

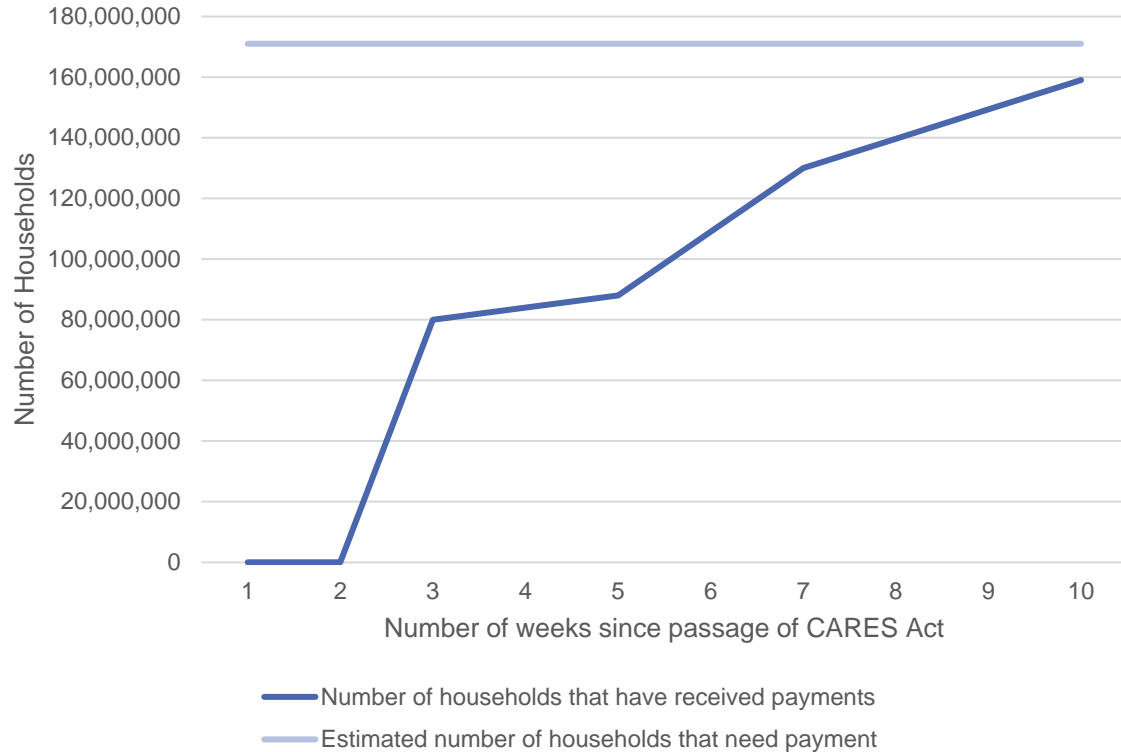
Financial Inclusion: A Case Study of the Covid Stimulus Payments

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Total stimulus payments recieved in weeks following the CARES Act



Solution Requires 3 Steps:

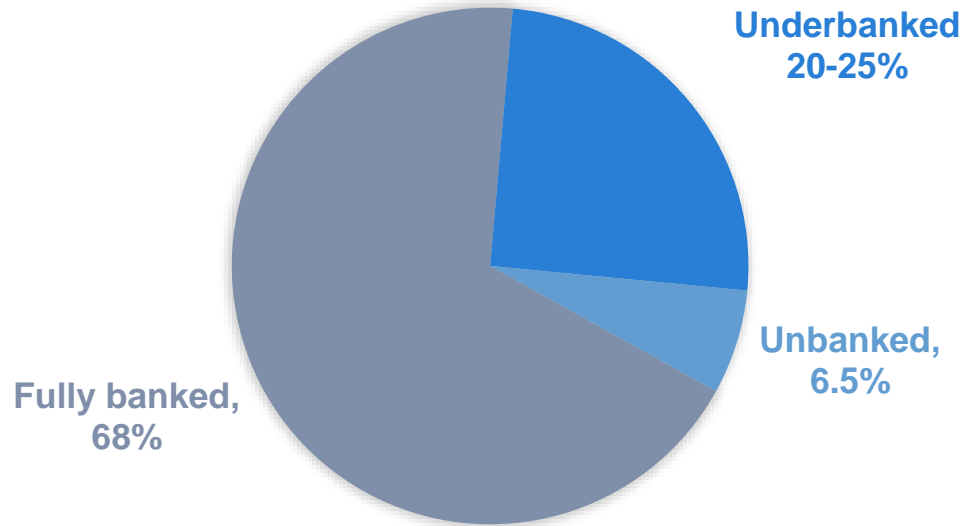
1) **Accounts** – Everyone needs an account to receive the money.

2) **Information** -- The federal government needs information to match people and accounts

3) **Infrastructure** -- The payment system's infrastructure must be able to immediately send funds from the government to people.

