Global financial wellbeing report

nudge

Disrupting money habits

Why it's time for organizations to break cycles of exclusion

Introduction

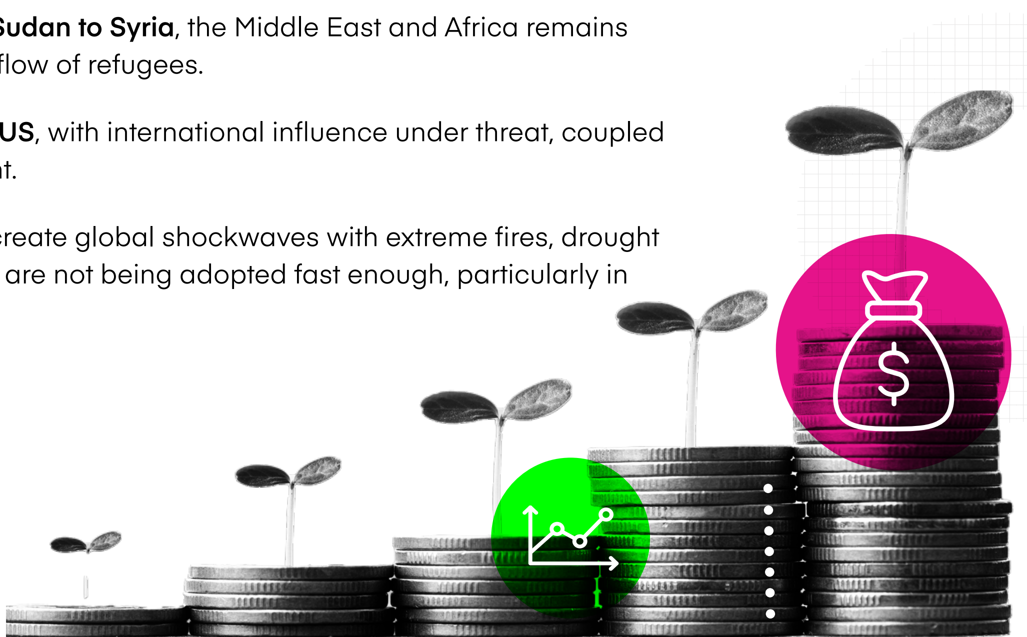
Money touches every part of our lives. Over the last 18 months, we've experienced first-hand how black swan events, geopolitical issues and macroeconomic shifts can leave us vulnerable. Interconnecting the themes within our report is an undercurrent of global factors that are influencing people's responses.

Disrupt damaging money habits

The world's first global financial wellbeing research, breaks down the disparate financial needs, habits and behaviors of over 11,500 people around the world. To uncover how employers can break cycles of financial exclusion and build truly inclusive global financial wellbeing strategies.

We see it as essential to begin our study within the context of current global affairs:

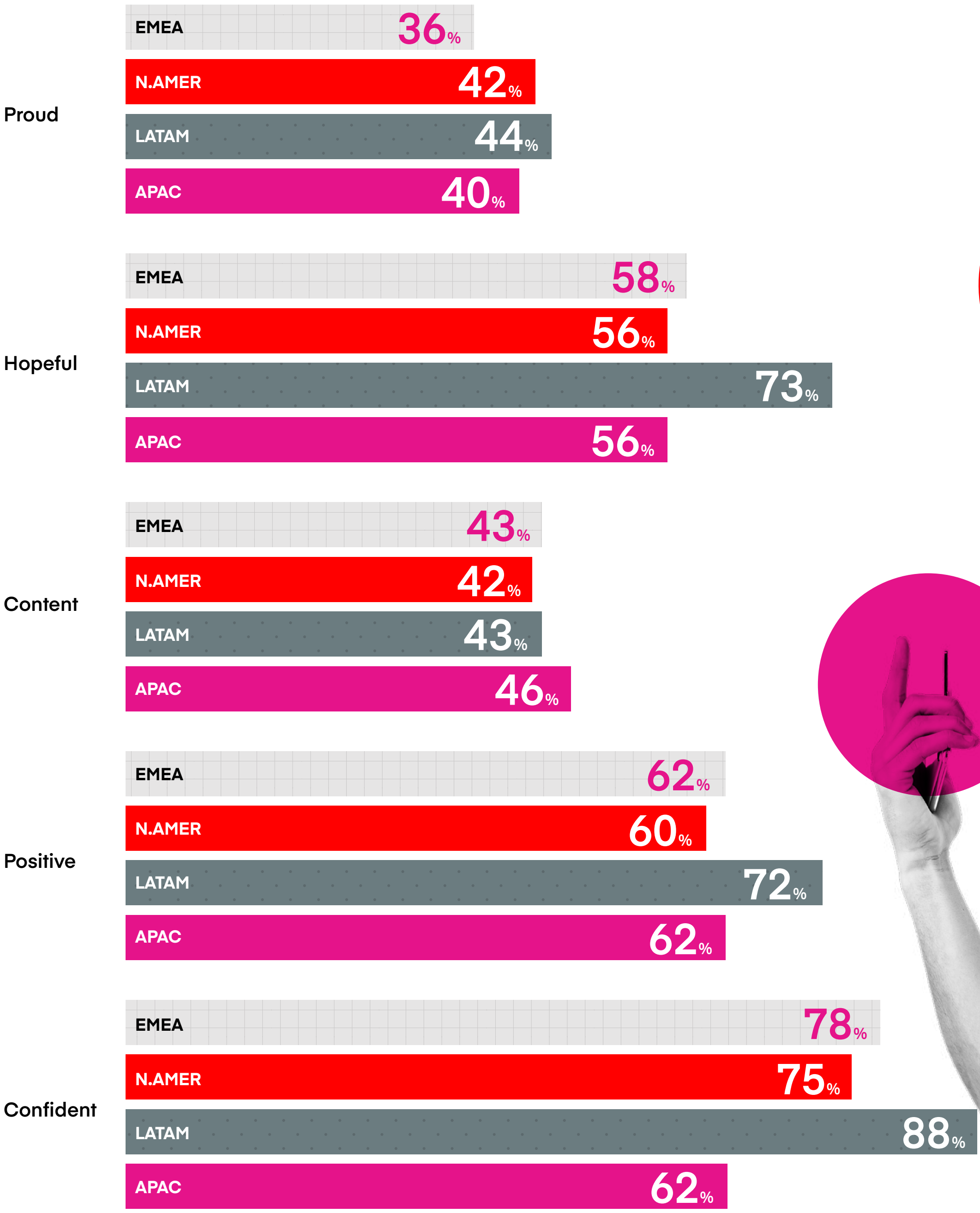
- **Covid has left governments** around the world $19.5 trillion deeper in debt. As a consequence, citizens need to take greater financial ownership of their lives, as governments will be forced to reduce social care and retirement provision.
- **The rise of the Chinese economy** is creating friction with the US and her allies. The discord will intensify over the next decade, with conflict a real possibility in areas such as Taiwan and the South China seas. A new "great game" is already gathering pace in Afghanistan, with China looking to fill a US vacuum with proposed investment as part of the road and belt strategy.
- **Culture wars** are leaving Western democracies divided. The young are pitted against the old, liberals against conservatives and "citizens of the world" against nationalists.
- **There is a drift in the EU** without clear leadership, as Angela Merkel retires and Emmanuel Macron is distracted by domestic challenges and an election in 2022.
- **From Afghanistan to Eritrea and Sudan to Syria**, the Middle East and Africa remains turbulent, which will increase the flow of refugees.
- **There is a sense of decline in the US**, with international influence under threat, coupled with a divided, insular government.
- **Climate change will continue** to create global shockwaves with extreme fires, drought and flooding. Clean technologies are not being adopted fast enough, particularly in emerging economies.

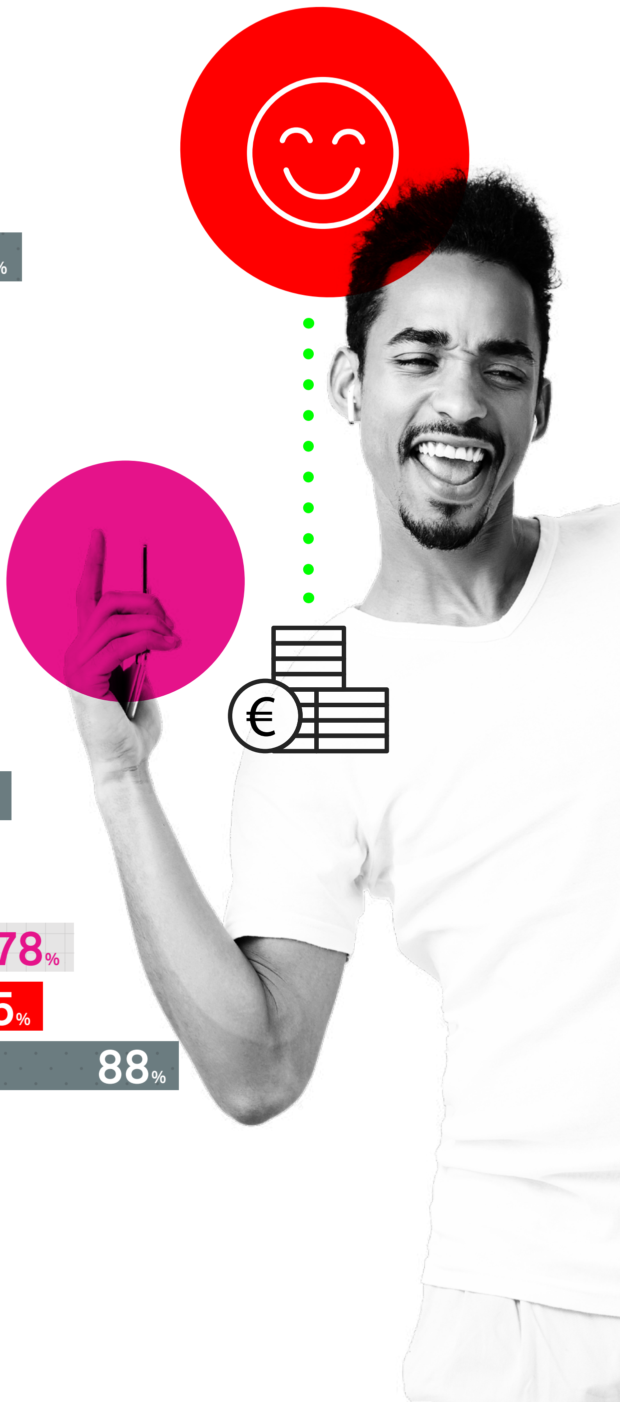


Our global reflections portray a pessimistic outlook, but when offset by data in this report, we can start to see a hopeful picture of humanity shine through.

We can see how positive the people of India are about their financial situation (87%), or how confident South Africans are about theirs (89%), or how proud Brazilians are (47%), or how prepared the Chinese are for the future (82%), or the strong sense of Irish self-worth (65%), or the caring Nigerian family values (85%) or the powerful Argentinian ambition (96%), or how Canada prioritizes activities that make them happy (56%) or the German lack of power hunger (11%) or just how supportive American employers are when it comes to financial wellbeing (55%).

Fig 1. Financial feelings: by region

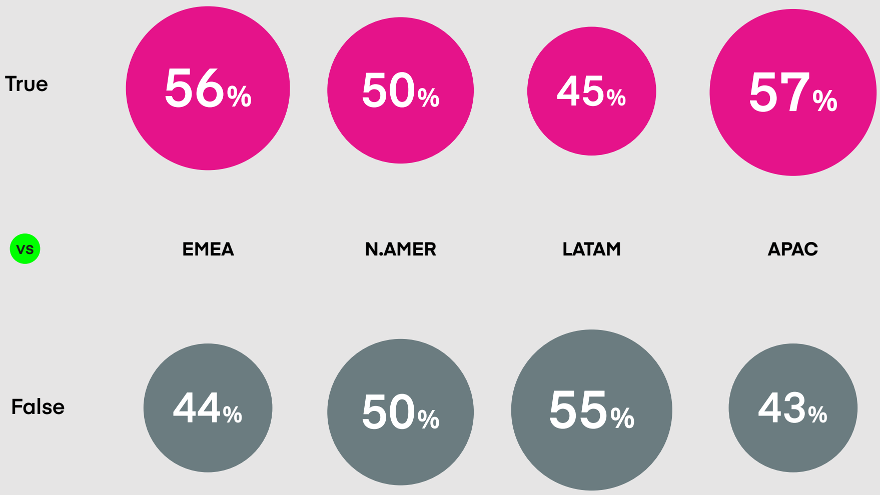




Hurdles to freedom

But within all of that joy, there are some of us who experience bigger hurdles. Half of the world feels excluded from the financial ecosystem, and 53% of people believe that access to wealth is unfair. Ignorance of financial exclusion isn't bliss. Most of us acknowledge that money makes the world go round. Yet access to financial guidance remains restricted for many.

Fig 2. Access to wealth is unfair: by region



Within each country we surveyed, it's women, young to middle-aged generations and some ethnicities who are more excluded - and this needs to change. Countries like Chile (73%) said they felt excluded by the financial system, India (67%), Brazil (66%), Nigeria (64%), South Africa (63%) and Argentina (63%) are where experiences of exclusion are greater, and more so for women and people aged 34-54 years old.

When it comes to minority groups, there are communities who are more likely to have felt outside of the financial system, for example in the UK, Travellers (89%) said they felt excluded, mixed race White and Black African Caribbeans (71%), Pakistanis (70%) and Arabs (78%) have experienced significantly more exclusion than White British (37%). It's a similar story in the USA where Asian Americans (51%), Native Americans (50%) and Black African Americans (46%) have felt excluded.

It's time to break cycles of exclusion

What's clear is everyone should have equal access to financial skills and knowledge, to transcend their sphere of financial possibility and break cycles of exclusion. But without tailored financial education, these countries and communities will continue to be left behind by the rest of the world. Organizations need to work together to repair and rebuild our global economy and society for a stronger tomorrow.

Read on to find out how technology, family, human behaviors and motivators are the global trends dictating people's financial futures.

Entering an endless loop of misinformation

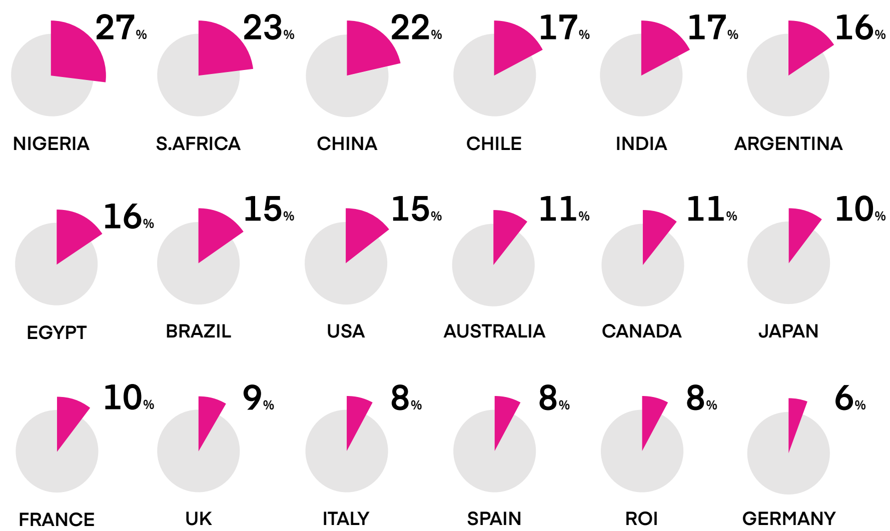
45% of people have resorted to modern methods such as YouTube to fulfil their financial education needs. Why? Put simply, there's a pronounced personal finance education gap.

Frustratingly, financial foundations should be built in school, but globally only 13% said they had formal financial education, the rest are left to figure out their own financial paths.

Financial literacy loophole

By region, people in LATAM are most likely to experience financial education in school (16%). When we look country by country, Nigeria is leading the way (27%) had financial education in school, whereas Germany is lagging (6%) [Fig.3].

Fig 3. Financial education in school: by country



If we look at high income households versus low, there is certainly a connection between receiving financial education in school and higher incomes. 21% of higher income households experienced financial education in school, compared to only 14% of low income households. Except in LATAM where medium income households are most likely to have had access to financial education in school (29%).

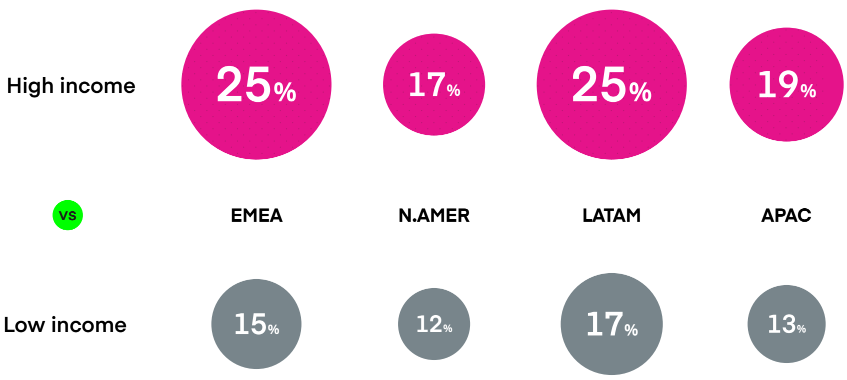
45%

of people worldwide have turned to technology to fulfill their financial education needs.

People are taking risks with their money, all without the financial skills and knowledge to make informed decisions.

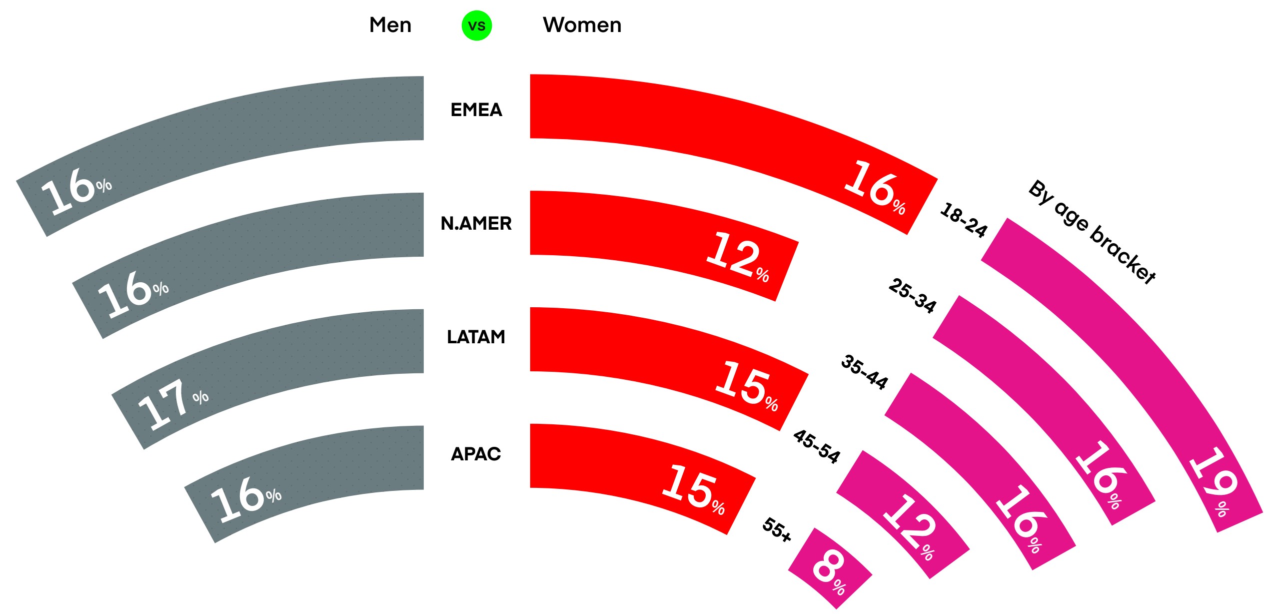
Traditional financial education isn't satisfying people's needs, across the globe people are turning to unregulated social platforms.

