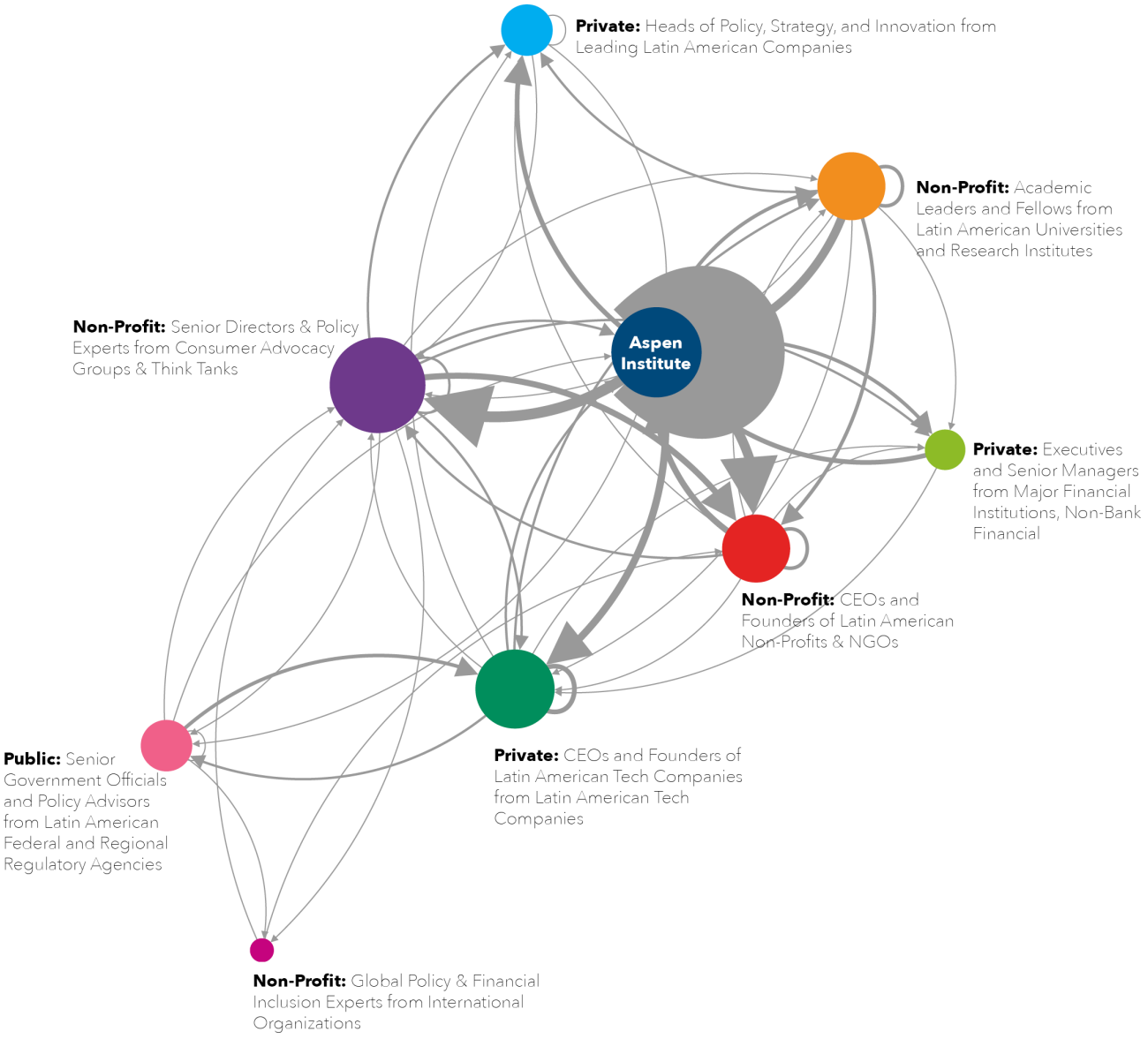
Number of Connections:

