

press release

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

- One-third of Millennials in Indonesia have reported an increase in borrowing in the past month, more than any other generation
- Despite 65 per cent of Indonesian Millennials finding it more difficult to manage their money day-to-day, 45 per cent are more confident they can reach their financial goals, in part due to their rapid uptake of digital money management tools

Jakarta, 23 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. Around the world, Millennials are the most likely to be struggling to meet day-to-day expenses (41 per cent) and report higher levels of borrowing (35 per cent) in the last month than any other generation. Yet, faced with these challenges, the pandemic has galvanised Millennials to better prepare for their financial future, encouraging them 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.

Two-thirds of people in Indonesia (64 per cent globally) have found managing their money more difficult since the start of the COVID-19 outbreak, with Millennials finding it harder than older generations. Millennials in Indonesia have also been more disappointed with their returns on any savings or investments; feel less in control of their personal finances and are more likely to have decreased their level of saving over the last month when compared with those over 45.

Despite these significant challenges, Millennials are more likely than older generations to be in active pursuit of their long-term financial goals. 33 per cent of Millennials in Indonesia are currently saving for a major purchase such as a new car or home, compared to 24 per cent of those over 45, while 36 per cent are trying to save more for retirement, compared to 31 per cent of those over 45.

To meet these ambitions, Millennials in Indonesia want to be better at tracking and budgeting their spending (24 per cent); 38 per cent want to change their budget for daily spending; and 30 per cent have started using a new money management or budgeting app during COVID-19. Meanwhile, 64 per cent of millennials who haven't started using a money management or budgeting app plan to do so in the next three years.

In Indonesia, Millennials are 50 per cent more likely than those over 45 to have started a digital piggy bank; 30 per cent more likely to have started using a savings or investment app and 16 per cent more likely to have started using an online chatbot or 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. In Indonesia, 64 per cent of new users have enjoyed using these new tools (65 per cent of Millennials).

This embrace of new technology to help manage money amid the current economic turmoil may be why many Millennials remain confident they can achieve their long-term financial goals. Almost half in Indonesia (45 per cent) are more confident in achieving their financial goals than they were before the pandemic started.

In contrast, only 36 per cent of those over 45 feels more confident they'll reach their financial goals – the least confident among generations about 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, almost half (46 per cent) of Indonesians would use it for long term saving. Globally, people were least likely to spend the money on a holiday, either foreign or within their country, with only 13 per cent of Indonesians choosing those options.

Andrew Chia, CEO for Indonesia, at Standard Chartered said: “The pandemic has become an unexpected but apparent catalyst for our Retail Banking clients as they are more inclined to opt for digital channels in doing their regular banking activities. With the personal financial planning tool (SmartGoals) and the online investment feature (Online Mutual Fund/OMF) already available on Standard Chartered’s online and mobile banking app (SCmobile), clients can have handy resources at their disposal to help them be more in-control of their personal finances.”

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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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