Fig 4. Financial education in school: by income and region



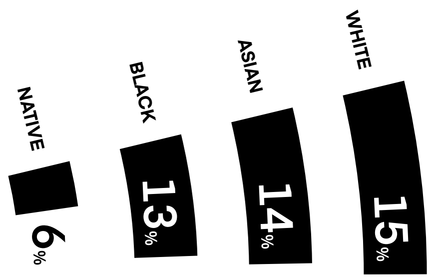
There has been a positive global breakthrough, as more financial education is now being taught in schools, Gen Zs (18-24 year olds), received financial education (19%) versus 55+ (8%) [Fig.5]. Yet, there's still a negative gender imbalance globally, men (avg.16%) are more likely to have received financial education in school than women (avg.14%), the biggest difference is in North America, 16% men versus 12% women.

Fig 5. Financial education in school: by gender, age and region



In America there is a distinct inequality in financial education in school and ethnicity: with 15% of White Americans receiving financial education in school – compared to 14% Asian Americans, 13% Black Americans, 6% Native Americans [Fig 6]. Could this also be a contributing factor to the inequality that we see in pay and pension gaps? Does exclusion short-circuit back to a lack of formal financial education in school?

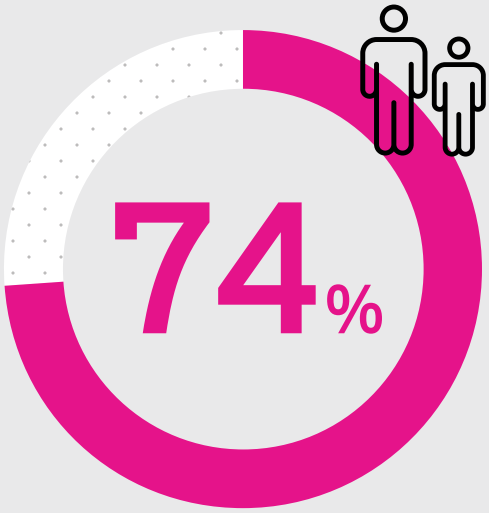
Fig 6. Financial education in school: by ethnicity in America



Stuck between systems

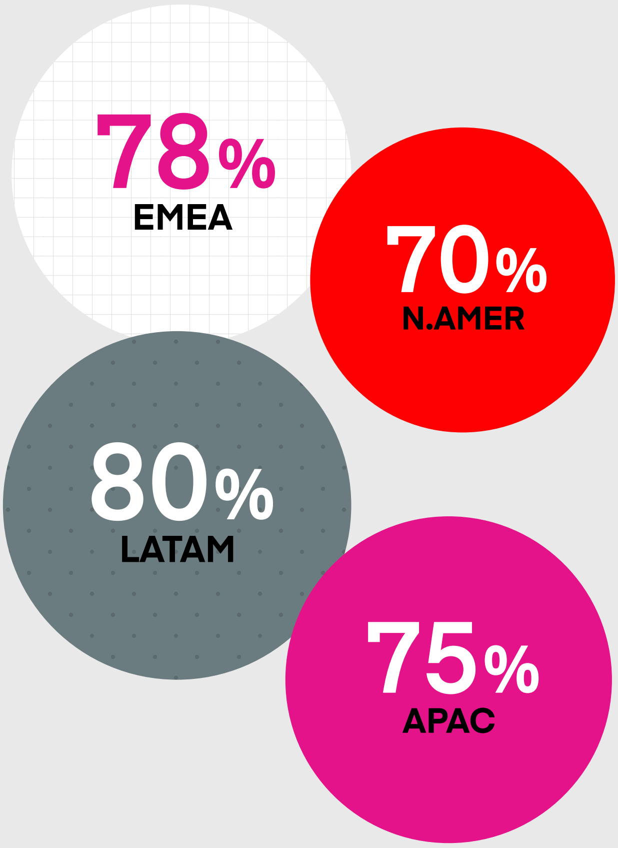
Governments across the globe are not fulfilling their education promises. Surely, it's beneficial to the financial services industry to help us navigate their cyclical systems? Sadly, it seems their support and guidance isn't quite breaking through. Instead, people are seeking straight-talking, simple yet sociable sources.

Globally, we have an unhealthy dependence on what could be regarded as unreliable advice from our parents and family. 74% of people say their parents or other family members taught them how to manage money. Let's face it, only a small minority have personal finance experts as parents. The rest of us are left with gaping financial knowledge holes to fill. And what is the outcome? People are becoming bedazzled by new, exciting and limitless channels, that offer easy and quick ways to get rich.



of people across the globe say their parents or other family members taught them how to manage money.

Fig 7. Parents or other family members taught them how to manage money: by region



Tech gods control our money habits

23% of people across the globe are entrusting their financial education and futures into the hands of YouTube. Not to mention TikTok's hold on our youth, 18% of Gen Z look to TikTok for financial advice from self-elected money 'influencers'. And we can't ignore the surge in Investing App popularity. 10% of people worldwide use Investing App resources to learn about money management.

Regionally, people in LATAM are most likely to use YouTube to learn about money management (40%) [Fig 8]. When we dig into the country data, Brazil is most hooked on YouTube for personal finance education. Brazilian men are YouTube's biggest advocates (57%). Whereas Japan and Germany don't see the merit, with only 10% upskilling on YouTube [Fig 9].

23%

of people across the globe are entrusting their financial education and futures into the hands of YouTube.

Fig 8. Users of YouTube for financial education: by region

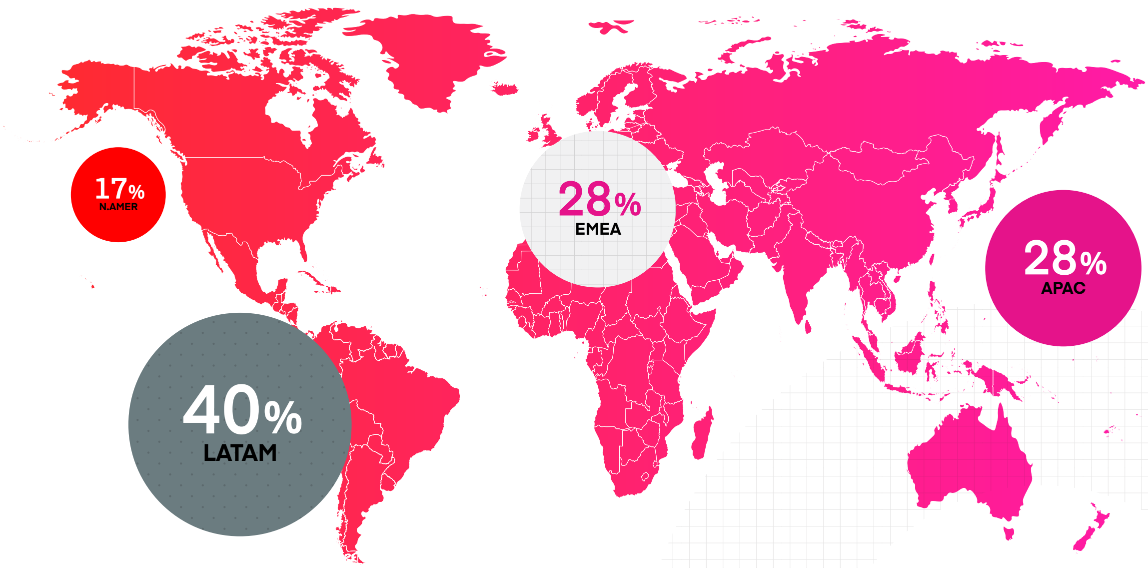
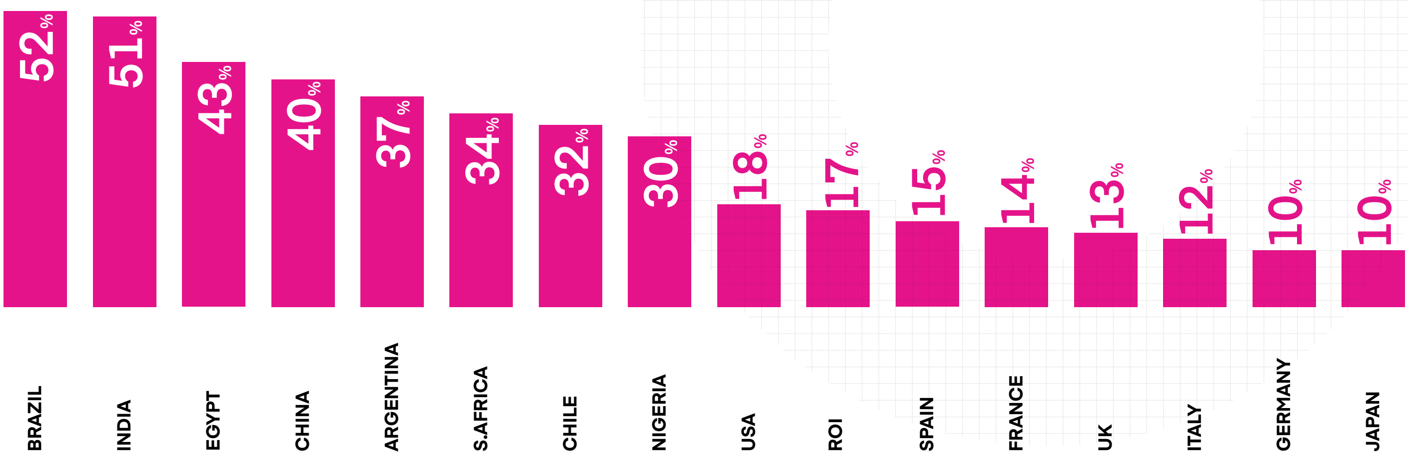


Fig 9. Users of YouTube for financial education: by country

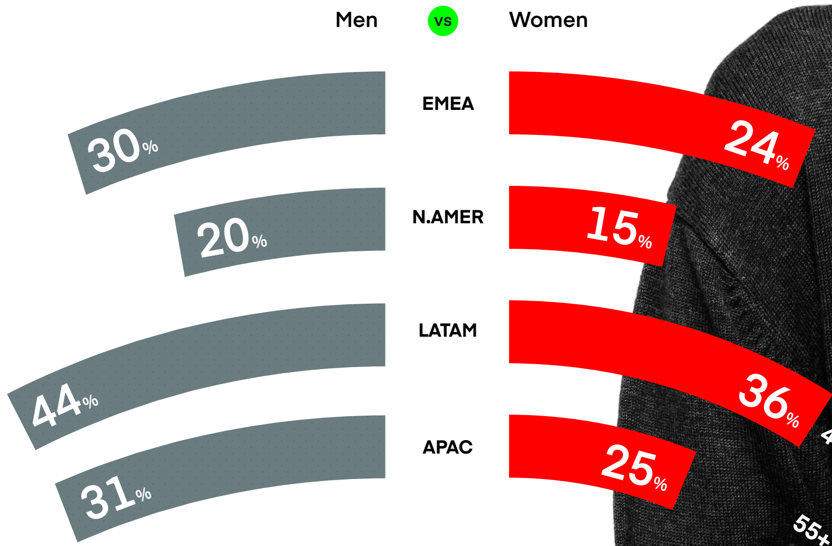


The 35-44 age group is, on average, the global generation who is using YouTube most often for financial education. When it comes to the gender split, men (31%) are more likely to use YouTube than women (25%) [Fig 10].

Streaming social media

It's good to see so many of us hungry for knowledge, but who can we trust on these unregulated, unsolicited, uncontrolled social platforms like YouTube and TikTok? You don't have to look too far for a negative sequence of events. Like when Reddit users were urged to invest in GameStop[1] shares. And when the value of their shares crashed, who picked up the bill? Mostly young people. And how did it start? Social media.

Fig 10. Users of YouTube for financial education: by gender and region



1. CNN Business: https://edition.cnn.com/2021/01/27/investing/gamestop-reddit-stock/index.html

According to a report from Misinformation Review[2], people who get their news from social media are more likely to believe falsehoods.

That's why it's scary to see 16% of people globally say social media influences their financial decisions. When we compare regions, people in APAC are most influenced by social media (27%) [Fig 11]. This is likely driven by China, where 38% of people's financial decisions are influenced by social media messaging. Whereas, on the opposite end of the scale, Italian people are more cautious with only 7% influenced by social media. And as suspected Gen Z is most swayed financially by social media (23% versus 3% of +55s) [Fig 12].

Fig 11. Influenced by social media for financial education: by region

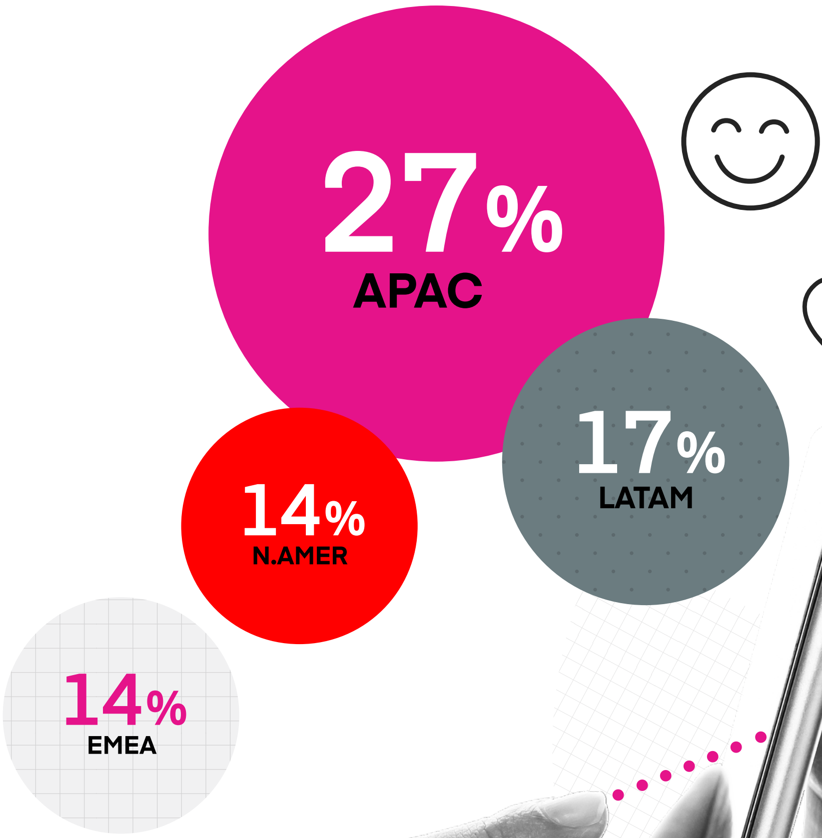
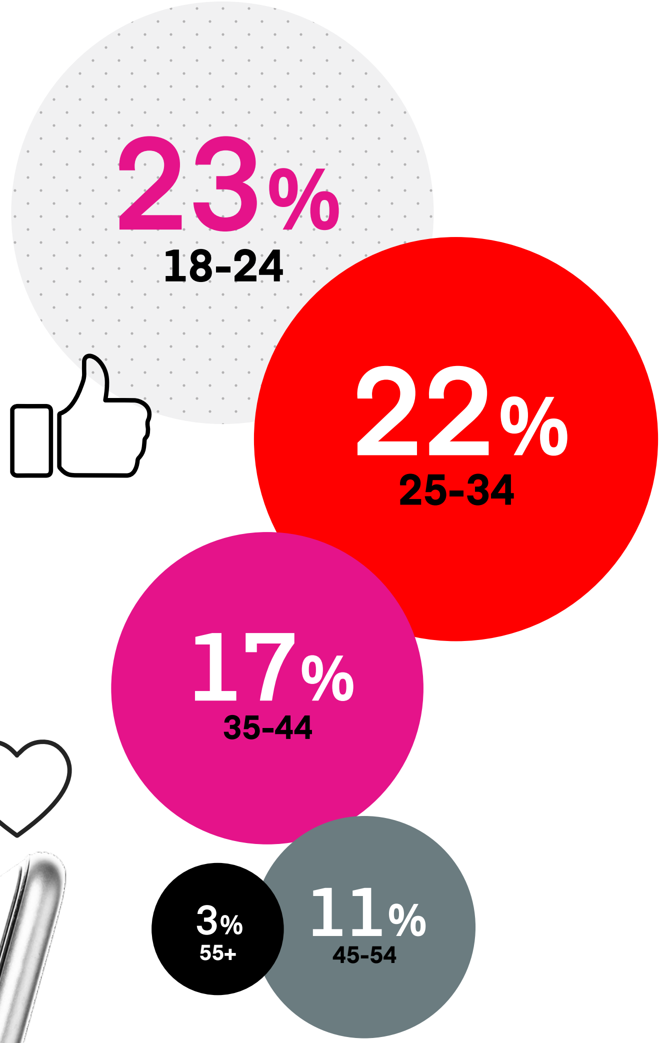
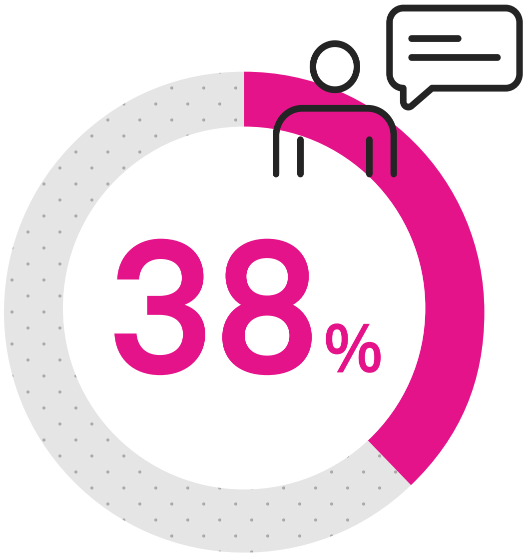


Fig 12. Influenced by social media for financial education: by age



2. Misinformation Review: https://misinforeview.hks.harvard.edu/article/tackling-misinformation-what-researchers-could-do-with-social-media-data/

Fig 13. Influenced by social media for financial education: by country



of people's financial decisions are influenced by social media messaging in China.