\+ -

Participant Sector:

- Non-Profit: Academic Leaders and Fellows from Latin American Universities and Research Institutes
- Non-Profit: CEOs and Founders of Latin American Non-Profits & NGOs
- Non-Profit: Global Policy & Financial Inclusion Experts from International Organizations
- Non-Profit: Senior Directors & Policy Experts from Consumer Advocacy Groups & Think Tanks
- Private: CEOs and Founders of Latin American Tech Companies from Latin American Tech Companies
- Private: Executives and Senior Managers from Major Financial Institutions, Non-Bank Financial
- Private: Heads of Policy, Strategy, and Innovation from Leading Latin American Companies
- Public: Senior Government Officials and Policy Advisors from Latin American Federal and Regional Regulatory Agencies
- Aspen Institute

Figure 2 Pre-Event Survey: Existing Connections (by Sector)



Number of Connections:

\+ -

Connections between Sectors:

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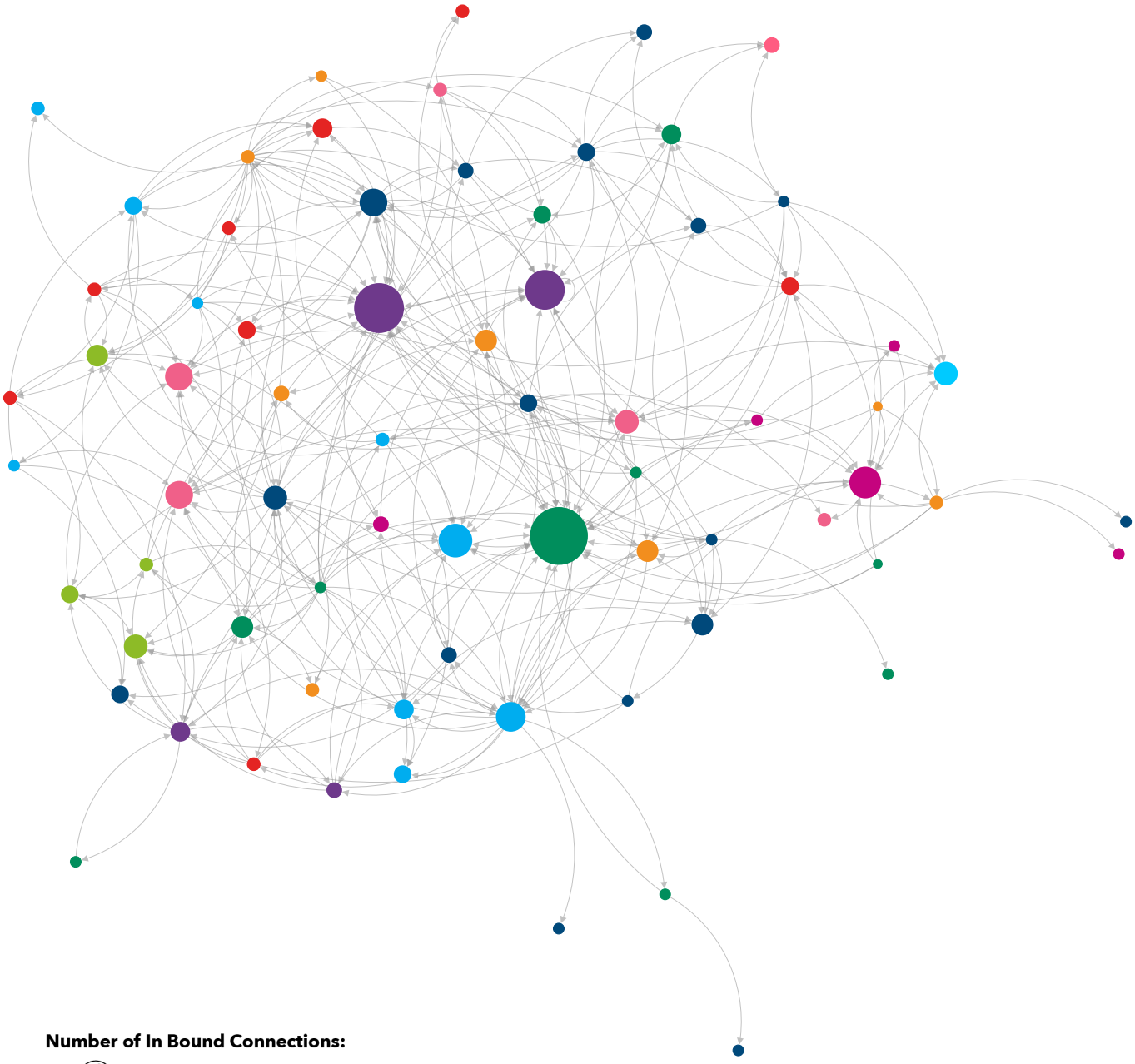
Figure 3 Post-Event Survey: Who Shifted My Perspective? (By Person, Anonymized)