1. Accounts

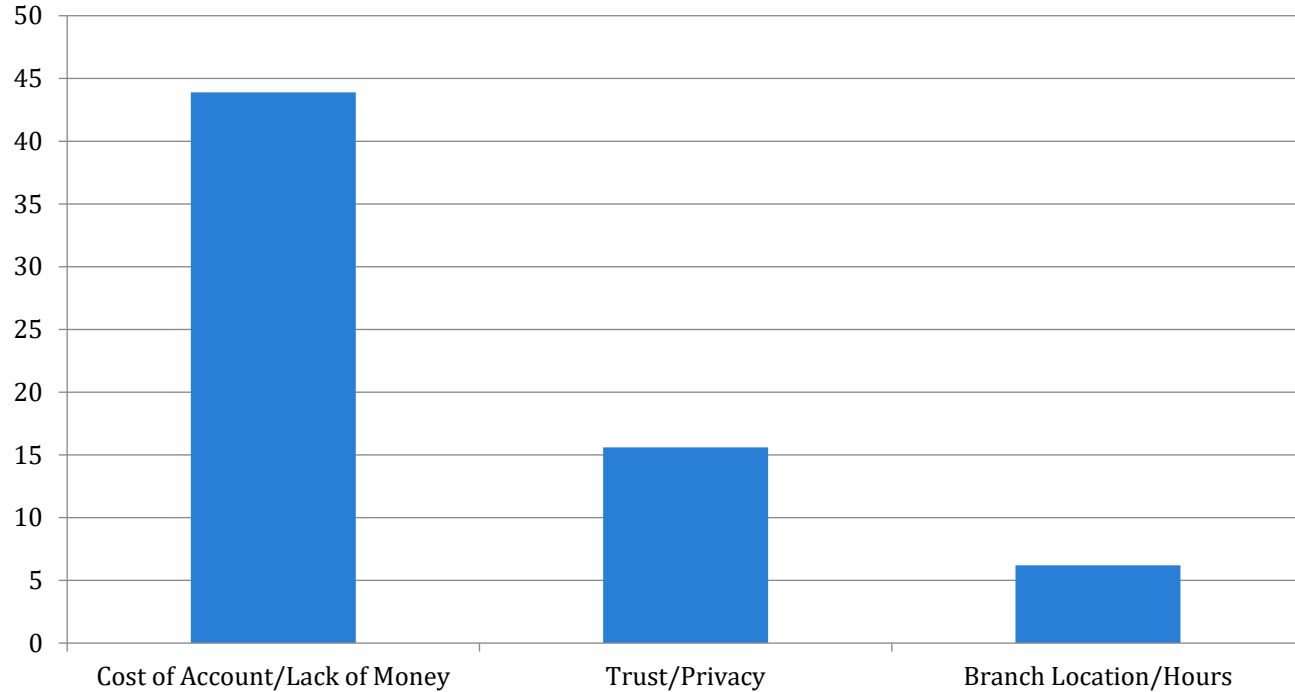
BANKING STATUS OF AMERICAN HOUSEHOLDS



Source: 2017 FDIC National Survey of Unbanked and Underbanked Households, Federal Deposit Insurance Corporation