What have we learned?

- **People have been left to fend for themselves** when it comes to financial education, resorting to limited parental financial guidance and untrustworthy social media advice.
- **People want financial education** that makes plotting a personal path to prosperity simple.
- **People like to feel empowered** with money management knowledge so they can control their futures.
- **People want to learn new financial skills** with shiny, cutting-edge, user-centric technology and tools – and these preferences differ around the world.

What can you do?

Don't get us wrong, not all technology is bad. Platforms that are regulated, transparent, unbiased and underpinned by expertise can be trusted. If your people are seeking alternative ways to make the most of their money then why not give them a more stable route to empowerment through robust financial education, that considers local nuances and cultural differences?

Circle of financial life

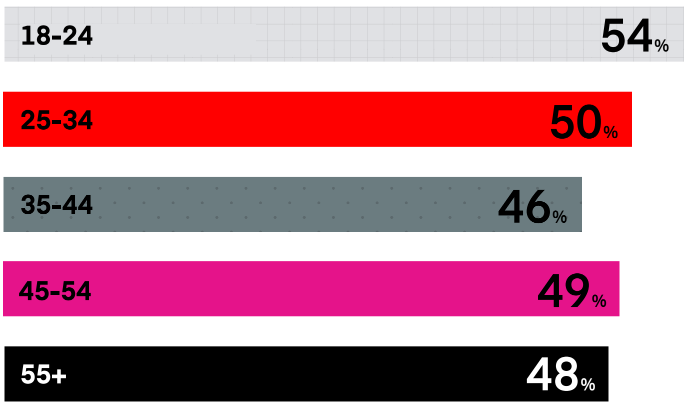
74% of people depend on their family for financial education. That's great if your parents are financial experts. What happens when they're not? We make the same mistakes they did.

The truth is, cycles of exclusion start at home, through inherited wealth and behaviors. Yet we want to break the mould and exceed our parent's wealth, and for our children to do the same. The center of our motivation depicts the cyclical nature of life, and reason we do what we do. To support our family and their future.

Educational succession

50% of people say their parents taught them how to manage money. That's even higher amongst women (52%) versus men (48%) across the world. Interestingly, parents today play a bigger role in financial education than they did 50 years ago. 54% of 18-24 year old's say their parents taught them how to manage money, compared to 48% of the over 55s.

Fig 14 Parents taught me how to manage money: by age



74%

of people depend on family for financial education.

We make the same mistakes as our parents; our financial habits are in our DNA.

Organizations need to do more to empower people's families with better financial education.

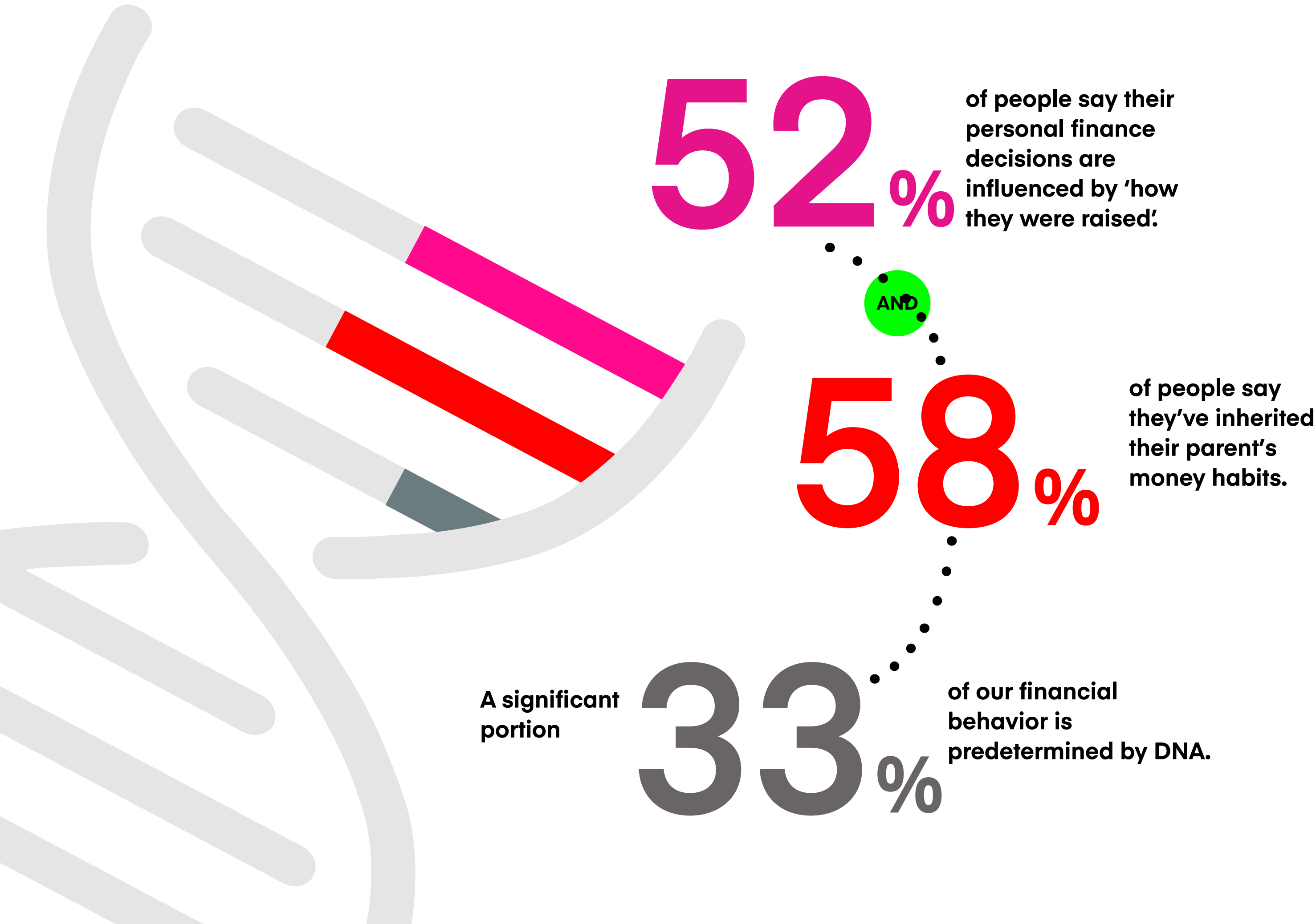
Money in the DNA

Adding to this, children are more likely to internalize observed habits, that's why 52% of people say their personal finance decisions are influenced by 'how they were raised.' But perhaps these are behaviors that are likely to exist within us already, since 58% of people say they've inherited their parent's money habits. Interestingly a recent study[3] explains that a significant portion (33%) of our financial behavior is predetermined by DNA.

There's a cluster of countries: Japan (60%), Spain (61%) Italy (63%), India (70%) and China (66%), that are more aware that their behaviors are inherited. These countries tend to display strong family values and bonds. It's not surprising that those cultures are more in tune with the cyclical nature of their family financial habits.

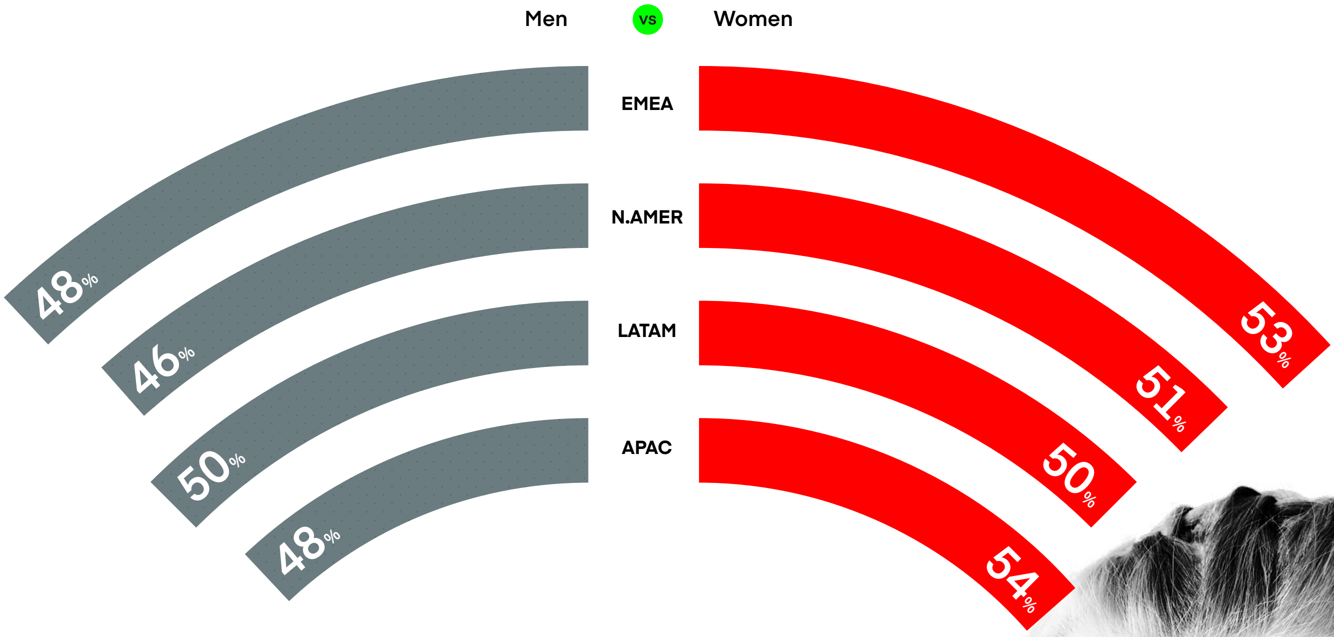
Financial habit loops

The question is, how do we disrupt negative financial habit loops? If we allow generations to continue to repeat bad behaviors, we will be unable to progress our money paradigms, leaving us with a stunted global economy. Instead, we need institutions to step up and help people take control of their financial futures, in turn breaking these inherited cycles.



3. Foster School of Business: https://foster.uw.edu/research-brief/inheritance-identifying-the-genetic-component-of-financial-behavior/

Fig 15. Parents taught me how to manage my money: by gender and region



There are generational differences surfacing here too, as there is a distinct trend in self-reliance that increases with age. 35% of Baby Boomers say no-one taught them how to manage money, in comparison to 12% of Gen Z.

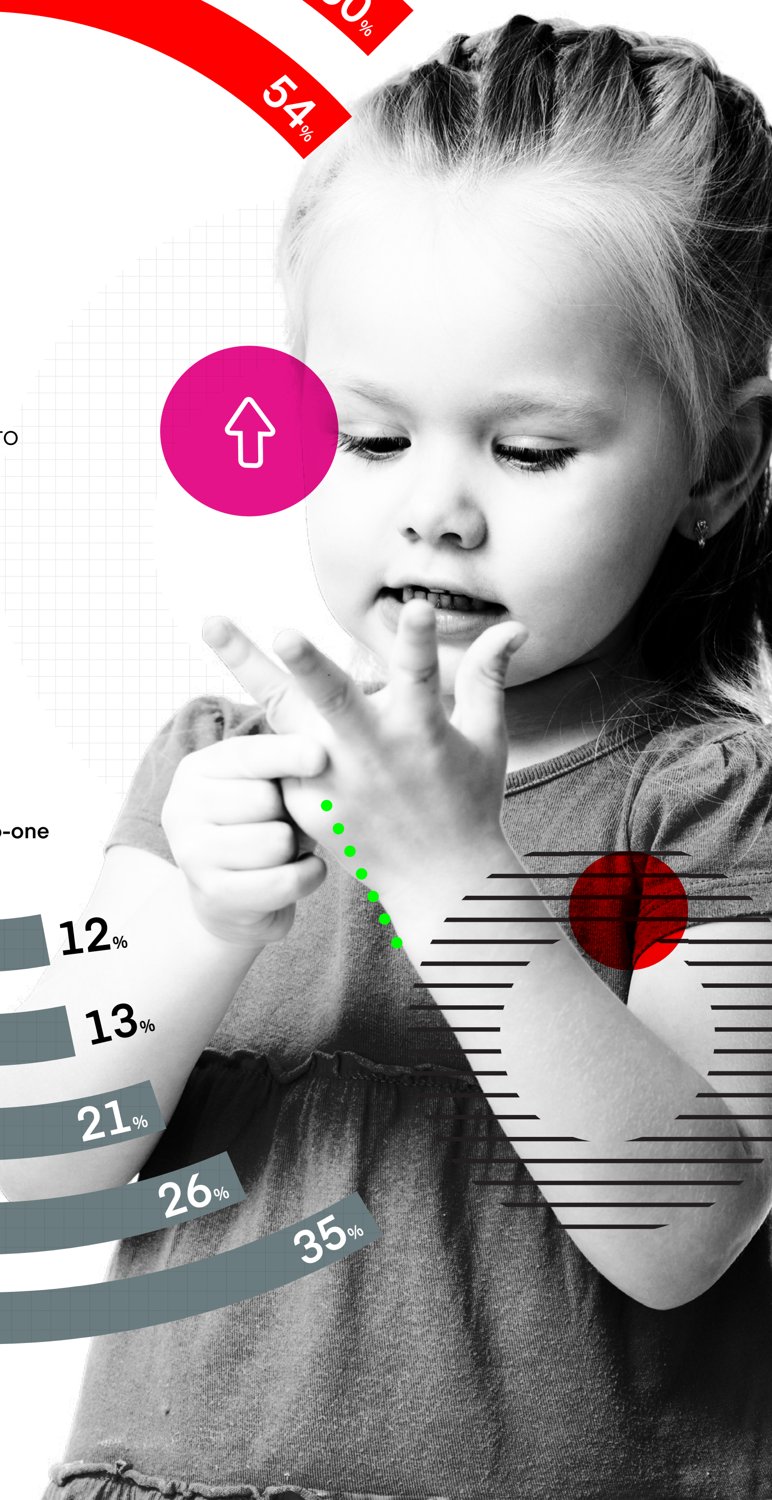
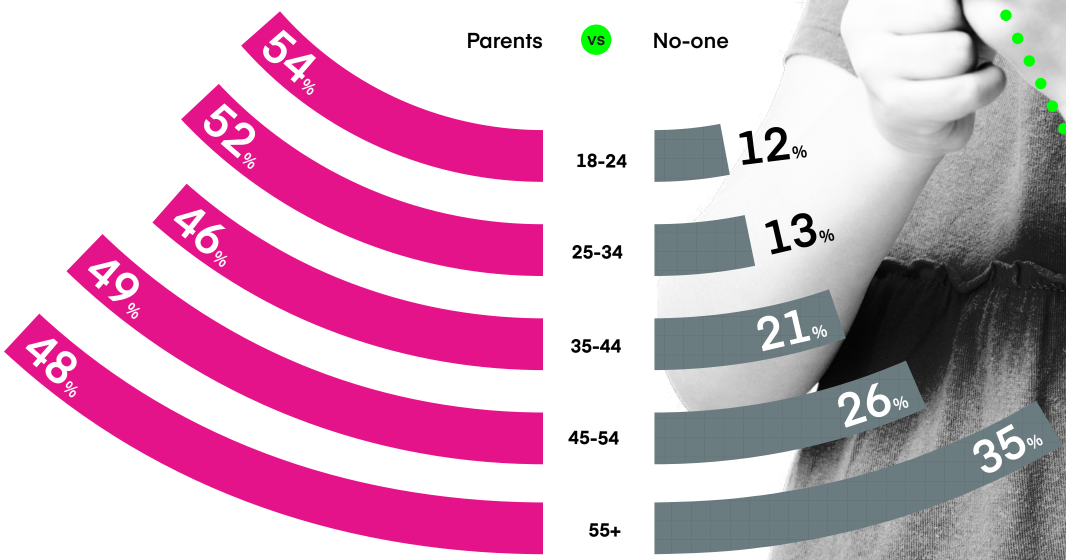


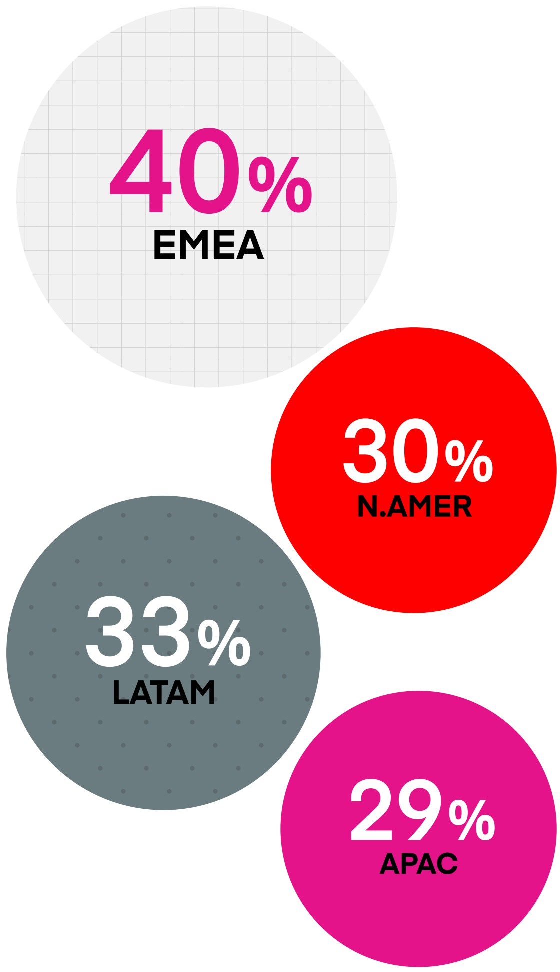
Fig 16. Parents taught me how to manage money vs. no-one taught how to manage money: by age



Wealth spiraling out

It's essential that businesses understand the differing needs and attitudes of their people – but insight shouldn't stop there. 75% of employees are supporting others on their salary, yet 35% of employers are unaware of who their people are supporting. European employers seem to be most in the dark, 40% of EMEA employers are unaware, in comparison to 29% in APAC [Fig 17]. When we dig deeper into the data, country by country, Nigeria really stands out, the majority of employers (66%) don't have a true picture of how far their people's wealth has spiraled.

Fig 17. Employers unaware of who their people are supporting: by region



What this says to us, is employers across the world aren't taking external factors into consideration when developing their global wellbeing strategies. With this level of insight, organizations can improve their employee engagement and retention. Could dependents data be the missing connection in your compensation and employee benefit programs?