Number of In Bound Connections:

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Participant Sector:

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- Non-Profit: CEOs and Founders of Latin American Non-Profits & NGOs
- Non-Profit: Global Policy & Financial Inclusion Experts from International Organizations
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- Private: CEOs and Founders of Latin American Tech Companies from Latin American Tech Companies
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Figure 4 Post-Event Survey: Who Shifted My Perspective? (by Sector)

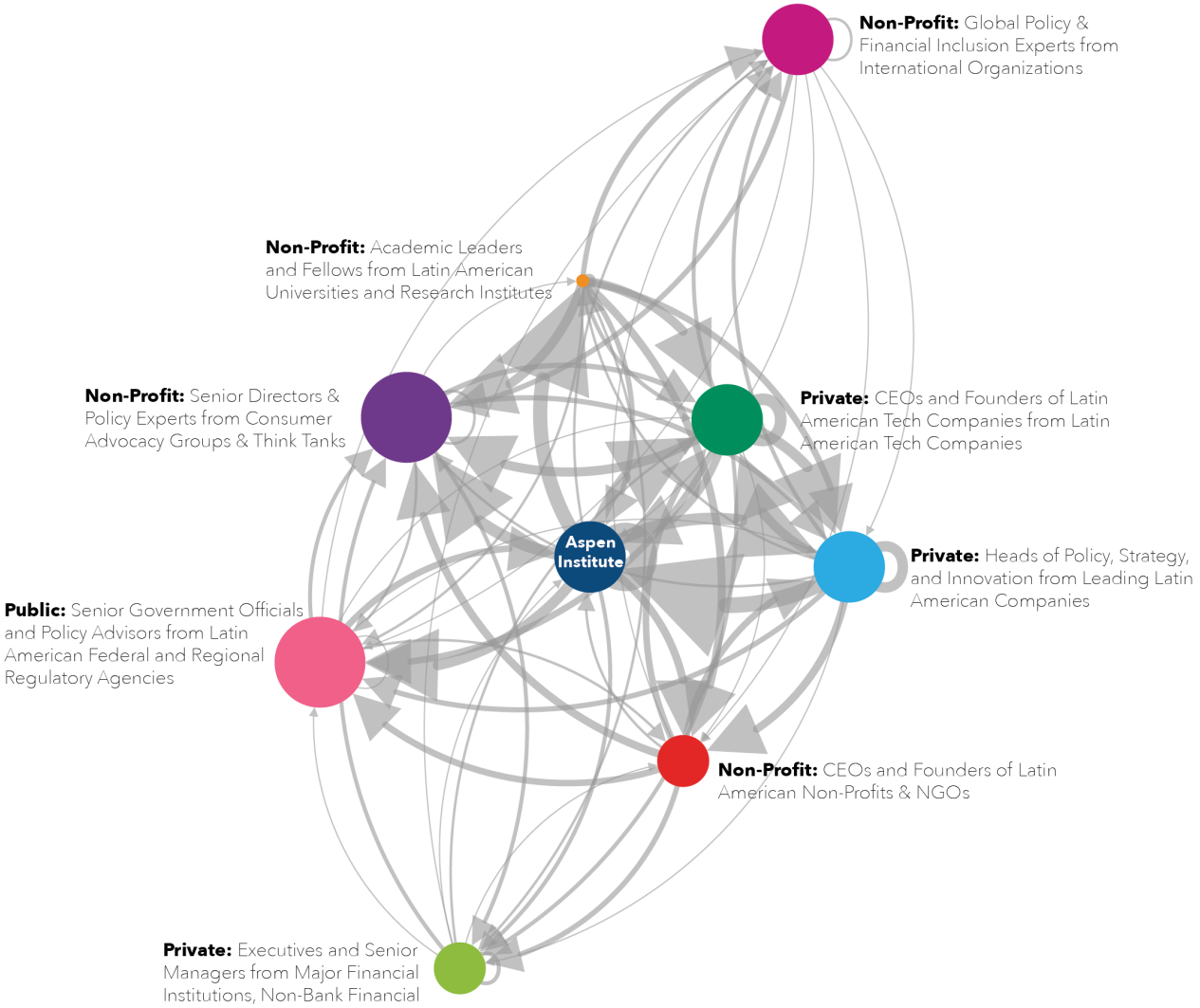
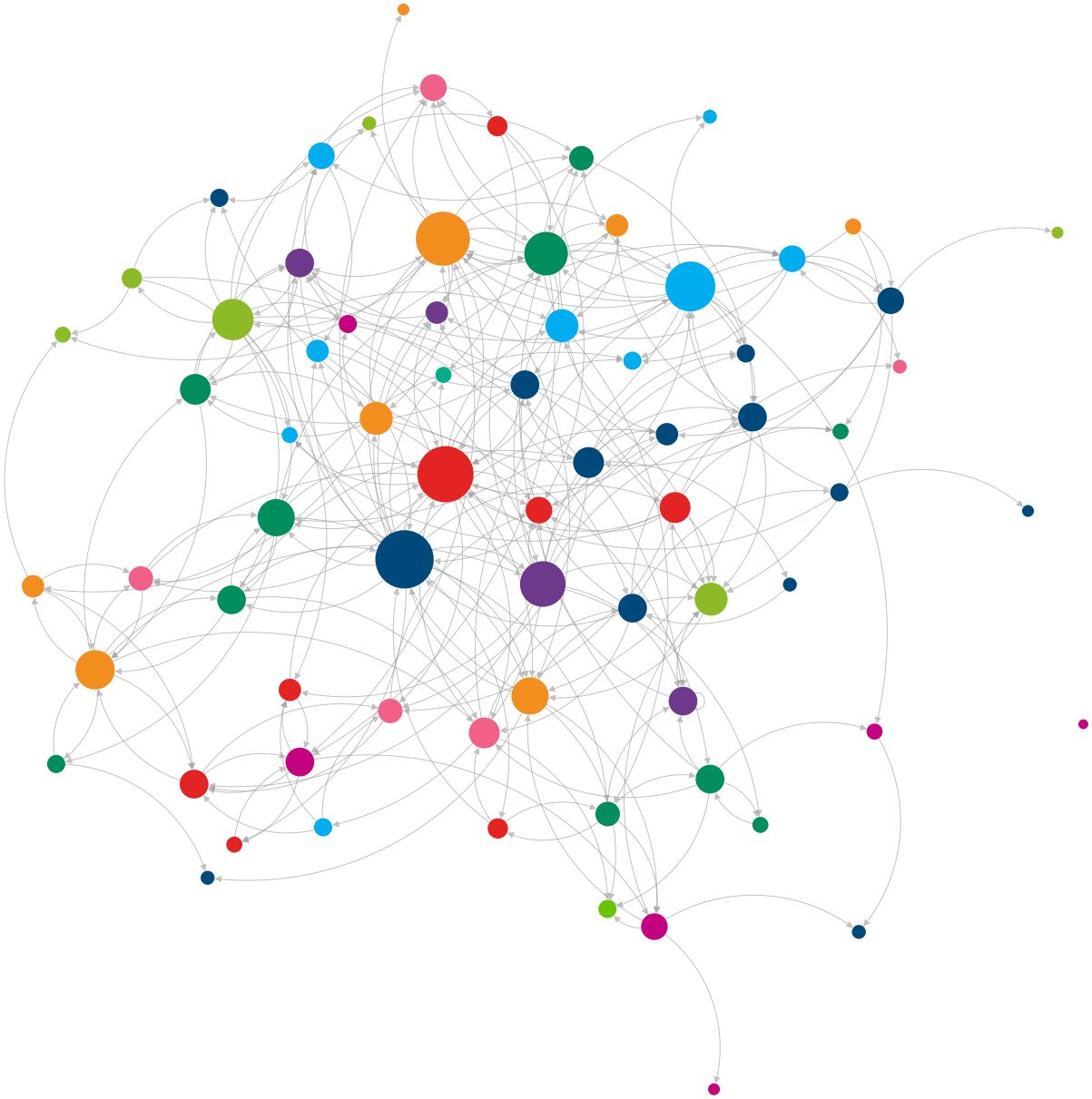


