

press release

COVID-19 marks financial coming of age for India's Millennials

Millennials in India remain confident as they tighten their grip on their finances and prepare for the future

- 78 per cent of Millennials in India still feel in control of their personal finances, the highest out of all markets surveyed
- Millennials in India are the generation most likely to be saving for a major purchase, such as a home, or trying to save more for retirement
- Despite the economic impact of the pandemic, 61 per cent of Indian Millennials are now more confident they can reach their financial goals, partly due to a recent uptake of digital money management tools such as budgeting apps

Mumbai, 10 December 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. 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). 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.

Three quarters of people in India (64 per cent globally) have found managing their money more difficult since the start of the COVID-19 outbreak, but Millennials (70 per cent globally, 76 per cent in India) have found it harder than their older counterparts. India's Millennials are 18 per cent more likely than those over 45 to have found meeting day-to-day expenditures, such as household bills, highly challenging. Furthermore, 44 per cent of Millennials reported that their borrowing has increased in the last month, versus 28 per cent of those aged over 45.

Despite these significant challenges, Millennials are the most likely generation to be in active pursuit of their long-term financial goals. In India, almost half (48 per cent) of Millennials are saving for a major purchase such as a new car or home, compared to 28 per cent of those over 45, and 39 per cent are pursuing better investments, compared to 26 per cent of those over 45.

To meet these ambitions, Millennials are the most likely generation to want to better track and budget their spending (37 per cent globally, 44 per cent in India). Eight two percent of India's Millennials want to be better at managing their finances; 47 per cent want to alter their daily spending; and 34 per cent have already started using a new money management or budgeting app since the start of the pandemic.

India's Millennials are 29 per cent more likely than those over 45 to have started a digital piggy bank; 26 per cent more likely to have started using a money management or budgeting app; and 7 per cent more likely to have started using a savings or investment app 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 (73 per cent in India). All age groups in India have enjoyed using these new tools but no generation more so than Millennials (76 per cent).

This embrace of new technology to help manage money amid the current economic turmoil may be why Millennials are more confident than any other generation that they can achieve their long-term financial goals. In India, 61 per cent of Millennials (46 per cent of Millennials globally) are more confident than they were before the pandemic started.

In contrast, 42 per cent of those over 45 in India feel more confident they'll reach their financial goals (31 per cent globally), with those over 55 the least confident 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, the most common response in India was to put the money in long term savings. Respondents were least likely to spend the money on a foreign holiday, with only 5 per cent of Indian respondents choosing this option.

Kusal Roy, Head, Retail Banking, India, Standard Chartered Bank, said, "The COVID-19 crisis has been a financial wake-up call for millennials. There is a surge in awareness of money management – saving for the long-term, being careful with spending, and pursuing better investments. It is very encouraging and positive to see many millennials in India using budgeting or savings apps and digital tools to manage their money better, which in turn, has made them more confident about attaining their financial goals despite the challenging times."

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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