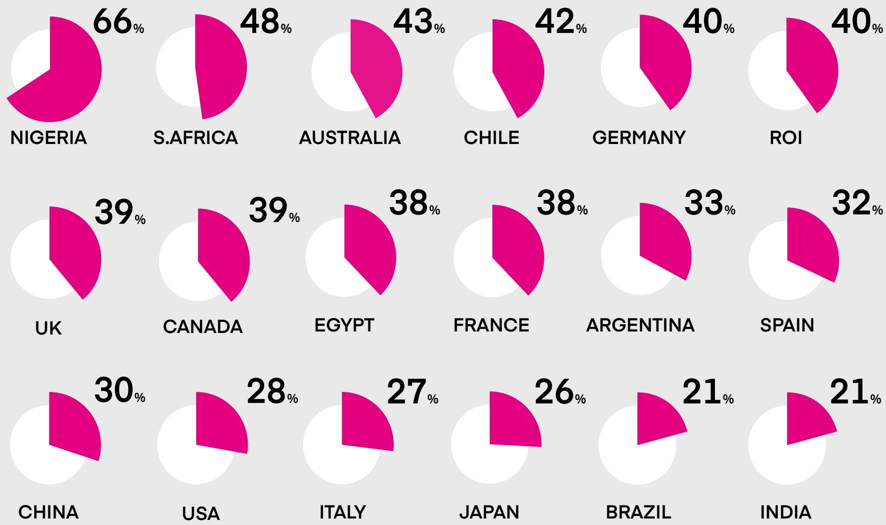
Dependency network of truths

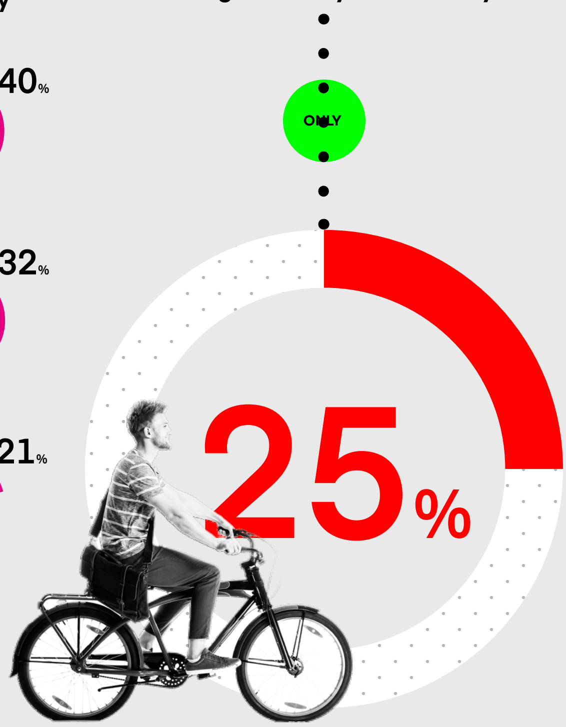
Who are your people supporting? In most cases wealth is spread amongst a family unit, 27% are supporting, 'myself and my spouse and my child/children'. Whereas 9% of the globe is supporting, 'myself and my parents and siblings and my own family.' And this is most common in Nigeria (25%), a country where employers are least likely to know who their people are supporting.

On the opposite side of the spectrum, only 25% of people worldwide are just supporting themself. This is most true in Canada where 37% of people only need to financially support themself, versus 12% of India. Unlike Nigerian employers, Indian employers (78%) are very likely to know their people's family financial circumstances.

of the globe is supporting, 'myself, my parents and siblings and my own family.'

Fig 18. Employers unaware of who their people are supporting: by country





of people worldwide are just supporting themself.

The social mobility connection

Is there a connection between our inherited money management attitude and the ability to exceed our parent's wealth? The World Economic Forum[4] states that, "children who are born into less affluent families typically experience greater barriers to success than their more affluently born counterparts."

Our research shows 49% of the global population has exceeded their parents. When we compare regions, it's APAC countries where people are most likely to agree (55%) that they have exceeded their parents' monetary success versus North America (47%) [Fig 19]. If we dive deeper, it's India (74%), China (68%) and Nigeria (67%) where this is most true [Fig 20].

Globally we want to believe that social mobility will progress and evolve, 64% believe their children will exceed them. And 61% of people say the main motivator for success is 'having more money makes life easier for my loved ones'. Considering what we've learned about the role of family in Nigeria, it's not surprising then that Nigerians (85%) are most likely to say their biggest financial motivator is loved ones. Unlike Germany where only 42% of people are motivated by family, but more so by financial security (66%).

Fig 19. People that have exceeded their parents' monetary success: by region

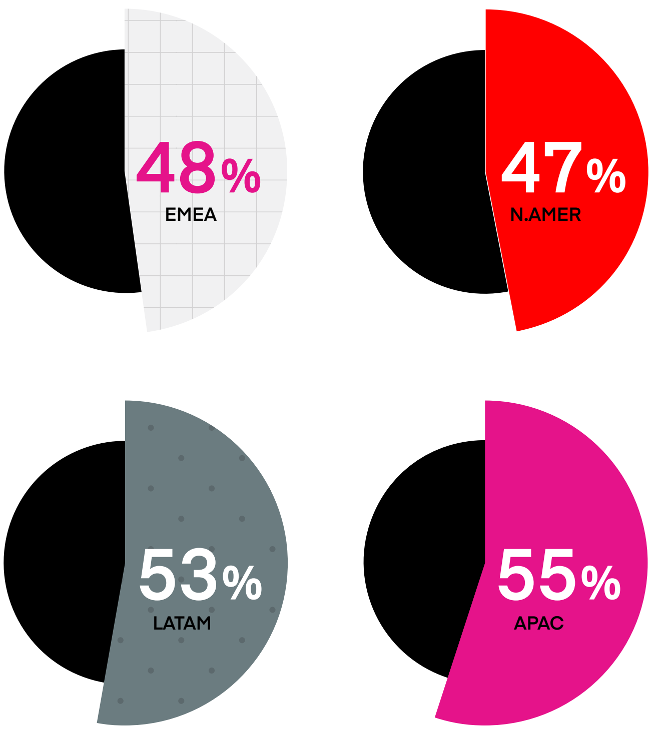
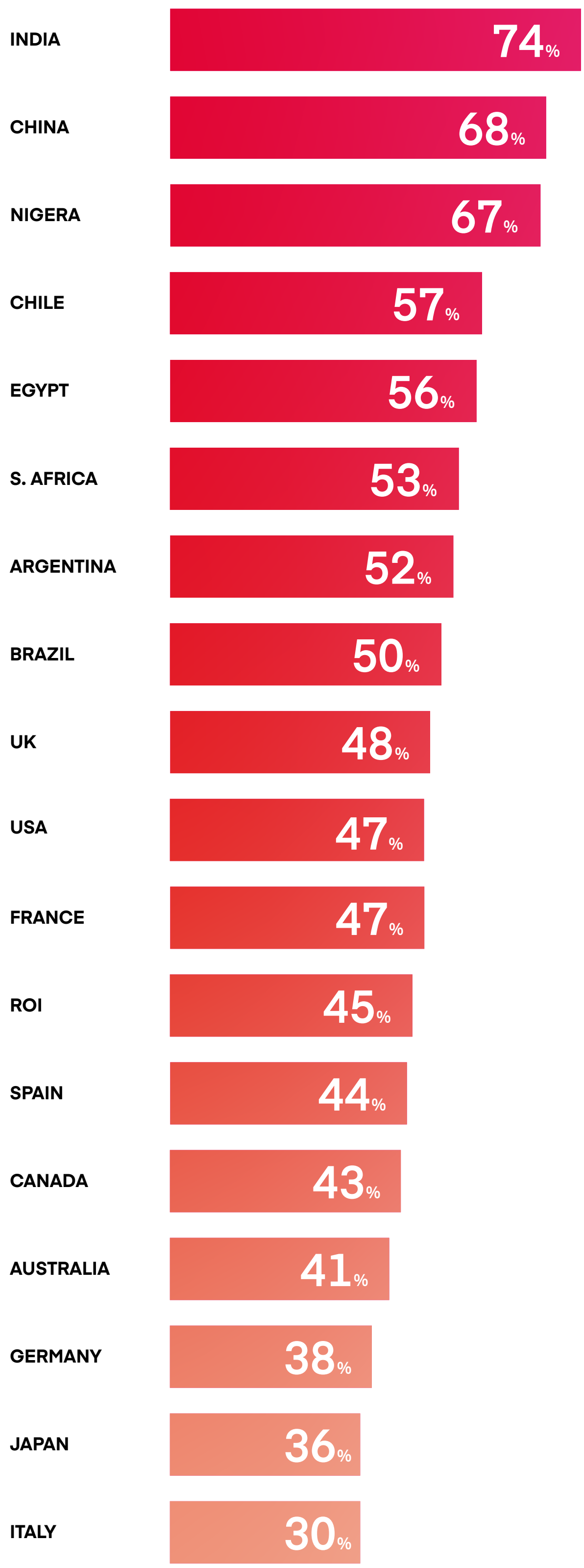


Fig 20. People that have exceeded their parents wealth: by country



4. World Economic Forum: https://www.weforum.org/reports/global-social-mobility-index-2020-why-economies-benefit-from-fixing-inequality

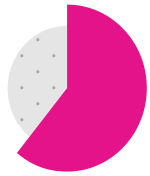
What's fascinating is according to the WeForum index[5], Germany is one of the most socially mobile countries, ranking 11th with 78 points. Indicating that since opportunities are so readily available in Germany, there's less financial worry for the next generation.

What have we learned?

- **People are heavily reliant on their parents for wealth** and financial education, organizations need to do more to empower people's families with better financial education.
- **Organizations need to gain a truer picture** of people's needs, attitudes and financial dependents through informed people and financial insights.
- **Since financial habits are hereditary**, people need structured financial skills and knowledge that are developed to cater to their unique motivations.
- **Social mobility is becoming more difficult**, but most believe it's possible for their children. To make this dream a reality, organizations should consider family friendly policies and employee benefits to help people give their families the best opportunities in life.
- **There is an opportunity to tap into what drives people** to achieve their goals, since most of us are driven to succeed for our loved ones. Merge family priorities with wellbeing benefits to demonstrate that you understand what's important in life.

What can you do?

We can't deny that family and money are interconnected. It's at home where our behaviors, attitudes and understanding of money are born. But, it's time to break age-old habits. If people continue to be financially defined by inherited behaviors, then they'll never exceed their parents, particularly in a more challenging global economy. We need to help people to evolve their financial capabilities with robust skills and knowledge, for themselves, their parents and their children.



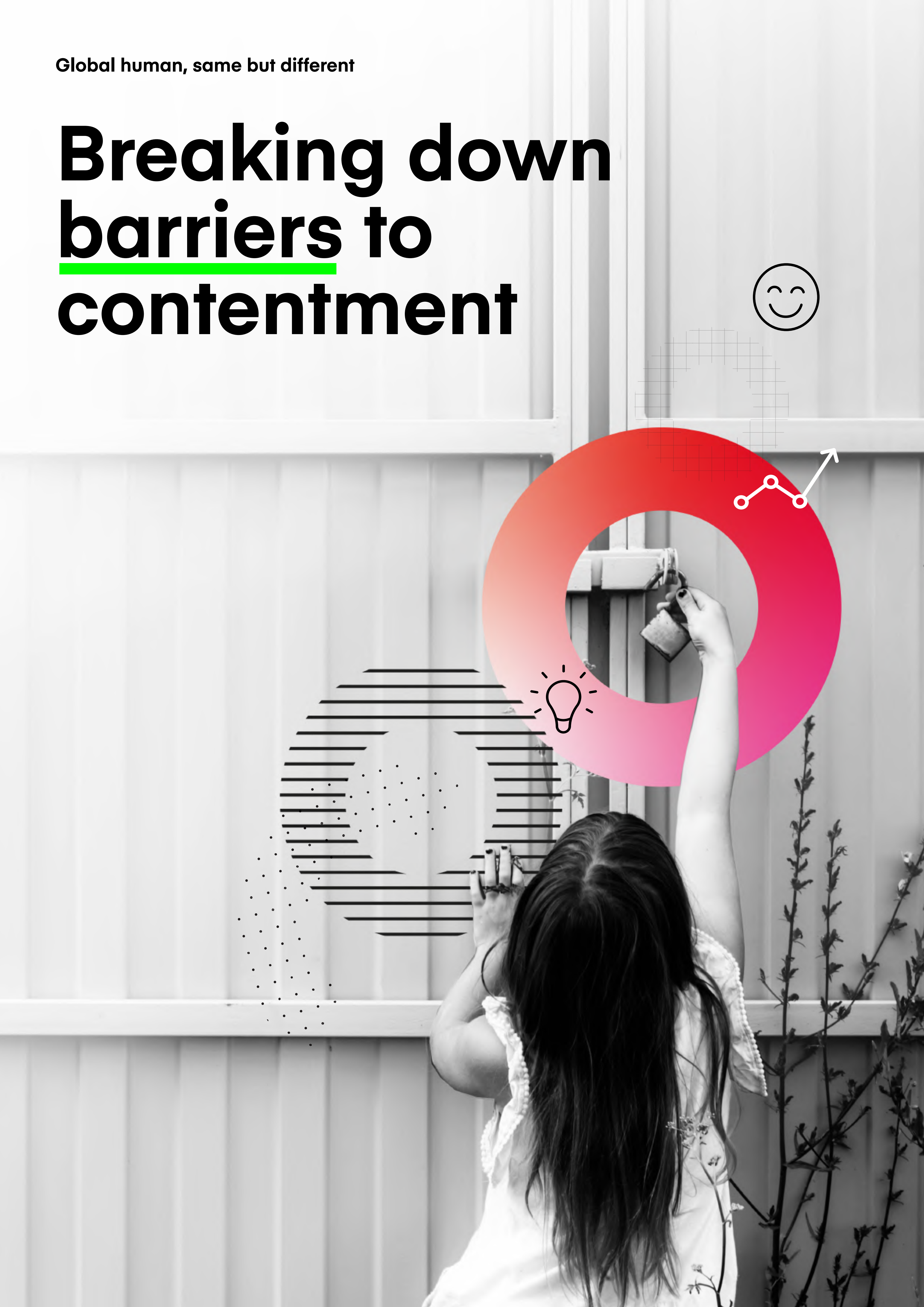
61%

of people say their main motivator for success is 'having more money makes life easier for my loved ones'.

5. World Economic Forum: http://reports.weforum.org/social-mobility-report-2020/social-mobility-rankings/

Global human, same but different

Breaking down barriers to contentment



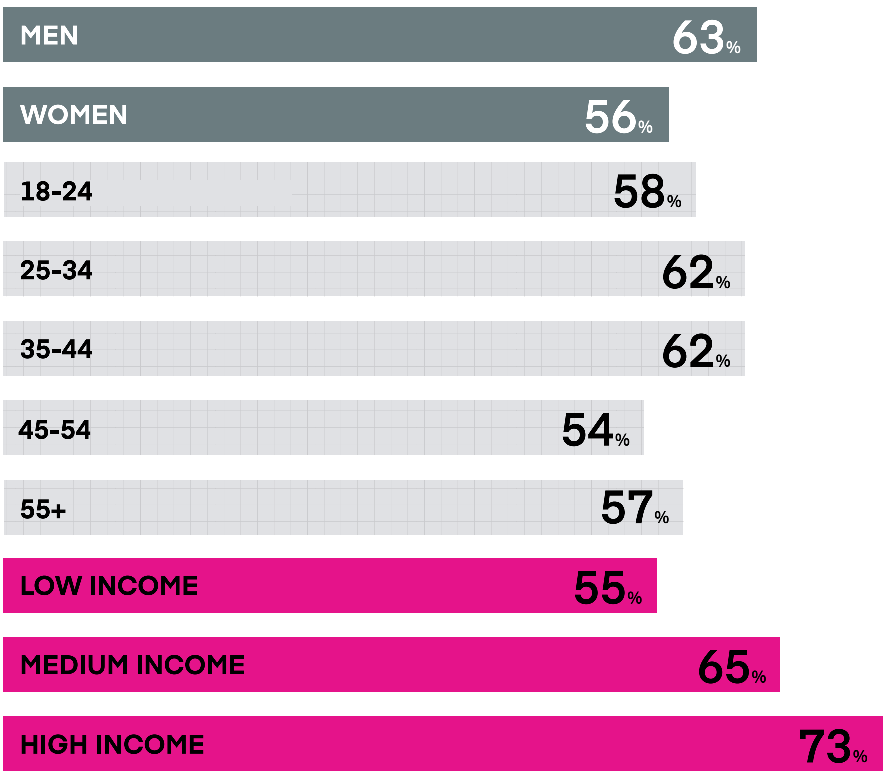
45% of people across the globe feel anxious about their financial situation, yet 59% of us still feel hopeful. We're a global nation that's diverse in our financial attitudes, behaviors and habits.

Many of us think the same way on some topics, but react entirely different for others. We're the same but we're different. But fundamentally, most of us have hope, and that is what keeps us striving forward financially. This is what unites us.

Hope connects us

Globally, we are connected by hope. 59% of people globally said 'I feel hopeful about my current financial situation'. This is most true amongst men (63%) rather than women (56%) and more so within the young to mid age groups 25-34 (62%), 35-44 (62%) [Fig 21]. It's perhaps easier to see why high income households are most likely to be hopeful (73%) in comparison to low income households (55%).

Fig 21. People who feel hopeful about their current financial situation: by age, gender and income



45%

of people across the globe feel anxious about their financial situation

YET

59%

still feel hopeful.

We're a global nation that's diverse in our financial attitudes, behaviors and habits, but united in our desire to find financial contentment.

LATAM stands out significantly as the most hopeful region, where 73% of people feel hopeful about their current financial situation [Fig 22]. Conversely, APAC (56%) is the least hopeful region, although the majority of people still feel hope. The countries on the lower end of the hope spectrum are Japan (35%) and Italy (48%) [Fig 23].