Figure 5 Post-Event Survey: With Whom Do I Plan to Stay In Touch? (By Person, Anonymized)



Number of Connections:

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Participant Sector:

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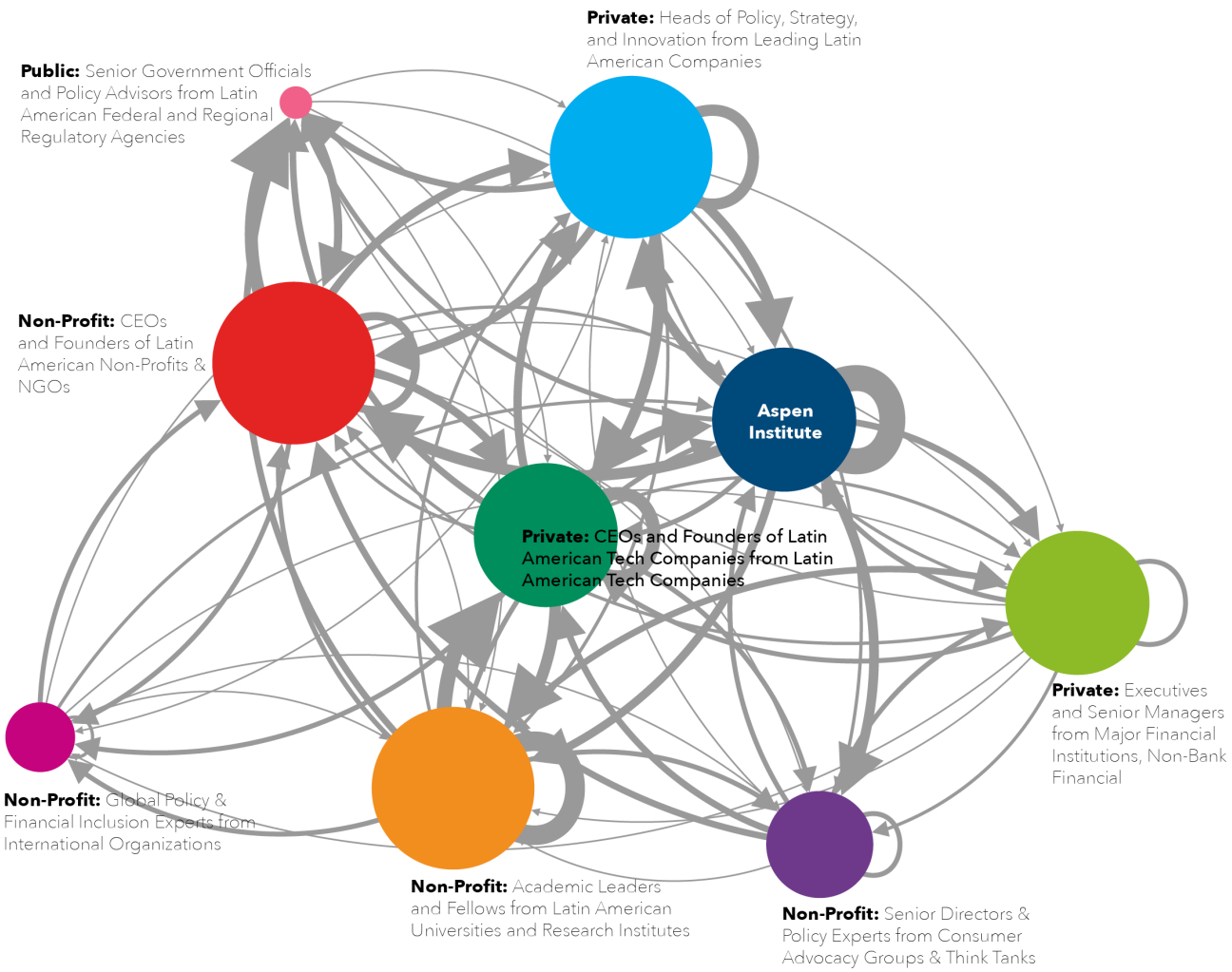
Figure 6 Post-Event Survey: With Whom Do I Plan to Stay In Touch? (by Sector)



