

# press release

## Standard Chartered study reveals social mobility is booming in the UAE

- ***Emerging affluent consumers enjoying impressive earnings growth, and higher levels of education, employment and home ownership than their parents***
- ***Levels of optimism among the emerging affluent in the UAE are high, with 73% believing they are in a better financial position than their parents***
- ***The top source of income for three-quarters of households globally is their Employee salary (75%). This rises to 82% in the UAE***
- ***Nearly two-thirds (64%) of the emerging affluent in the UAE say their familiarity with digital tools has been vital to their personal success***
- ***Almost half of respondents in the UAE (46%) say they will trust an online only bank***
- ***Children's education (35% Total, 39% UAE), buying a first home (25%) and buying an investment property (25% Total, 22% UAE) are the top three financial goals that respondents have already achieved***

**12 November 2018, [Dubai]** – More than half (57%) of emerging affluent consumers in the UAE are experiencing upward social mobility, a new Standard Chartered study shows. Of these, 7% are enjoying ‘supercharged’\* social mobility, not just relative to the previous generation, but compared to the rest of the socially mobile.

The Emerging Affluent Study 2018 – Climbing the Prosperity Ladder – examines the views of 11,000 emerging affluent consumers – individuals who are earning enough to save and invest – from 11 markets across Asia, Africa and the Middle East. The average figure for social mobility among the emerging affluent across the markets in the study is 59%, and of these 7% are experiencing supercharged social mobility.

The UAE’s socially mobile, as identified by the study, have had impressive earnings growth, with more than two in five (42%) enjoying a salary increase of 10% or more in the past year, and more than a quarter (27%) seeing their earnings jump by 50% or more in the past five years. The study also revealed that the top source of income for three-quarters of households in the UAE is their Employee salary 82%. The percentage globally is 75%. Also, Employee salary makes up two-fifths (41% total, rising to 46% in the UAE) of the proportion of respondents’ sources of income followed by Business income (20% Total, 17% UAE). For those who have an investment portfolio as a source of income, the average annual ROI is 16% (18% in the UAE).

In the UAE, the socially mobile in the study are also better educated and achieving higher levels of employment and home ownership than their parents. 85% went to university, compared to 63% of their

fathers and 54% of their mothers; and 77% are in management positions or running their own businesses compared to 61% of their fathers and 31% of their mothers. 91% of the socially mobile own their own home, compared to 75% of their parents at the same age.

Levels of optimism among the emerging affluent in the UAE are even higher than the reality, with 73% believing they are in a better financial position than their parents compared to the 57% in the study that are actually socially mobile.

### Social status of the emerging affluent

	Average	China	Hong Kong	India	Indonesia	Kenya	Malaysia	Nigeria	Pakistan	Singapore	South Korea	UAE
<b>'Super charged' Socially Mobile*</b>	7%	7%	6%	11%	4%	7%	6%	6%	11%	4%	4%	7%
<b>Socially Mobile*</b>	52%	60%	53%	56%	50%	54%	49%	50%	53%	51%	45%	50%
<b>Not Socially Mobile</b>	42%	33%	41%	33%	46%	39%	45%	44%	37%	46%	51%	43%

\*mobile in an upward direction

The study also reveals that two-thirds (66%) of the emerging affluent in the UAE believe effective wealth management holds the key to greater social mobility. Investing in financial products is helping them to keep moving up the ladder, with 55% of the emerging affluent saying that this is their strategy for meeting their financial goals and increasing their wealth.

When it comes to prioritising those financial goals, Children's education (35% Total, 39% UAE), buying a first home (25%) and buying an investment property (25% Total, 22% UAE) were the top three financial goals that respondents have already achieved.

For financial goals that respondents aim to achieve, the top two include their children's education (43%) and buying an investment property (22% Total, 18% UAE).

For those who have not invested more or do not have an investment strategy, over a third (37% total, 42% UAE) know about investment products but are unsure of which to choose. 31% (36% UAE) are familiar with investment products but do not have the time to read market news and monitor their investments and a quarter (26%) are not familiar with investment products at all, dropping to 19% in the UAE.

**Shehzad Hameed, Head of Retail Banking, Standard Chartered UAE, said:** “These ambitious consumers in the UAE are on an upward social trajectory: they are outstripping their parents’ success in education, careers and home ownership. As their ambitions and aspirations grow, they’re demanding convenient financial services and digital technology to broaden their access to money management and advance their financial wellbeing. It’s an exciting journey where they are not only improving their own lives, but they are also fuelling growth in one of the world’s most exciting markets, the UAE.”

**Amer Khan, Head of Retail Product and Segments, Standard Chartered UAE, said:** “This report goes a long way in reinforcing how the UAE has grown into a hub of career opportunity for professionals from across the globe with solid earnings potential. For 82% of the respondents in the UAE, the top source of income is their Employee salary compared to 75% Globally. In terms of earnings, nearly three-quarters (72%) of respondents in the UAE have seen their earnings increase in the past year. For respondents who have seen an increase in their earnings, 25% are very satisfied with the level of increase compared to 19% globally.”

***Other findings from the study, include:***

#### **Digital dividends: technology holds the key to financial success**

Nearly two-thirds (64%) of the emerging affluent in the UAE say their familiarity with digital tools has been vital to their personal success. The same number (64%) say online banking makes them feel that they have more control over their money and investments, and 63% say digital money management has helped them get closer to achieving their financial goals.

In addition, two-fifths of the respondents (39%) say they will trust an online only bank, in the UAE the percentage is 46%, making it one of the highest among the emerging affluent across the markets in the study.

#### **On-demand advisers alleviate risk aversion**

The UAE’s emerging affluent are comfortable going online for financial advice, with more than half (52%) saying they would invest in financial products online if an on-demand adviser was available. Risk is not a problem for the emerging affluent if strong rewards are possible: 52% would accept a high level of risk for a high level of return when investing their money in online financial products.

#### **Perceptions of Wealth and Aspirations**

53% of respondents define their financial success as, ‘increasing their personal wealth overtime’. For 38%, financial success is owning a house whilst for 31%, it is rapid career progress. When it comes to the criteria of characterising themselves; 18% of respondents define themselves as ‘very affluent’; the percentage rose to (28% in UAE) whilst a higher 42% (39% in UAE) define themselves as ‘affluent’.

Looking at the current financial position of respondents compared to their parents at the same stage of their life, over a quarter (27% total, 31% in UAE) feel they are ‘much’ better off and 43% feel they are better off.

[View the report here](#)

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## Note to Editors

- \*For the purposes of this study, 'supercharged' is defined as individuals who are demonstrating extreme positive mobility by advancing their position further and faster than the rest of the socially mobile, resulting in a very significant gap between their parents' situation and their own, and a strong increase in earnings
- The survey markets: China, Hong Kong, India, Indonesia, Kenya, Malaysia, Nigeria, Pakistan, Singapore, South Korea, the UAE
- In charts, due to the rounding of decimal places, displayed figures may not always add up to 100%

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