Fig 22. People who feel hopeful about current financial situation: by region

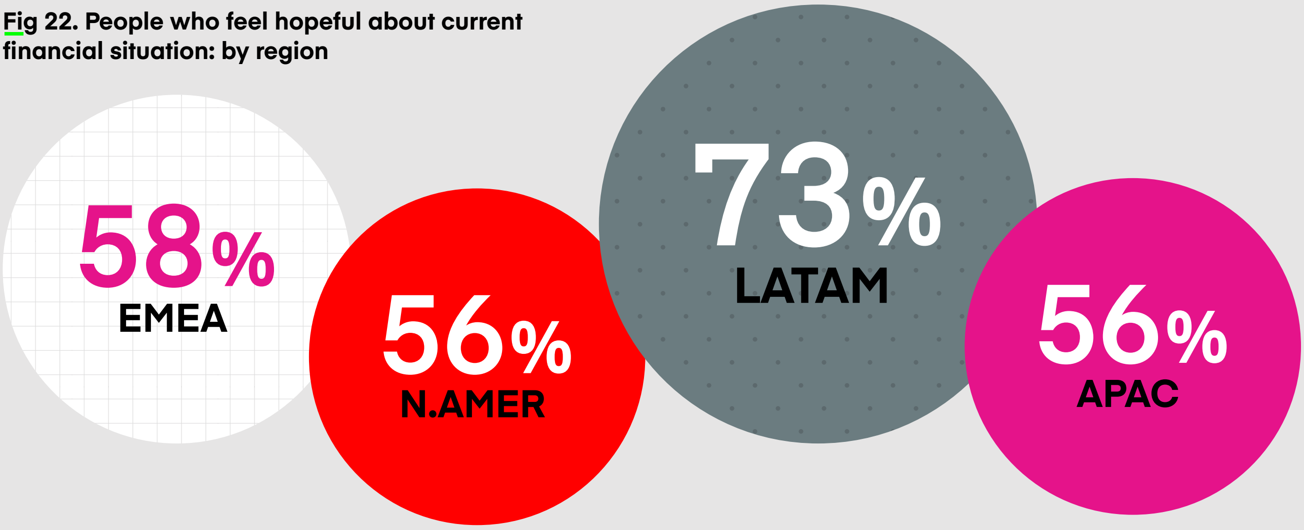
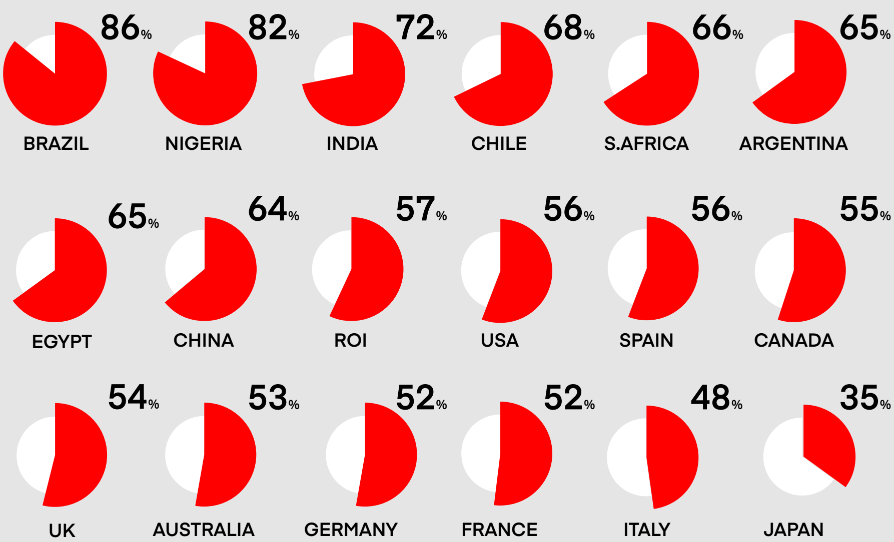
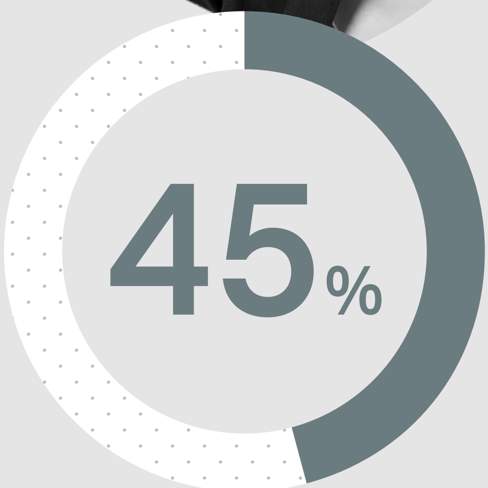


Fig 23. People who feel hopeful about current financial situation: by country



Wheel of money anxiety

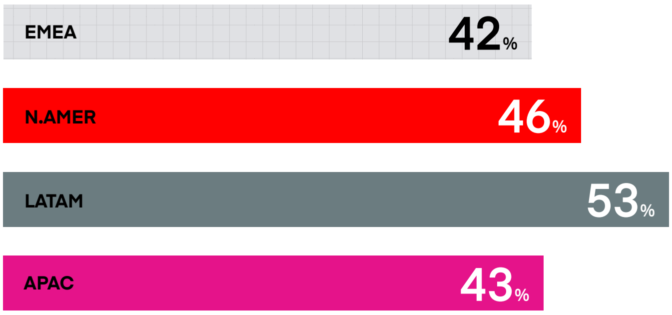
The majority of us are connected in our hope for a brighter financial future, but sadly some have lost hope. With a loss of hope brings anxiety, a pandemic in its own right. Money worries wreak havoc on people's mental wellbeing, which in turn, has a negative impact on people's engagement and experience at work.



of people feel anxious about their money.

45% of people feel anxious about their money, with women (50%) bearing the brunt of the worries, in comparison to men (42%). If we compare regions, LATAM is the most hopeful and the most anxious (53%) [Fig 24], about their financial situation, with Brazil (59%) displaying some of the highest levels of anxiety, although Nigeria (57%) and South Africa (52%) aren't far behind [Fig 25]. Interestingly, North American men (36%) are least likely to feel anxiety about their financial situation, this amplifies the stark difference in worry between North American men and women (53% of which said they were anxious) [Fig 26].

Fig 24. People who feel anxiety about their financial situation: by region



This data presents a warning for employers. Especially, when coupled with our last report, 'Elephant in the workplace[6]', that revealed 42% of employers said financial stress had negatively impacted their business. Reinforcing the extent to which stress and anxiety are spilling into work performance and productivity.

Fig 26. People who feel anxiety about their financial situation: by gender and region

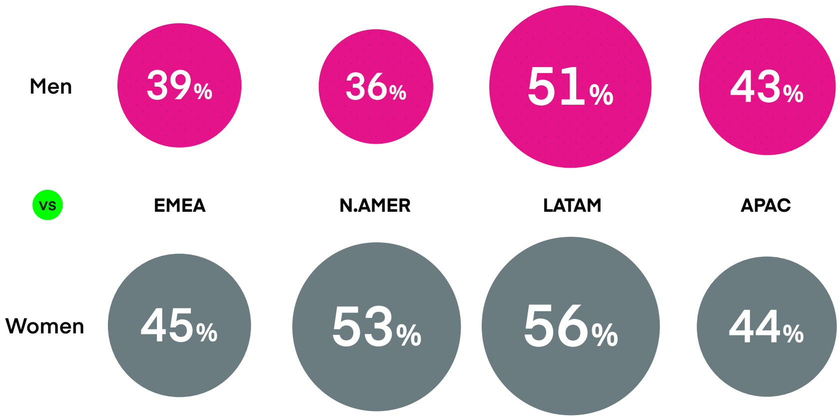
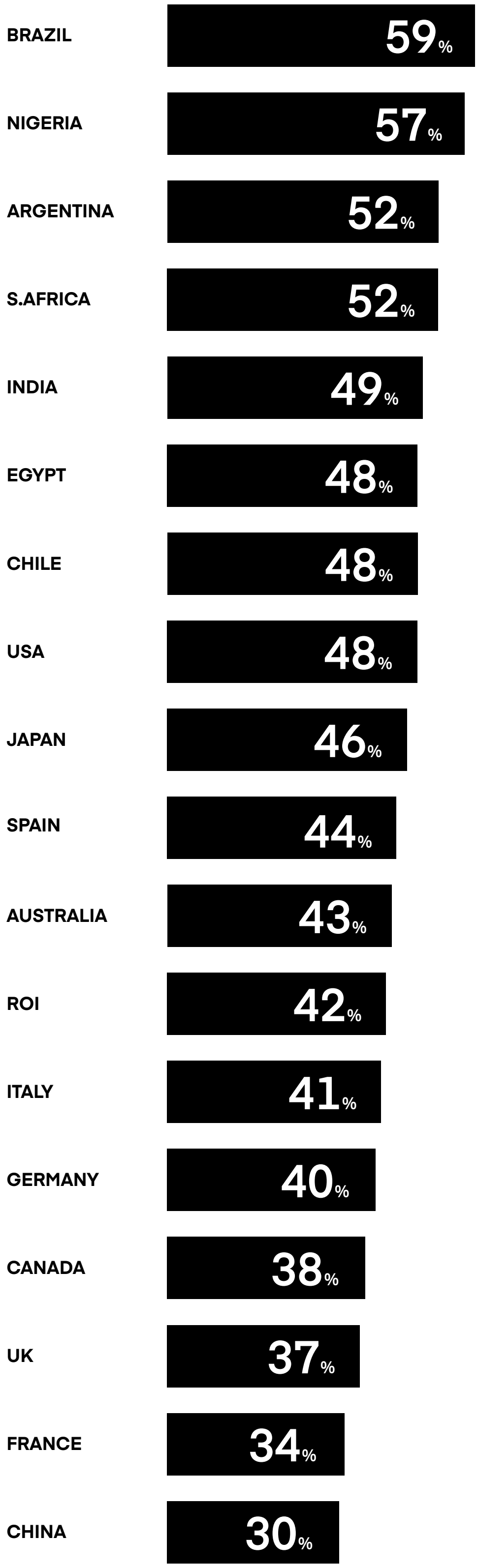


Fig 25. People who feel anxiety about their financial situation: by country



6. Nudge Global: https://insights.nudge-global.com/elephant-in-the-workplace

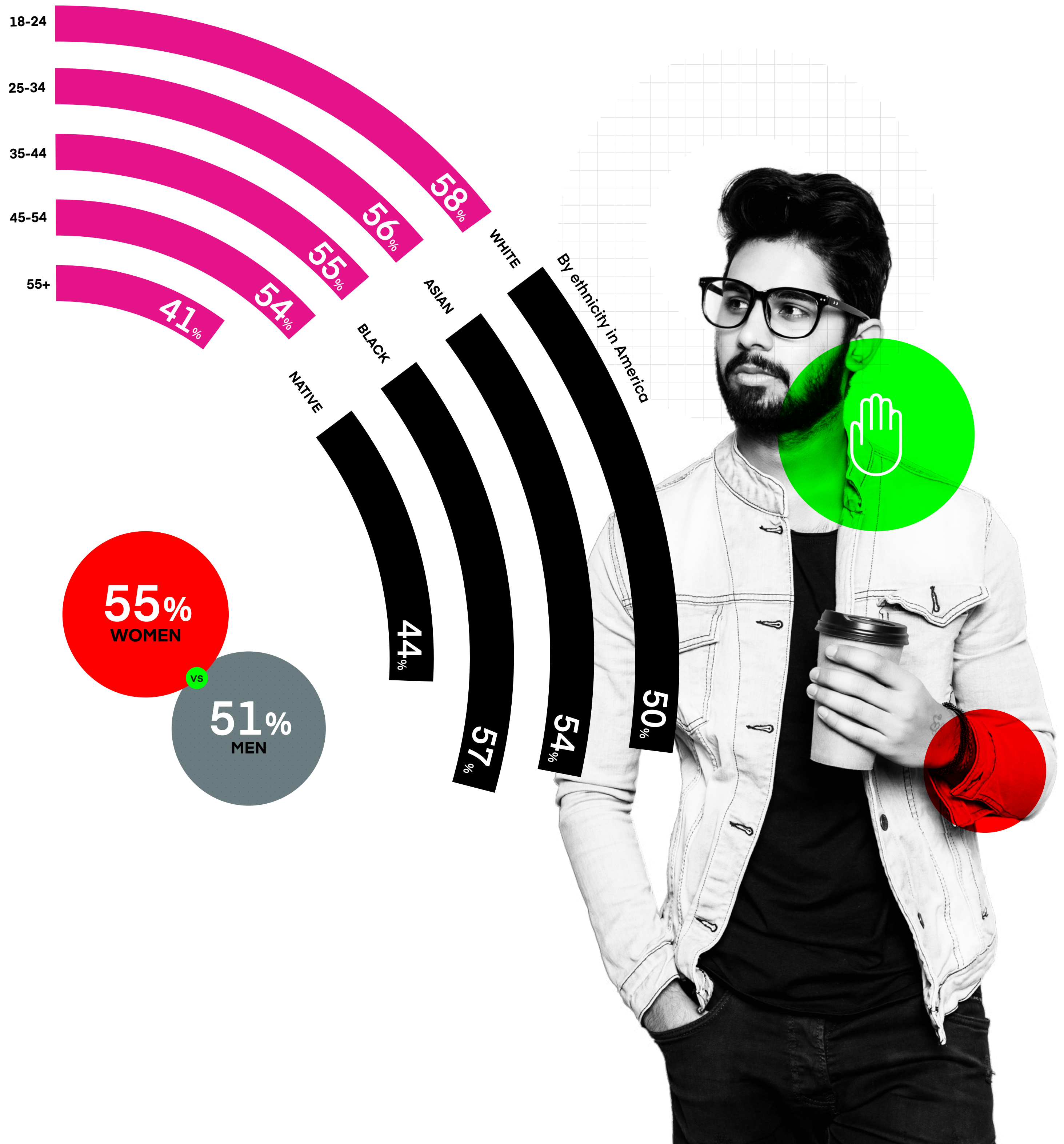
Vicious cycle of unfair wealth

The question is, does financial anxiety emerge from experiences of exclusion? Or from the sheer frustration of feeling the deck is stacked against us? 53% of people feel that access to wealth is often unfair. Once again, it's women (55%) who experience this more than men (51%), and generally the younger generations are more subject to this inequality.

53%

of people feel that access to wealth is often unfair.

Fig 27. People who feel the deck is stacked against them: by age, gender and ethnicity



Dissecting which countries feel this disparity most, Italy, is not only one of the least hopeful nations but also most aware of financial inequality. Which makes an interesting case for hopelessness and exclusion. 69% of Italians believe the deck is stacked against them. Alongside Italy is Germany (62%), the Republic of Ireland (61%) and India (61%), nations where their people strongly believe the deck is stacked against them, thus we could argue, most aware of financial inequality.

69%

of Italians believe the deck is stacked against them.

Inclusion equates to hope

Our research shows there's a link between an individual feeling hopeful about their financial future and their experience of inequality in the financial system. As we learned in the previous section, Italy (48%) and Japan (35%) are the least hopeful countries – and both also have a significant amount of people who agree that access to wealth is unfair (69% and 56% respectively).

To prove the link between hopefulness and inclusion further, if we look at the most hopeful countries, i.e. Brazil, Chile and Argentina. A notable number of people in Brazil strongly disagree that access to wealth is unfair (58%). This is consistent across Latin America, where many people in Chile disagreed (54%) and Argentina (54%).

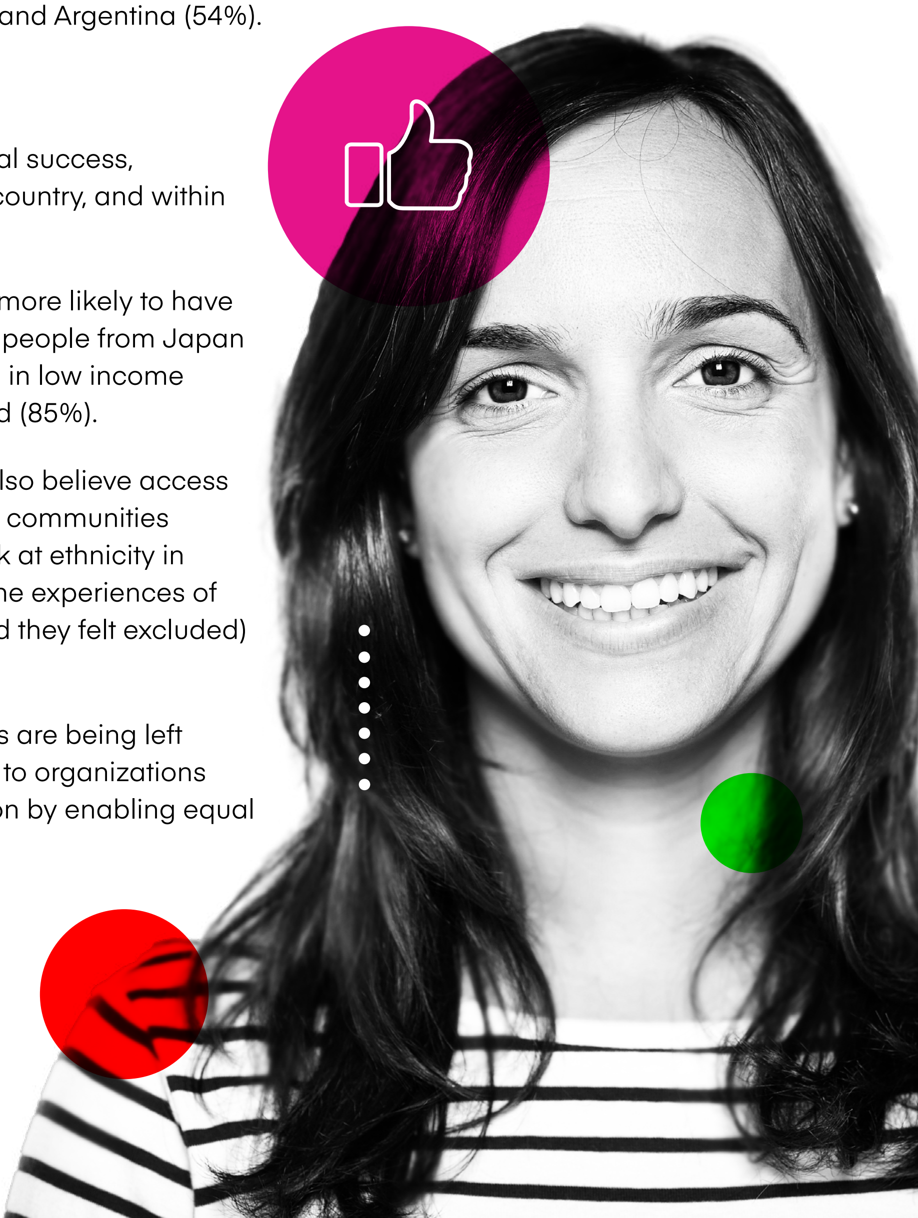
Barriers to contentment

When it comes to fair opportunities for financial success, experiences differ drastically from country to country, and within communities.

For example, people in Chile (73%) are much more likely to have endured financial exclusion, in comparison to people from Japan (30%). In Chile, exposure to exclusion worsens in low income households (77%) and if you're 35-44 years old (85%).

A significant portion of North America (51%) also believe access to wealth is unfair, and it's clear that American communities experience exclusion very differently. If we look at ethnicity in America, there's a distinct disparity between the experiences of exclusion between White Americans (50% said they felt excluded) and Black (57%) or Asian (54%) Americans.

It's clear that some countries and communities are being left behind by the financial ecosystem, and it's up to organizations across the globe to break the cycle of exclusion by enabling equal access to financial education.



The power and prestige affliction

In the previous section we uncovered the significance family plays in money behaviors, and motivations are connected to a mixture of DNA and our experiences. When it comes to what motivates us to achieve success, some of us are driven by the lure of power and prestige.

Comparing regions, APAC (57%) is the most driven by power and prestige, followed by EMEA (38%), North America (34%) and LATAM (26%) [Fig 28]. Breaking that down further, it's India that stands out as the most driven by power (48%) and prestige (44%). In fact, Indian women are more likely to be attracted to power (51% versus 47% men) and prestige (50% versus 41%).

Our experiences with money are so different. Some of us are distracted by power and prestige, many are united with hope for the future and masses feel anxiety day to day. With these common sentiments and drivers, we need to share our experiences to create a better understanding across continents, cultures, generations, genders, ethnicities, and income levels. A global organization that's sensitive to a diverse workforce full of different attitudes, habits, behaviors and drives, can create the perfect environment to learn about money behaviors and unfair experiences. Only with this understanding can we break these cycles of exclusion that exist within the financial systems across the globe.

