

press release

COVID-19 marks financial coming of age for UAE's cash-strapped Millennials

Hardest hit by the crisis financially, Millennials in the UAE are tightening their grip on their finances and preparing for the future

- 78 per cent of Millennials in the UAE are finding it more challenging to manage their money day-to-day with more than one-third (34 per cent) reporting an increase in borrowing over the past month
- Despite these challenges, 42 per cent of Millennials in the UAE have become more confident they can reach their financial goals, partly due to their uptake of digital money management tools
- One-quarter of people in the UAE have started using new money management tools, such as budgeting apps, during the pandemic to help them stay on top of their finances

Dubai, 26 November 2020 – COVID-19 has had a massive impact on the spending and savings of people across generations, but no group more so than Millennials, (those aged 25 to 44), according to Standard Chartered's latest global survey. Globally, Millennials are the most likely to be struggling to meet day-to-day expenses (41 per cent) and report higher levels of borrowing in the last month (35 per cent). Yet, faced with these challenges, the pandemic has galvanised this generation to better prepare for their financial future, encouraging Millennials to make changes to how they manage their money.

The study of 12,000 adults across 12 markets – Hong Kong, India, Indonesia, Kenya, Mainland China, Malaysia, Pakistan, Singapore, Taiwan, UAE, the UK and the US – is the third in a three-part series, looking at how COVID-19 has transformed consumers' way of life, and what changes could be here to stay. While the first survey focused on the pandemic's impact on [earnings](#), and the second looked at changing [spending](#) habits, the final survey provides new insights into how the global health crisis has altered the way people are managing their money day-to-day, in pursuit of their long-term goals.

In the UAE, three-quarters of people (74 per cent compared to 64 per cent globally) have found managing their money more difficult since the start of the COVID-19 outbreak. Millennials have found it harder than older generations with 78 per cent finding managing their money more difficult compared to 61 per cent of those over 45.

Millennials in the UAE are 123 per cent more likely than those over 45 to feel they don't have control of their bank balance, and 25 per cent more likely to have found meeting day-to-day expenditures, such as household bills, highly challenging. Meanwhile, 34 per cent of Millennials in the UAE report that their borrowing has increased in the last month, versus 22 per cent of those aged over 45.

Despite these significant challenges, many Millennials remain in active pursuit of their long-term financial goals. In the UAE, 31 per cent of them are saving for a major purchase such as a new car or home, compared to only 25 per cent of those over 45.

Sonny Zulu, Head of Retail Banking at Standard Chartered UAE, said: "Keeping finances healthy during this pandemic has been a recurring topic globally, and based on our survey findings, this trend is still prevalent. However, our research is also showing that the pandemic is encouraging people in the UAE to think about saving and investment solutions. In today's world, there are several tools readily available to help young people manage their finances, but we believe that COVID-19 is going to place more pressure on the wealth management sector to innovate more solutions. Digital technologies to help youth manage their money, sustainable investment options and personalised value propositions will be the new focus for the industry, and this is a transformation we expect to see develop for decades."

To meet these ambitions, Millennials in the UAE are the generation most likely to want to better track and budget their spending (47 per cent). 51 per cent want to alter their daily spending and 28 per cent have started using a new money management or budgeting app since the pandemic began, with 64 per cent of those who haven't planning to do so in the next three years.

Millennials in the UAE are 63% more likely to have started using a savings or investment app; 40 per cent more likely to have started using a money management or budgeting app; and 56% more likely to have started using an online chatbot/robo-advisor for the first time during COVID-19.

Of those who have used new ways to manage their money since the start of COVID-19, the majority of people have had a positive experience. But while uptake of these digital tools has been fastest among Millennials in the UAE, those over 45 are even more likely to have enjoyed using them.

This embrace of new technology to help manage money amid the current economic turmoil may be why people in the UAE are now more confident that they can achieve their long-term financial goals. Almost half (44 per cent) are more confident than they were before the pandemic started.

In contrast to the global average, where less people over the age of 45 feel confident in reaching their financial goals, those aged over 45 in the UAE are 24 per cent more likely than Millennials to feel more confident in achieving their financial goals since the COVID-19 outbreak began.

Meanwhile, across all the generations, the pandemic has made people more careful with their saving and spending and less likely to splurge. When asked what they would do, if given the equivalent of £1,000 by their Government with no strings attached, respondents were least likely to spend the money on a holiday, either foreign or within their country. In the UAE, almost half of respondents (45 per cent) would use the money to pay off debt or cover day-to-day expenses, and only 15 per cent would choose to spend it on a holiday.

Notes for editors:

Methodology

A 10-minute online survey of 12,000, 18+, nationally representative respondents across 12 markets - Hong Kong, India, Indonesia, Kenya, Mainland China, Malaysia, Pakistan, Singapore, Taiwan, UAE, the UK and the US - was conducted between Friday, 25th September and Thursday 1st October 2020. Results are weighted on the latest national census in each market by age, gender and macro-region and should be considered representative of the online population.

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