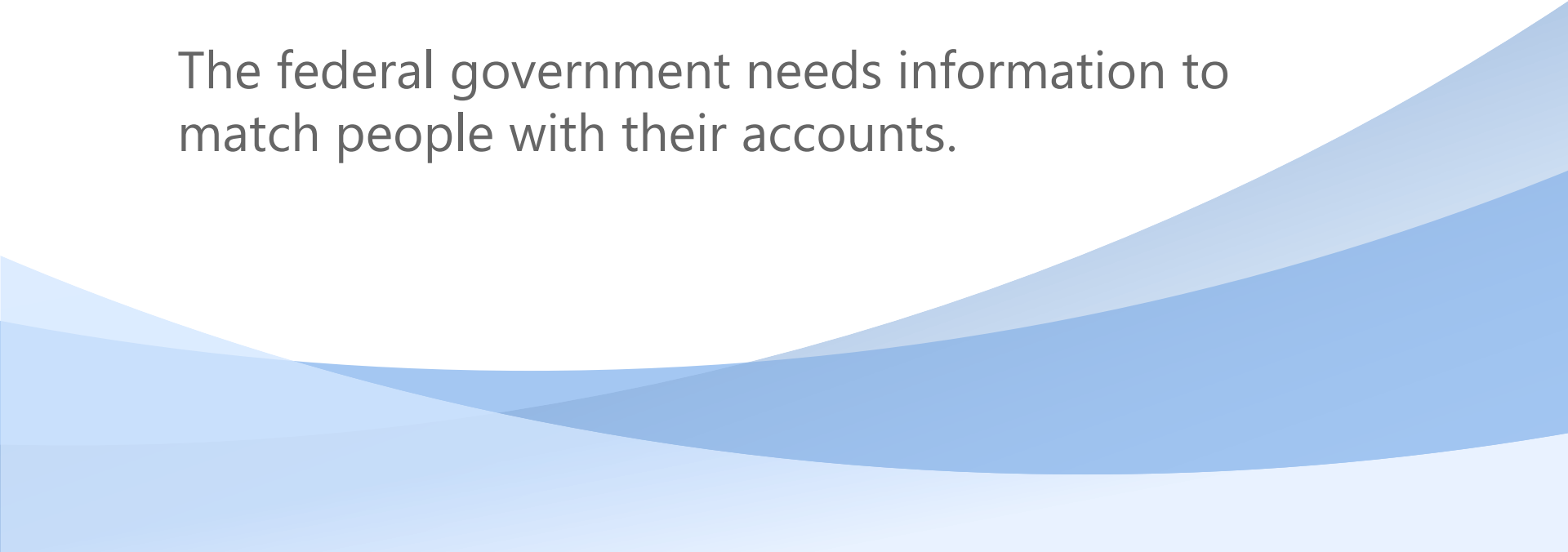
1. Accounts

Cost, not Access, drives Unbanked: Why Unbanked?



2. Information

The federal government needs information to match people with their accounts.

A decorative graphic at the bottom of the slide consisting of several overlapping, wavy, light blue shapes that create a sense of movement and depth.

2. Information



Less than half of Americans were able to get 'direct deposit' 2-3 weeks after law passed. 25 million had '*shell*' bank account information on file from tax preparers.



70 million+ Americans had to wait to have their stimulus payments mailed as paper checks, pre-paid debit cards, or eventually deposited.



9 million Americans *still* haven't received their payments 6 months later!

3. Infrastructure

The payment system infrastructure must be able to rapidly transmit funds from the government to the people.



Why Are We Waiting?

Real-time Payments simple solution:

- 'Direct deposit' still takes days. Technology can solve this: Clearinghouse RTP system, Square payroll announcement.
- Treasury's decision to use the Fed's slow ACH system shows limits to non-government solutions.
- FedNow real-time payment system *scheduled* to come on line in 2024.

3. Infrastructure

The Adoption of Real-Time Payments Continues Apace Globally

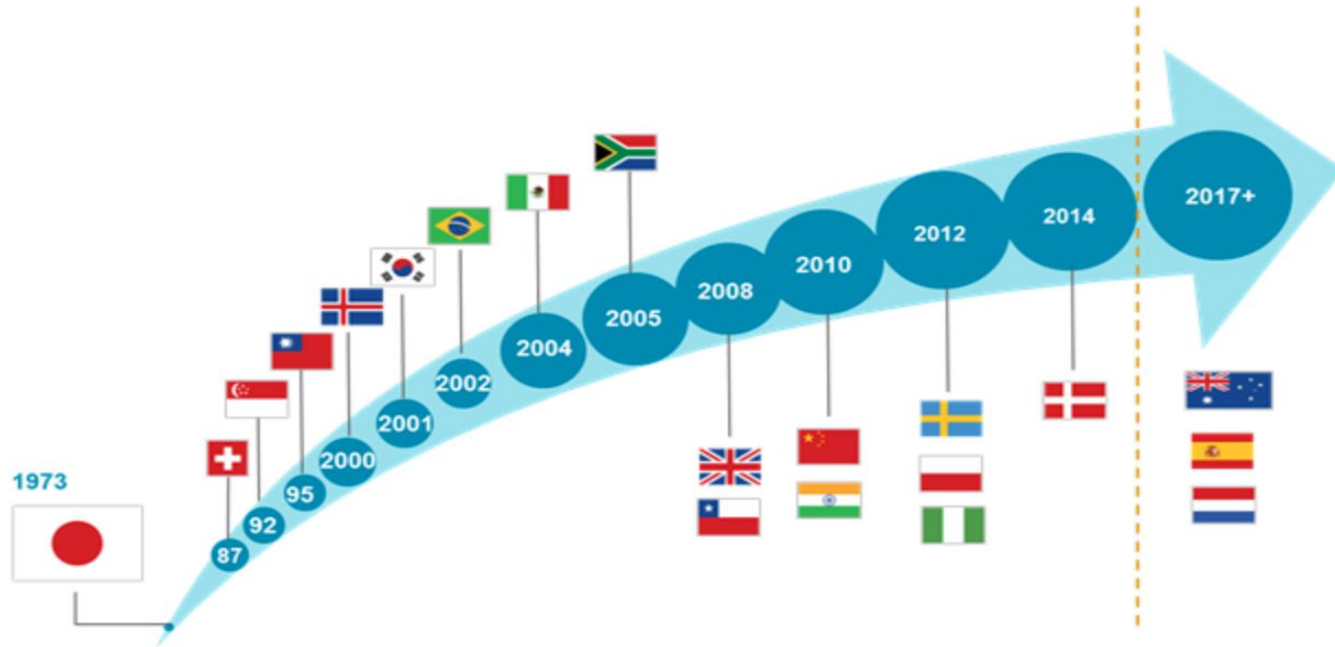


Image sourced from Celent, <https://www.celent.com/insights/934259672>