Fig 28. People driven by power and prestige: by region

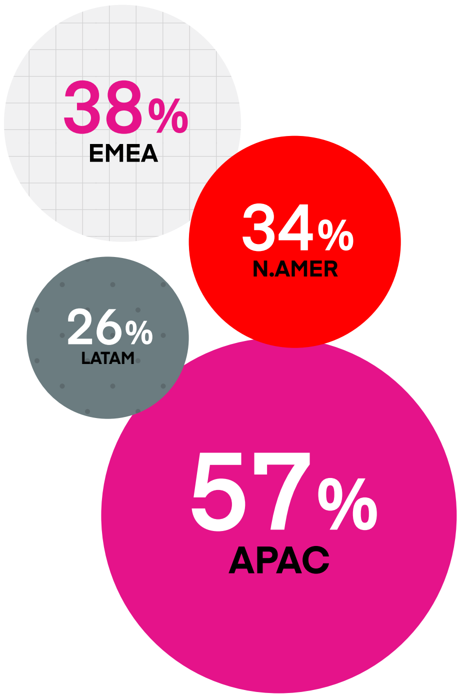
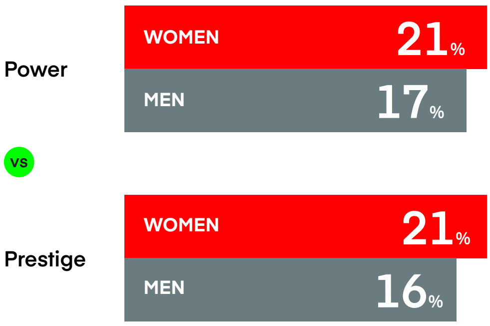


Fig 29. People driven by power and prestige: by gender



The perfect global human

To have a bit of fun with our data, we wanted to find out what makes up the perfect global human when it comes to financial wellbeing. We've compiled behavior and attitude data from across the world to determine the cultural components that create the secret recipe to a human state of mind we all seek, financial wellbeing contentment.

We encourage you to take inspiration from these cultures and create an environment where people can teach each other to grow and evolve for a stronger and more fulfilled future.

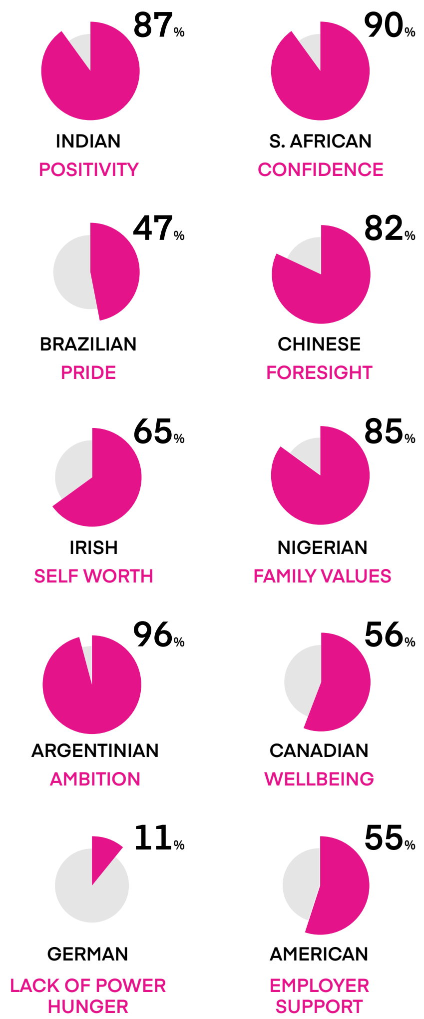
What have we learned?

- **Globally we are connected** by hope for our future financial wellbeing, but also anxiety about the present.
- **We need to help people feel** more financially stable, to reduce the flux of today's and tomorrow's situation.
- **Exclusion of some communities and countries** from the financial system is diminishing their hope for the future. These people need personalized support, bespoke to their circumstances.
- **Businesses need to learn from** these trends to create financially inclusive environments that break down barriers, spreading more content and hope. With specific programs designed for geographic location, women and diverse communities.

What can you do?

The world is diverse, and so are our interpretations of how best to live a fulfilled and happy life. When it comes to money, access to support, skills and knowledge should be available to everyone, regardless of ethnicity, gender, generation, culture or socio-economic background. For the world to progress, we need to understand our similarities and come together to understand our differences.

Fig 30. The perfect global human: by country



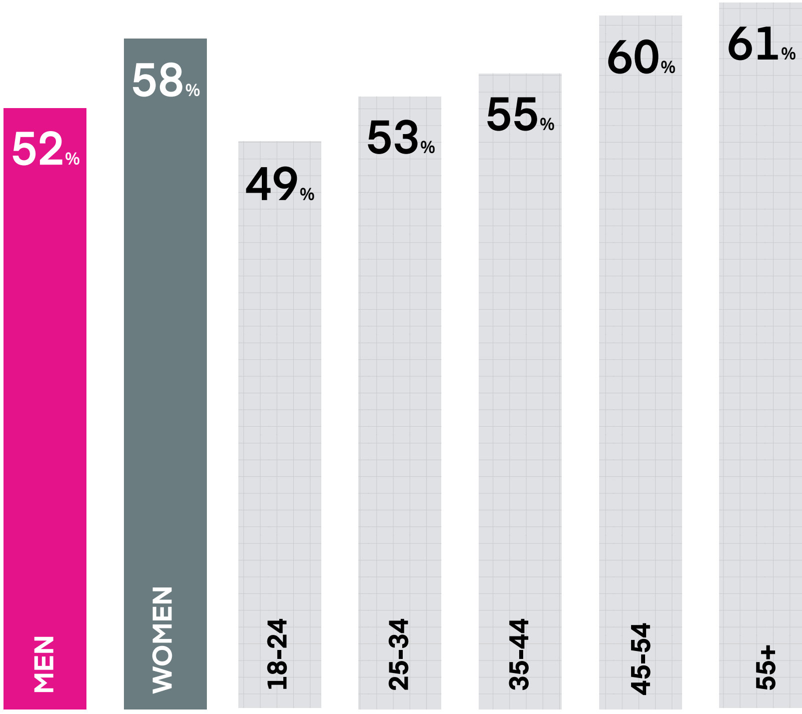
Extinguishing exclusion for a brighter tomorrow

55% of the world's financial aspiration is having enough money for bills. This makes achieving other milestones in life more difficult, like buying a home, seeing the world and life after work. Perhaps this is why 35% of people, globally, feel depressed about their current financial situation.

Bursting our bubble with aspiration

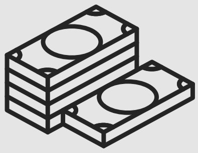
If we look a little closer at aspirations, we can see that women (58% versus 52% of men) are more likely to say their personal financial goal is saving enough money for bills [Fig 31]. And the older you get, the more likely this will become your aspiration, +55s (61%) versus 18-24 year old's (49%). Perhaps because younger generations are still partially dependent on their parents, and elders are not prepared for retirement.

Fig 31. Peoples' personal financial goal is having enough money for bills: by age and gender

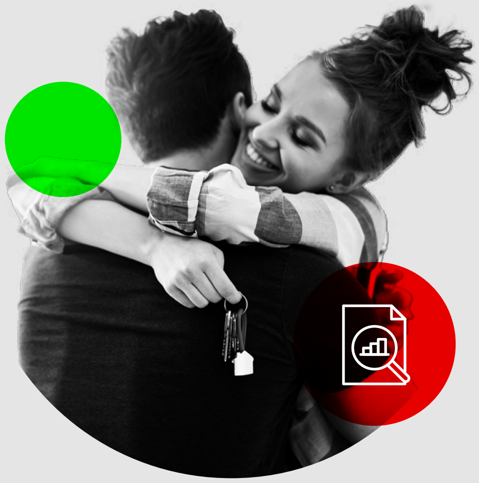


55%

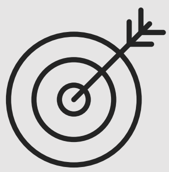
of the world's financial aspiration is simply having enough money for bills.



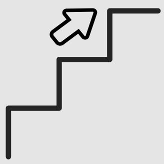
Happiness and contentment are linked to 'having a money plan'.



Help people achieve their goals in life by enabling them to power their own financial engines.

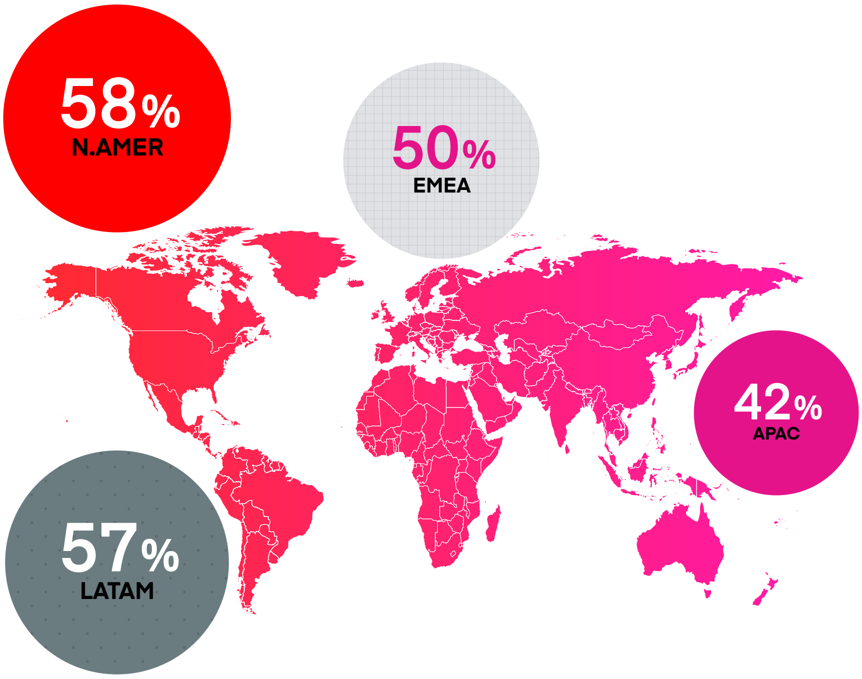


There's a financial support gap across the world, we need employers to step-up.



Regionally, it's North America (58%) that has the highest average percentage of people citing 'money for bills' as their biggest financial aspiration [Fig 32]. Country by country, it seems Brazil (63%), Australia (63%), Republic of Ireland (60%) and South Africa (60%) – have the highest percentage of people living pay check to pay-check [Fig 33].

Fig 32. Peoples' personal financial goal is having enough money for bills: by region



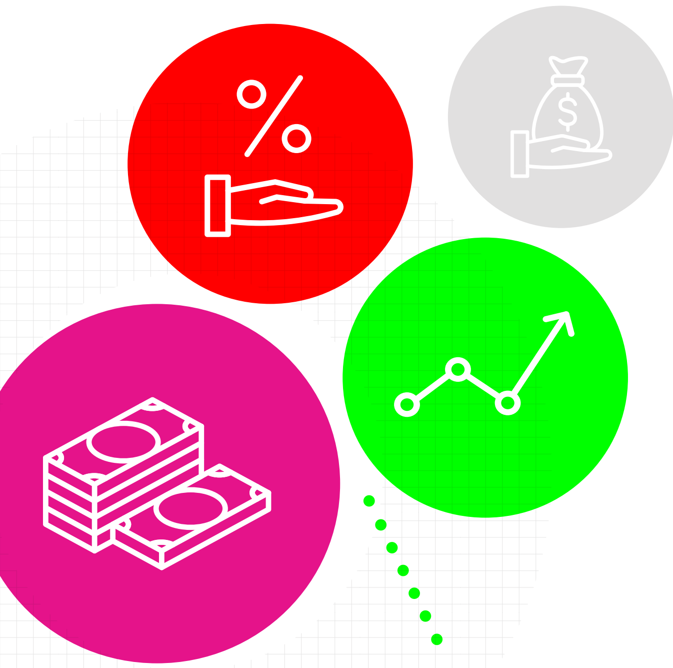
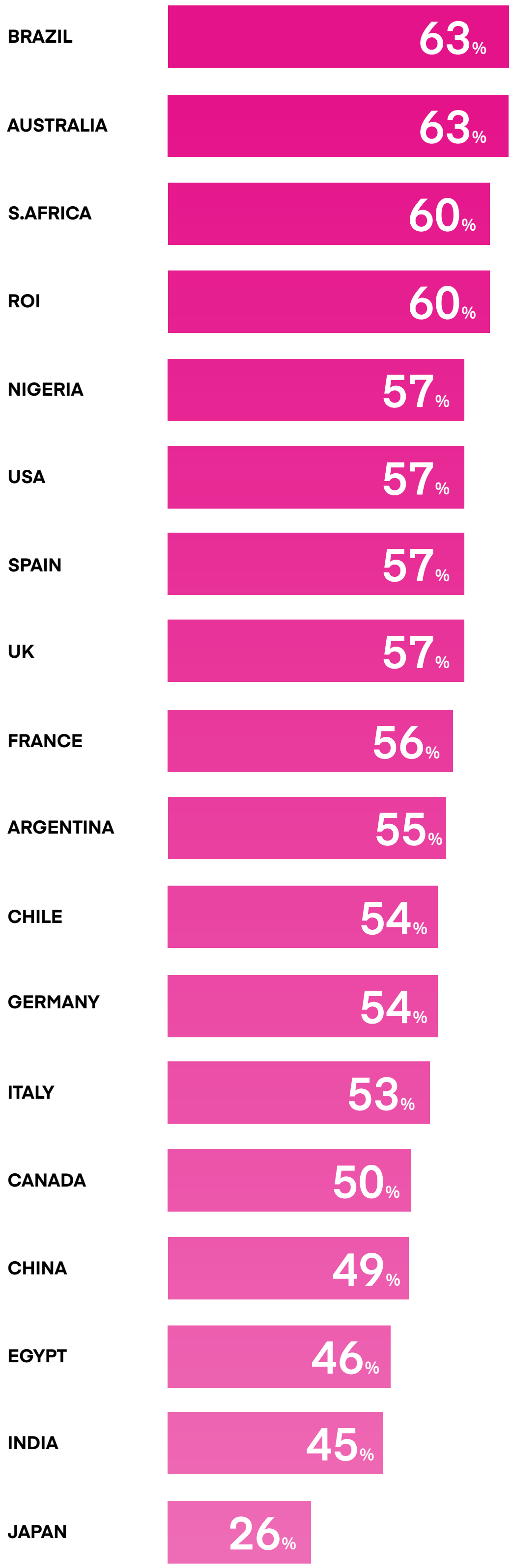
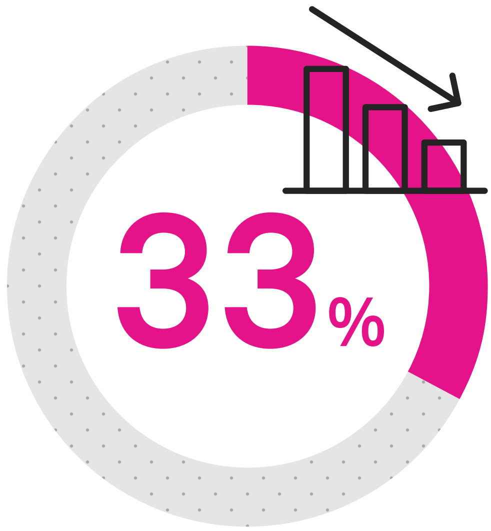


Fig 33. Peoples' personal financial goal is having enough money for bills: by country