Endnotes

1 Aspen Financial Security Program definition of an Inclusive Financial System. <https://www.aspeninstitute.org/programs/financial-security-program/inclusive-financial-system/

2 PNIF. <https://www.gob.mx/cms/uploads/attachment/file/618362/10_sesion_GS.pdf> and <https://pnif.cnbv.gob.mx/p/pnif>

3 World Bank, Expanding Financial Access for Mexico's Poor and Supporting Economic Sustainability. <https://www.worldbank.org/en/results/2021/04/09/expanding-financial-access-for-mexico-s-poor-and-supporting-economic-sustainability>

4 CIIGEF. <www.cnbv.gob.mx>

5 Mexico Launches Digital Transformation, Telecommunications Agency. <https://mexicobusiness.news/tech/news/mexico-launches-digital-transformation-telecommunications-agency>

6 Identification for Development (ID4D) at the World Bank. <https://id4d.worldbank.org/>

7 Digital Identity Glossary. <https://digitalgovernmenthub.org/publications/digital-identity-glossary/>

8 INEGI. <https://www.inegi.org.mx/contenidos/saladeprensa/boletines/2025/enoe/enoe2025_02.pdf>

9 McKinsey Global Institute Digital Identification Report. <https://www.mckinsey.com/~/media/mckinsey/business%20functions/mckinsey%20digital/our%20insights/digital%20identification%20a%20key%20to%20inclusive%20growth/mgi-digital-identification-report.pdf>

10 Zero-Knowledge Proofs are a technology in online security that enables the verification of information without revealing the information itself (e.g., a green check mark on a trustworthy app that verifies a person is 21+).

11 M-Pesa (which means M-Money, short for Mobile-Money, in Swahili) revolutionized financial inclusion in Kenya by leapfrogging traditional banking infrastructure, enabling millions to access secure, low-cost mobile money services for the first time.

12 The Digital ID layer within the India Stack is known as Aadhaar which means "foundation or base" in Hindi. <https://indiastack.org/> . See also Financial Times <https://www.ft.com/content/cf75a136-c6c7-49d0-8c1c-89e046b8a170>