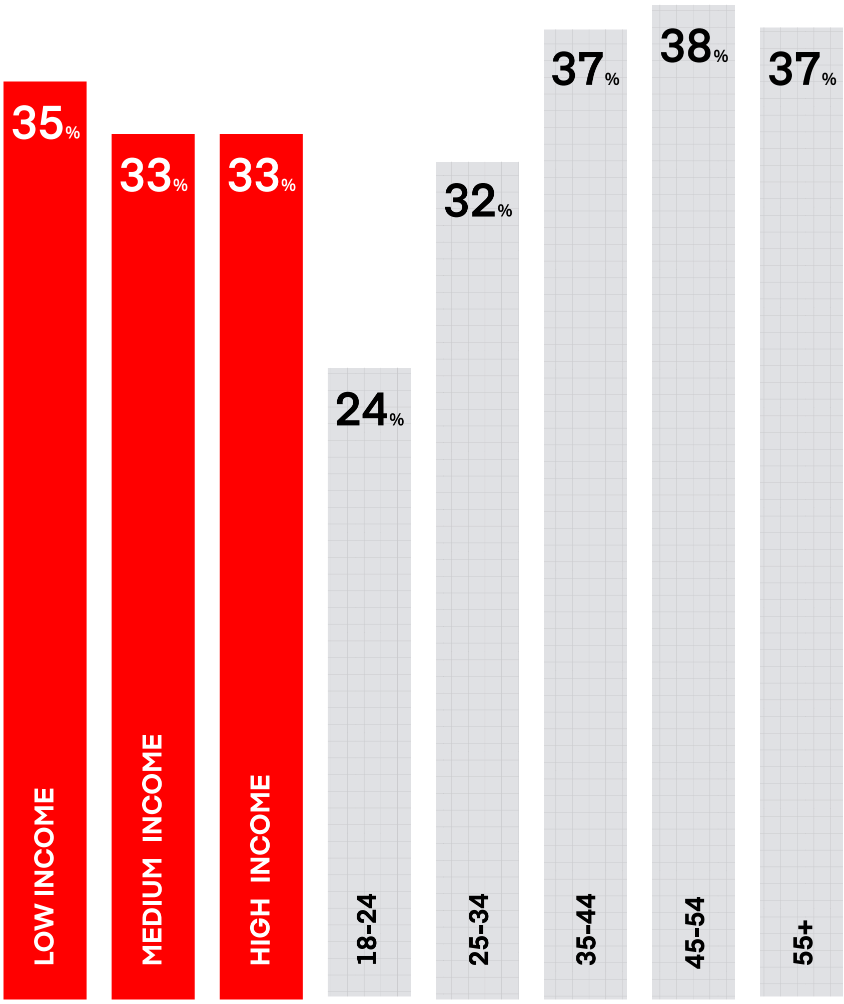
Endless debt

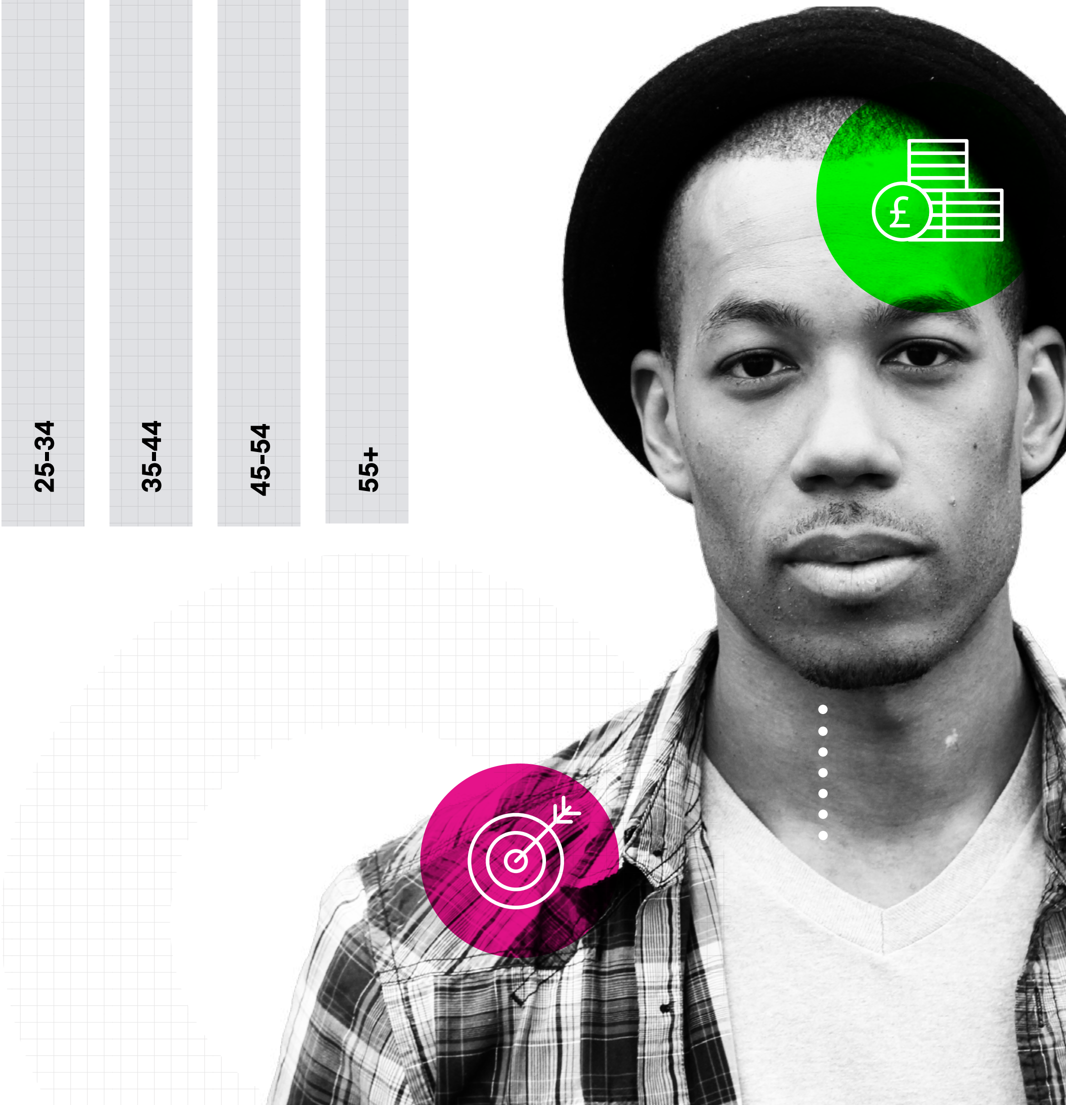
In the previous section we explored the worrying number of people across the globe experiencing anxiety (45%). Levels of anxiety relating to finances are connected to levels of debt across the globe. 33% of people say, 'paying off my debt' is important for personal dreams and goals. This intention is higher amongst 45-54 year old's (38%), and somewhat higher in lower income households (35% versus medium income at 33%).



of people say, 'paying off my debt' is most important for their personal dreams and goals.

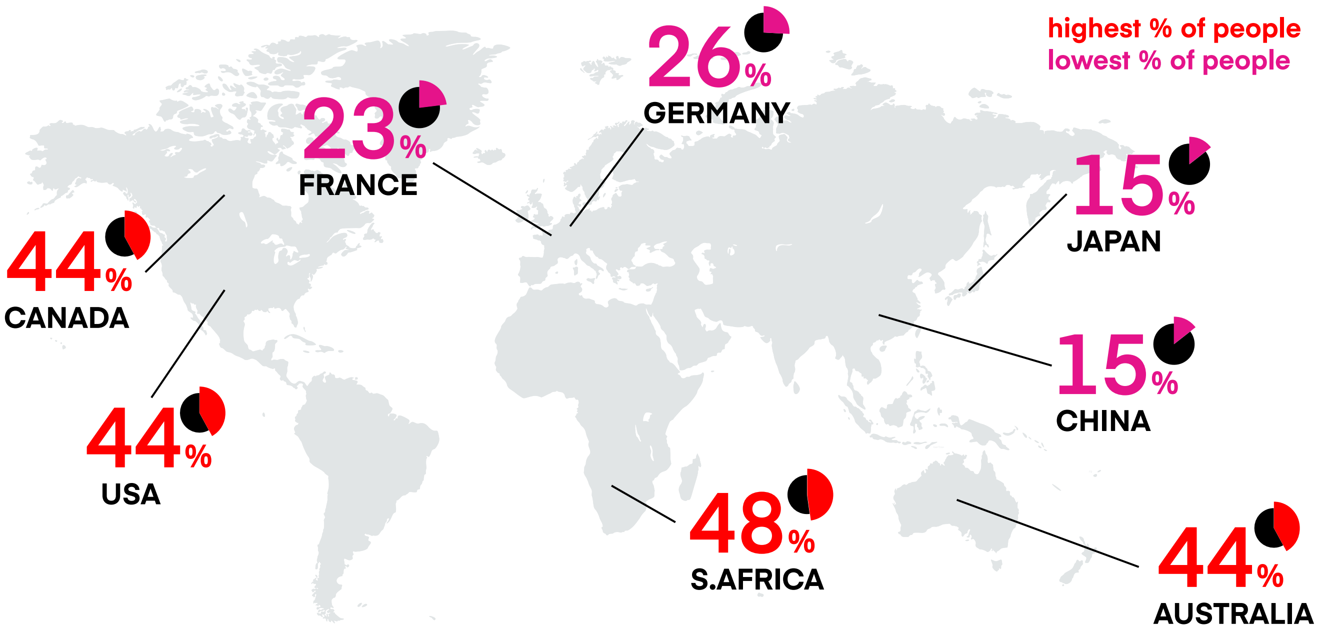
Fig 34. People feel that 'paying off debt' is most important to personal goals: by age and income





The countries that have higher percentages of people struggling with personal finance debt include: South Africa (48%), Australia (44%), USA (44%) and Canada (44%). And on the opposite side of the scale, we have China (15%) and Japan (15%) where debt is less of an issue [Fig 35].

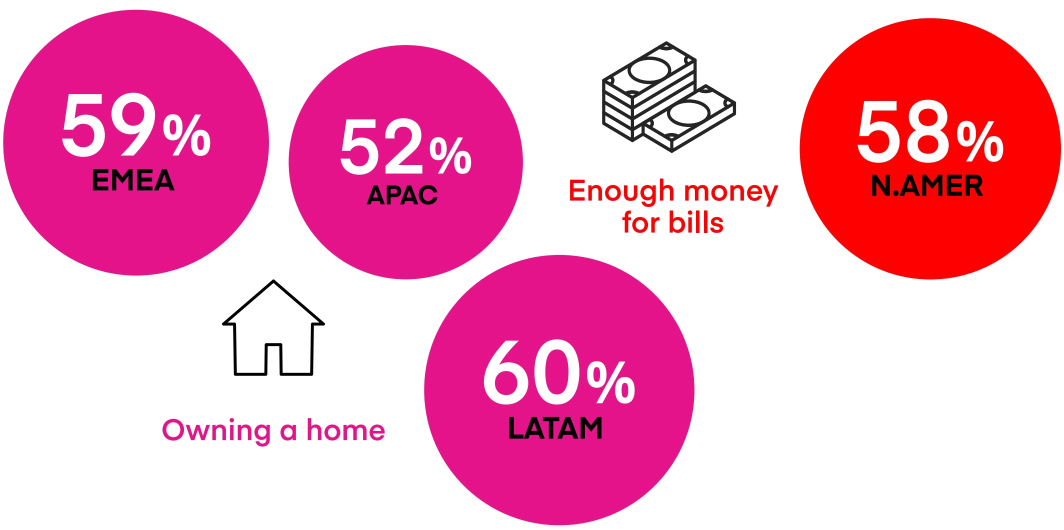
Fig 35. Highest % of people vs. lowest % of people with personal finance debt: by country



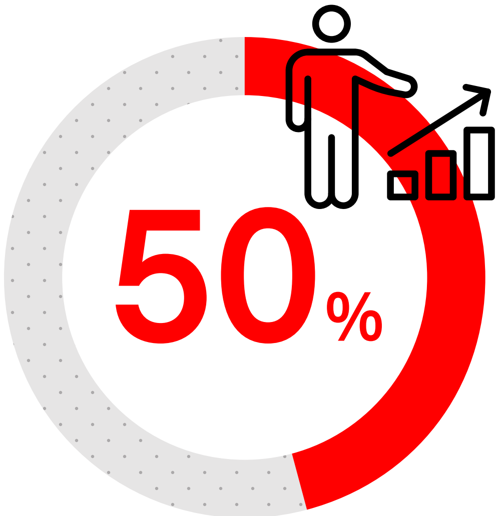
Dreaming forward financially

But it's not all doom and gloom, globally many say home ownership (50%), retirement (49%), their children's futures (43%) are their personal financial goals. By region, in EMEA, the biggest aspiration is owning a home (59%), as well as in APAC (52%) and LATAM (60%), whereas in North America it's having enough money for bills (58%) followed by saving for retirement (52%).

Fig 36. Peoples' top personal financial goals: by region

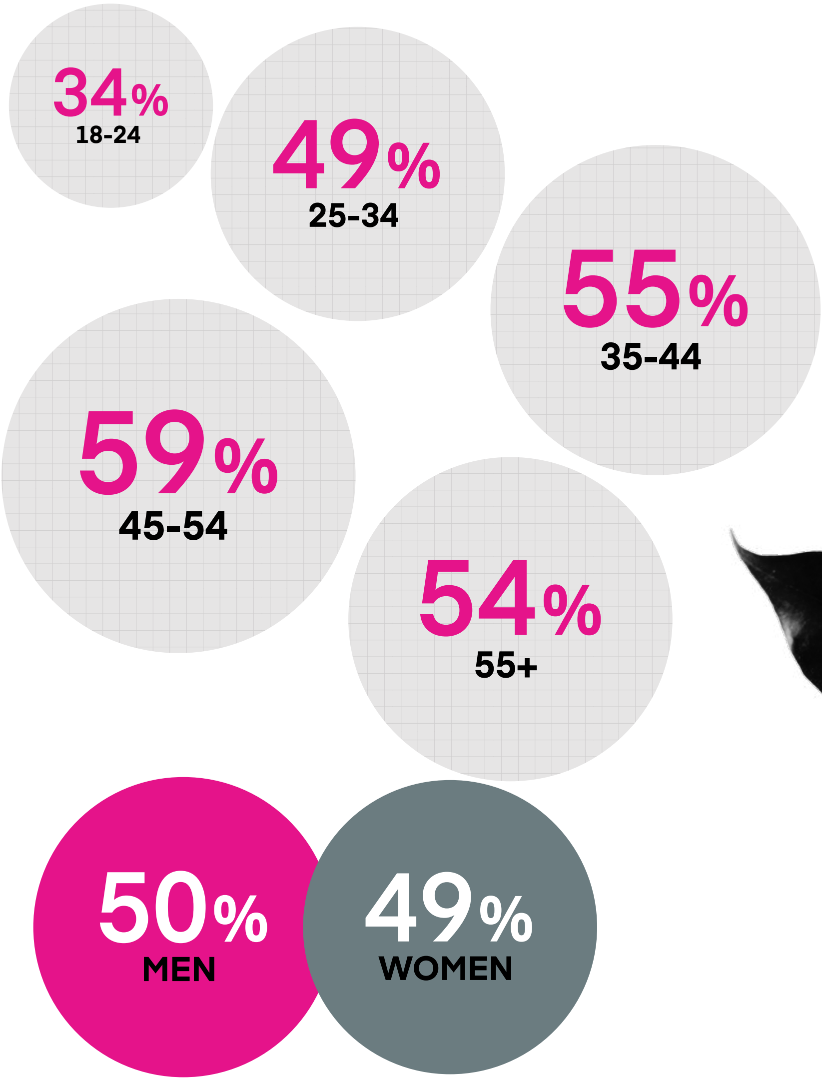


This could suggest that home ownership is more accessible in the US. Or it could be the cost of living in the US is much higher, or as we learned in the previous segment debt could be holding people back, with 44% saying their biggest financial goal is getting out of debt. Ultimately, for the US to find more financial happiness, negative cycles need to be broken through financial skills and knowledge.



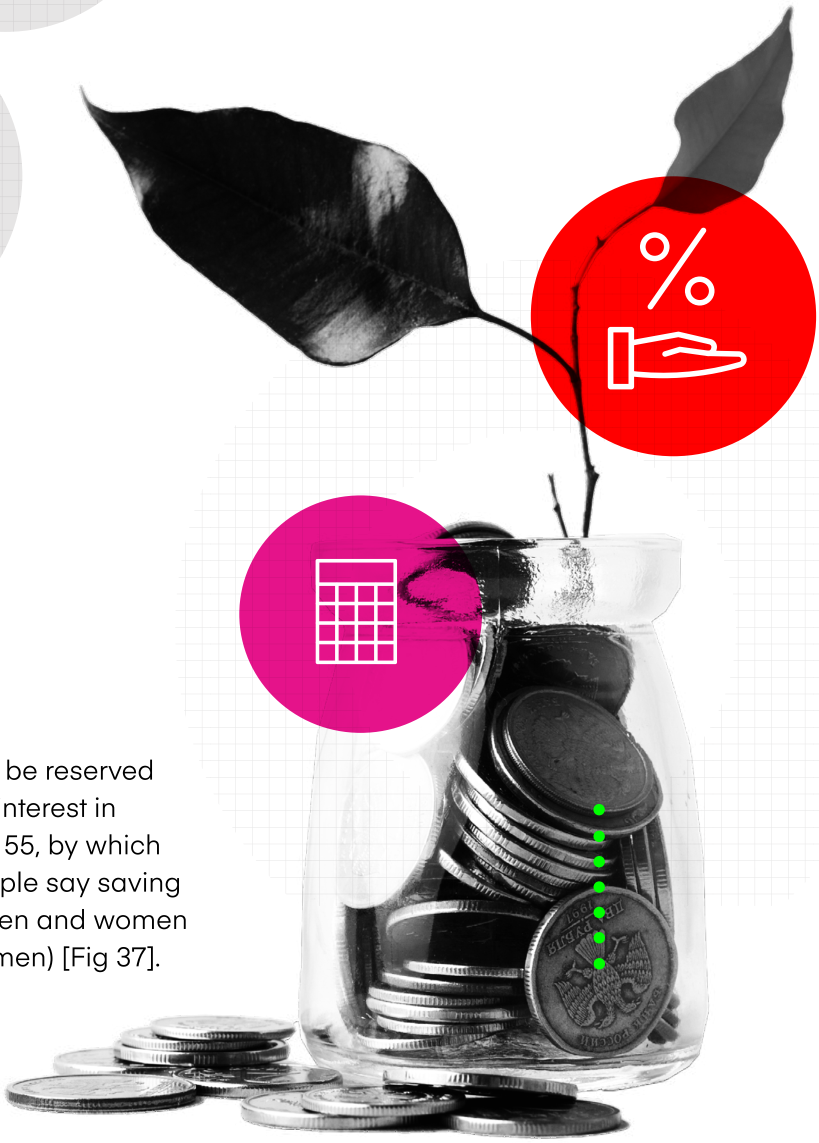
of people overall say saving for retirement is an important financial goal.

Fig 37. People saving for retirement: by age and gender



Retirement delusion

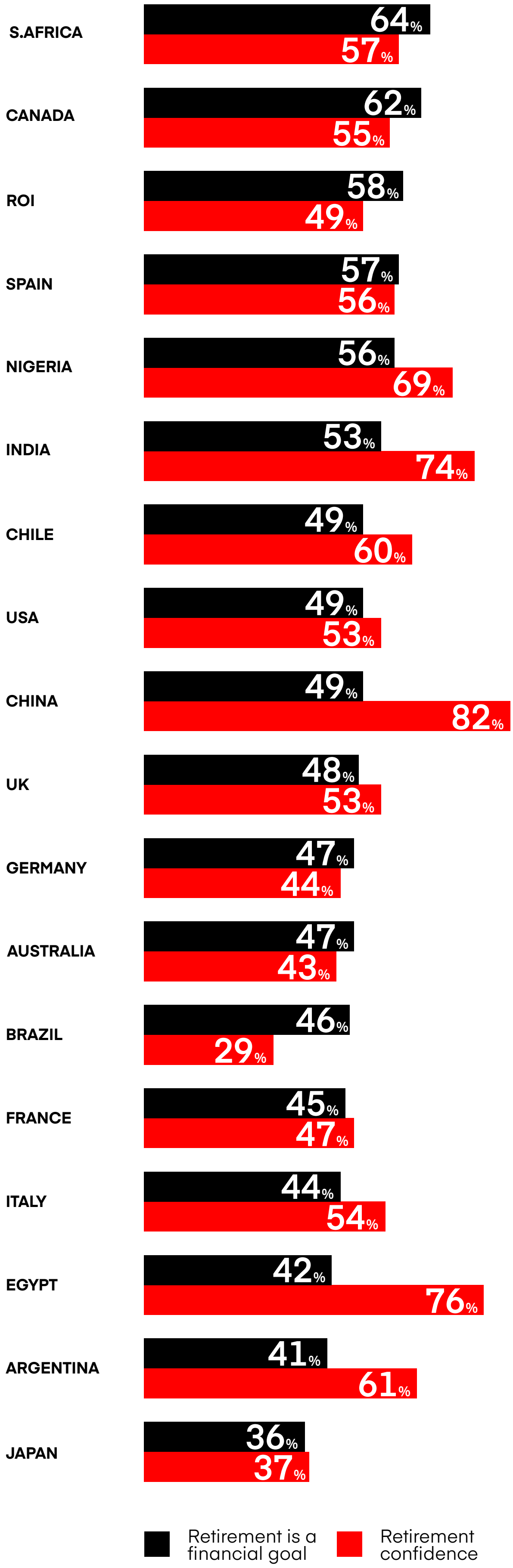
Saving for retirement isn't an aspiration that should be reserved for the older generations. Our research shows that interest in retirement does increase with age, until you're over 55, by which point you've left things too late. Overall, 50% of people say saving for retirement is an important financial goal, and men and women agree on its importance (50% men versus 49% women) [Fig 37].



If we zoom in on retirement confidence, an interesting picture starts to emerge. We have learned that 82% of Chinese people feel self-assured they've saved enough for after work, making China the most confident country for retirement.

On the other hand, in Japan, retirement doesn't feature highly in people's personal finance goals (36%), even though only 37% of Japanese people are confident that they have enough money for retirement. Less so amongst men (33% versus 40% women) and worryingly confidence dips at 45-54 years old (19%) and the over 55s (23%). The only other nation with less retirement confidence than Japan is Brazil (29%). It's striking to see the disconnect between retirement goals and confidence in retirement savings. This disassociation indicates a global knowledge gap in planning for life after work.

Fig 38. People who have retirement as a financial goal vs. retirement confidence: by country



Virtuous cycle of happiness

57% of people globally don't feel content with their current financial circumstances. To add to that, 60% are not proud of their financial standing. How can we change this? What is it that makes us feel financially content?

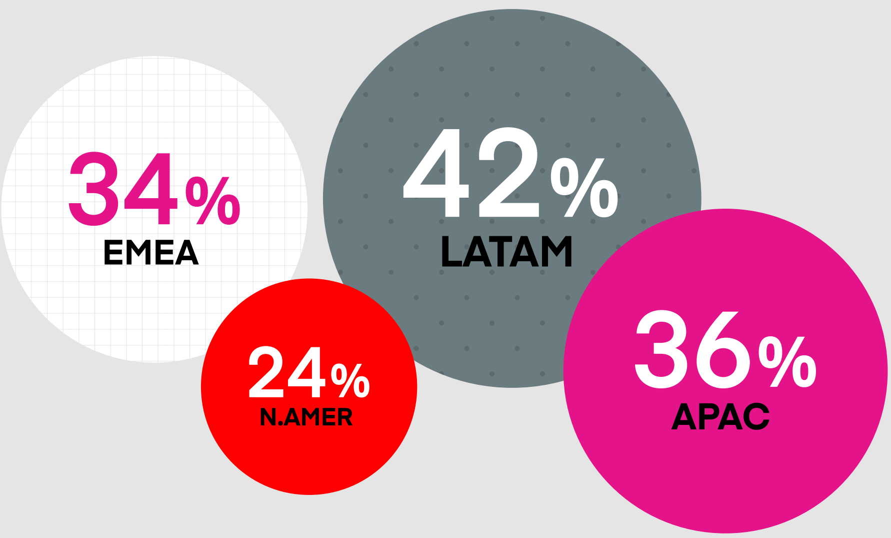
Scientific consensus tells us[7] that planning for the future makes us happier. As humans we're very future-orientated, from holidays to plotting a five-year plan, we have a unique ability to envision life goals and how it feels to achieve them. This is exactly why having financial goals, like those explored in this chapter, and an actionable plan are the secret to happiness and financial contentment. But we all need a little nudge, a motivation, to get going in the right direction.

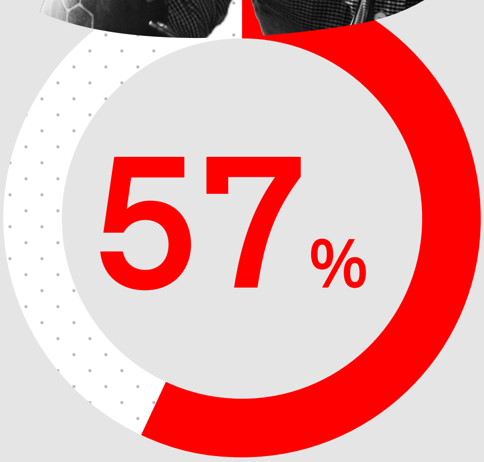
We've learned that loved ones (61%) are a massive motivating factor in achieving financial goals. The biggest motivator globally is increased financial security (65%) followed by more choices (60%) and more control over time (51%). Globally, men and women tend to agree on what inspires them to achieve financial goals.

Inspiration is one factor in obtaining financial goals, what about influences? After family, work environment ranks consistently high as a motivating factor: EMEA (34%), APAC (36%), LATAM (42%) [Fig 39], whereas North America is split between work (24%) and friends (24%).

This insight demonstrates that businesses are in an incredibly unique position to influence people's financial behaviors for the better, for the greater good of the economy and society. Yet most are not taking the opportunity of this challenge.

Fig 39. People who believe their work environment is a motivating factor: by region





don't feel content with their current financial circumstances

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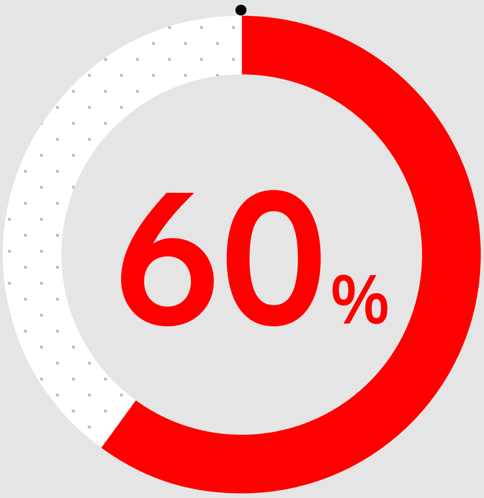
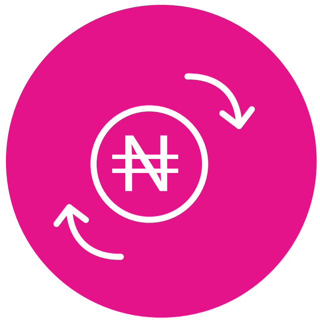


of people globally are not proud of their financial standing.

7. www.sciencedirect.com/science/article/abs/pii/S0005796701000924



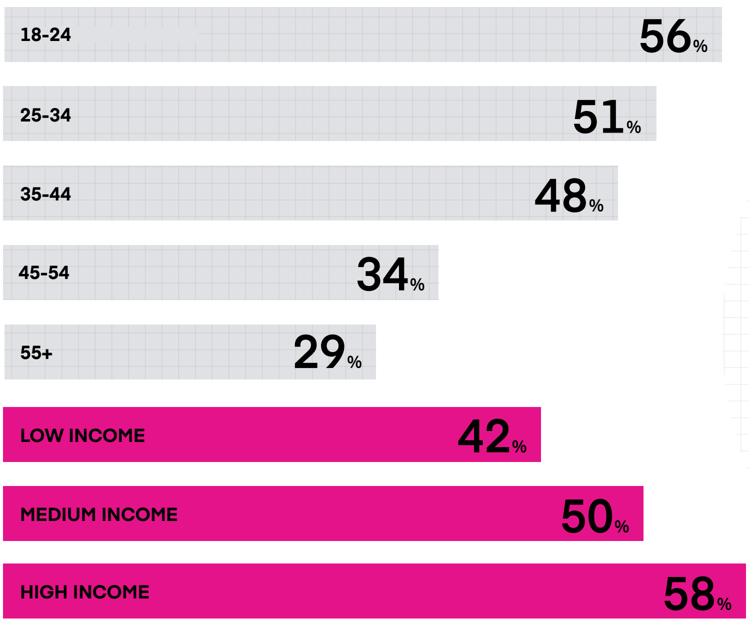
Innovative business habits

To help bring more equity and financial wellbeing to the world, some businesses are levelling the playing field with employee benefits and support. Unfortunately, globally, employer support is in the minority:

- **Only 47%** of people believe their employer is interested in supporting their **personal financial goals.**
- **Only 41%** of people say their employer offers **personal finance education.**
- **Only 40%** of people say their employer communicates regularly about how to **improve financial wellbeing.**

But some countries are more advanced in this area than others. India (75%), China (74%), Nigeria (59%) have the strongest belief that their employers care about their financial goals. Interestingly, these countries remain in the top positions globally for financial education and communication. If we look at age groups, then +55s are the forgotten generation by employers, only 29% believe their employer cares versus 56% of 18-24 year old's [Fig 40]. And household income reveals that the higher your income the more your employer cares about your financial goals (42% low versus 58% high income).

Fig 40. Employees who believe their employer cares about their financial goals: by age and income



If we compare people's financial wellbeing within the countries getting the best financial education and wellbeing support, 59% of Indians feel content, 39% of Chinese don't feel anxious about their current circumstances and 82% of Nigerians feel hopeful for the future. Demonstrating positive returns gained from strong financial wellbeing provided by businesses and happier, less anxious, more optimistic people.

In fact, those who feel supported by their employer, receiving financial education benefits and financial wellbeing advice are:

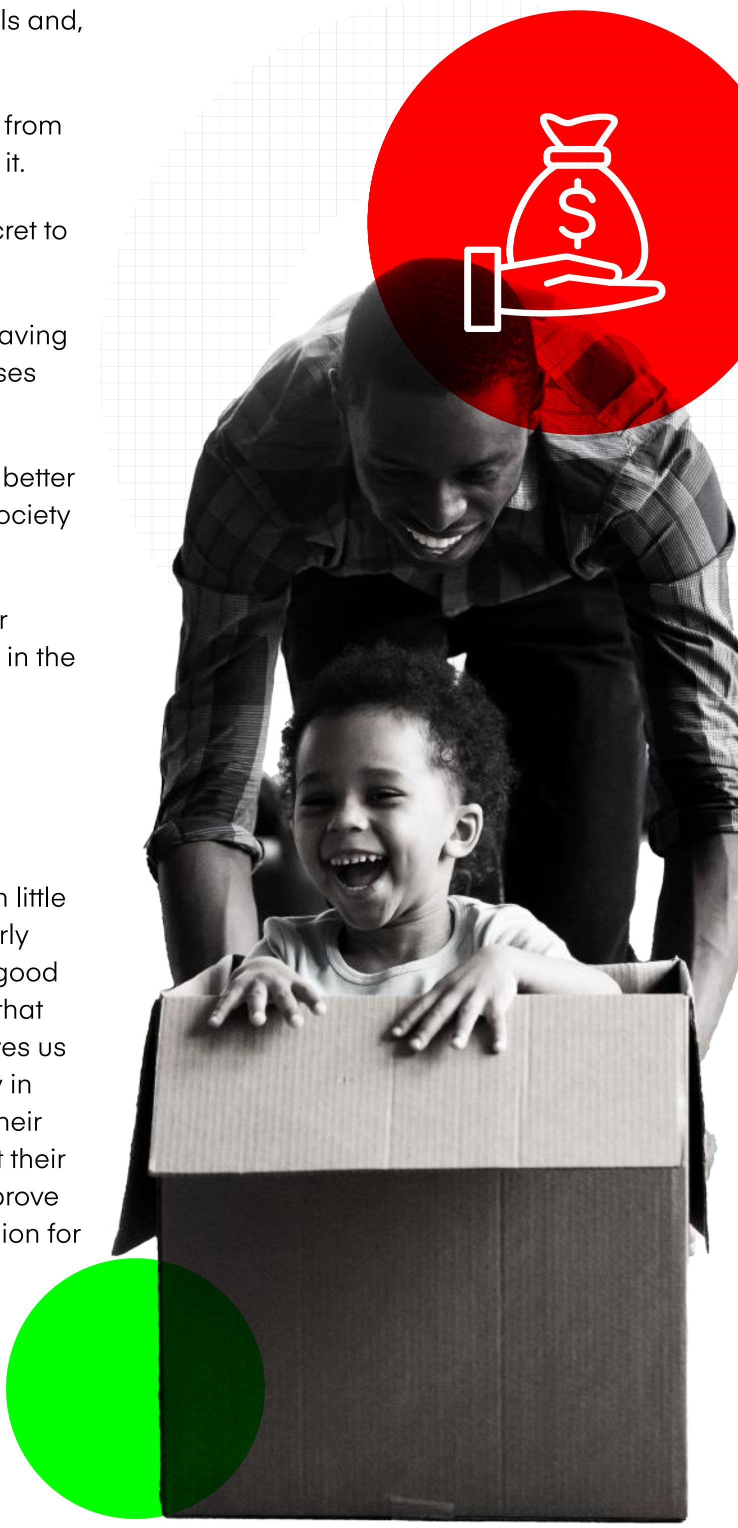
- **4 x more** likely to feel pride and contentment in their financial situation.
- **2 x more** likely to feel hopeful about their financial situation.
- **27% more** likely to feel prepared for retirement.

What have we learned?

- **Everyone needs a little help to realize** their financial goals and, in some cases, address their debt.
- **People need to understand** the importance of retirement from an early age and understand their options to prepare for it.
- **Having financial goals** and an actionable plan is the secret to financial happiness.
- **A deeper understanding** into people's motivations, like having more security, or having more choice - can help businesses create work cultures that are more financially inclusive.
- **Businesses are in the best position to help** people make better financial decisions that will positively impact business, society and the world.
- **Employers need to take responsibility** for increasing their financial wellbeing support across the globe, so they are in the majority - not the minority.

What can you do?

We have uncovered that a significant amount of people live financially from month to month, paycheck to paycheck, with little retirement plans and this cycle is wearing on them, particularly those struggling with debt. We know that having goals, and good things to look forward to benefit our wellbeing – many need that influence and support to achieve these aspirations. What gives us hope is the positive influence the work environment can play in people's financial wellbeing. People are more likely to trust their employer than anyone else.[8] Our research shows many trust their organization to help them make the most of their money, improve their financial wellbeing and break cycles of financial exclusion for good. The question is, what's stopping you?



8 Edelman Trust Barometer 2021

Conclusion

Closing statement by Jeremy Beament, nudge Co-founder.

The most pronounced change in the employee benefits market over the past decade, has been a shift in emphasis from employee choice to employee wellbeing. Put simply, if a benefit package doesn't help an employee bring their best self to work, it's not doing its job properly.

Accelerated by Covid, a comprehensive wellbeing offering is now a must have for any leading organization. With money touching every part of our lives, financial wellbeing is a key ingredient to a successful strategy.

An uncertain world has become increasingly complex for employees to navigate. Sound financial skills and knowledge are essential now and will become even more so in the coming uncharted years.

For the most part, education systems are not providing the young with financial literacy training at school. Traditional financial institutions are not successfully filling that void in adulthood, instead it is fulfilled by hand-me-down information from parent to child, and through unregulated social channels such as YouTube and TikTok.

As businesses have so much to gain from a financially fit workforce – from improved productivity, to return on investment from compensation and benefits spend – the natural home for these programs is the workplace. We therefore expect employers to continue to adopt financial wellbeing solutions at pace.

It's also clear that poor financial wellbeing is a global problem, needing a global solution. Currently, organizations are mostly providing a piecemeal, inconsistent experience for their people. A leading program should be personalized to the individual need, versatile to country or region-specific nuances, and with a holistic range of topics that an individual will need to understand to make the very most of their financial situation.

Another key conclusion we can draw from this report is the significant work still required to make the world of finance inclusive. All over the world, financial exclusion remains a curse for many, particularly women and some ethnicities. For organizations who are serious about diversity and inclusion, financial wellbeing offers an excellent channel for organizations to celebrate difference and transform everyone's future financial prospects.

Despite the precarious world we live in, people's hope for the future shines through. It is now time for businesses to make that hope a reality and break cycles of exclusion for good. Together let's disrupt damaging money habits and create brighter financial futures for everyone, everywhere.

What can you do with the data in this report?

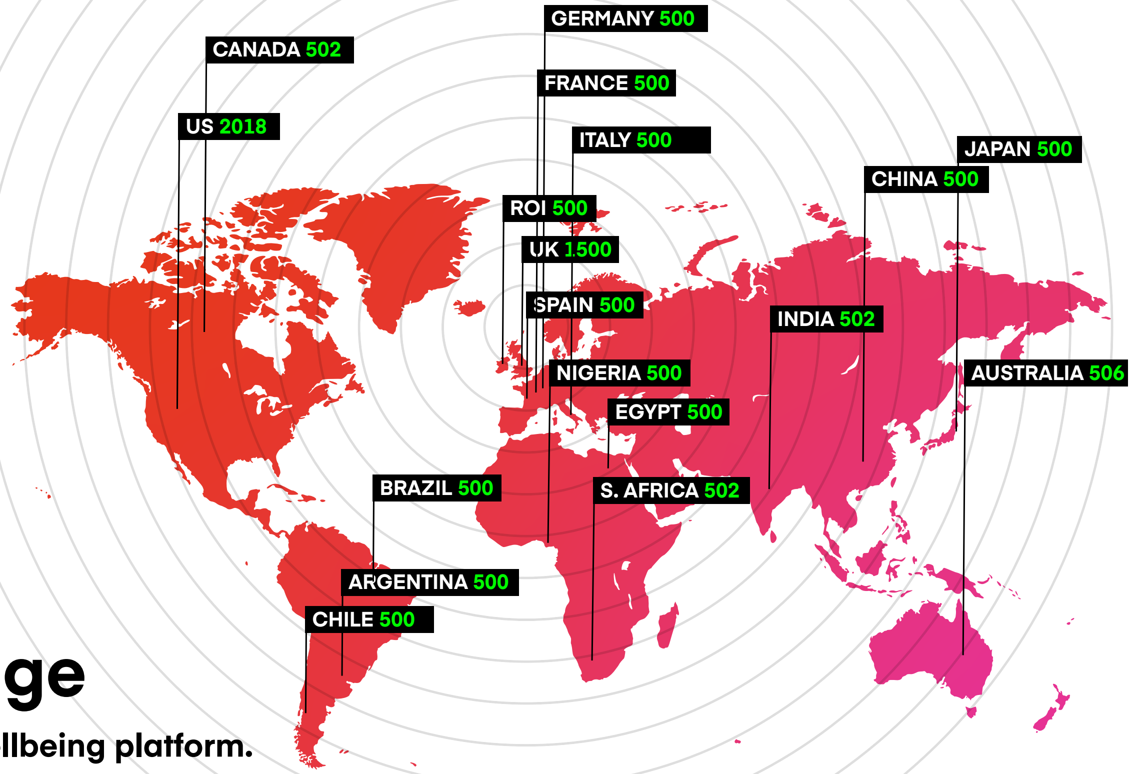
To make notable global change and give people equal access to their financial potential, requires a financial wellbeing program that's underpinned by inclusive financial education.

Our ultimate financial wellbeing playbook will guide you through everything you need to know to design a truly inclusive global financial wellbeing program.

Find out more

Methodology

We surveyed **11,530** people from different genders, ethnicities and income brackets from around the world to gain our insight.



About nudge

#1 global financial wellbeing platform.

At nudge we are driven by a shared vision to create brighter, more inclusive, financial futures for everyone, everywhere. We work with over 200 organizations of all sizes in over 55 countries to help their people maximize financial opportunities, overcome financial problems and make managing money stress free. Our global financial wellbeing platform uses behavioral science and technology that's designed for inclusion – to increase the likelihood of positive financial outcomes for everyone, across the world.

Our financial wellbeing platform works in four ways:

nudges: When there's something you need to know, or a financial action you ought to take, we send you a personalized, timely, nudge to remind you to do it.

Financial social feed: A personalized feed full of bite-sized financial education posts and snackable articles, all curated to circumstance and interests.

Tools: Our interactive tools help you plan, prepare and organize your finances from the unexpected to the expected.

Stories: Step inside our library of dynamic financial learning stories, created to help you achieve what you want in life. It could be buying a home, saving for a holiday or getting out of debt.

Find out more