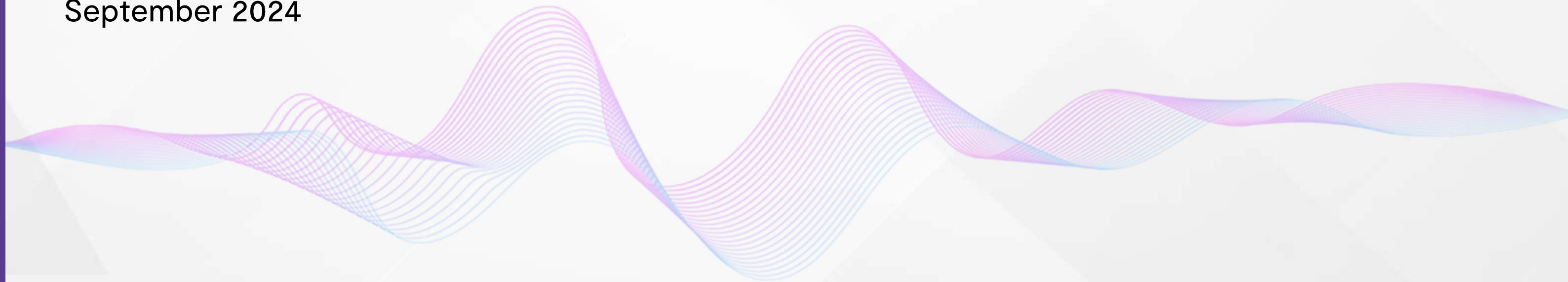


deempulse

September 2024



deem

ABOUT DEEM PULSE

- **Comprehensive Study:** Measures financial well-being based on 5 key wellness pillars.
- **Sample Size:** 1,000 adults across the UAE.
- **Objective:** Provides insights into the financial health of individuals in the UAE to drive positive financial behavior and awareness



5 PILLARS X 15 INDICATORS



Financial Stability



Spending Habits



Financial Confidence



Financial Stress



Financial Literacy



DEEM PULSE –WAVE 1

SCORE 53

A score of 53 reflects that consumers in the UAE are generally managing their finances, but face challenges. While many can meet their basic needs, areas of concern may include:

- Difficulty saving consistently
- Struggles with managing debt
- Limited capacity to handle unexpected expenses

Financial Behavior Insights:

- Consumers are likely cautious in their spending and saving habits, balancing their budgets but without substantial financial security or confidence.
- The score of 53 also suggests that many are experiencing some level of financial stress, possibly due to rising costs in essential areas such as housing and utilities.



FINANCIAL SITUATION

- A score of 2.3 indicates that the majority of respondents fall into the "Managing but Tight" category, meaning they can meet basic needs but have little room for extras and must budget carefully.
- This situation is particularly common among those earning AED 5,001 – AED 10,000 (48%) and single individuals (47%).



SPENDING HABITS



Score of 2.9 – Increased Spending:

Reflecting a rising cost of living and highlighting the need for effective financial planning.



46% Reported an Increase in Grocery Spending:

This trend is especially noticeable among the 25-34 age group.



Dining Out – 40% Reported a Decrease in Spending:

This indicates a potential shift toward cost-saving measures, such as opting for home-cooked meals or food delivery.



House Rent/Utility:

52% of respondents reported an increase in house rent and utility costs, reflecting the rising rents across the UAE.



School Fees:

44% of respondents reported an increase in school fees, suggesting a growing financial burden in this area.



Financial Strain:

A significant portion of the population is experiencing financial strain, indicating widespread challenges in managing expenses.

FINANCIAL CONFIDENCE

The confidence score of 2.9 reflects a neutral to somewhat confident sentiment, with slightly higher confidence in areas such as income stability and debt management.



FINANCIAL STRESS

A score of 2.4 indicates moderate financial stress among respondents, suggesting they are leaning towards being somewhat stressed.



FINANCIAL LITERACY

The financial literacy score of 3.1 suggests that respondents feel somewhat confident in their understanding and management of personal finances.



FINANCIAL CONFIDENCE

Trends:

Financial confidence among consumers is influenced by rising inflation, especially in housing and non-tradeable items. The steady increase in housing costs, a significant expenditure category, could lead to decreased confidence in financial stability

Interpretations:

High inflation rates in essential categories like housing and utilities suggest that consumers might feel less secure in their financial planning. Efforts to manage budgets and savings are likely strained, affecting overall financial confidence.





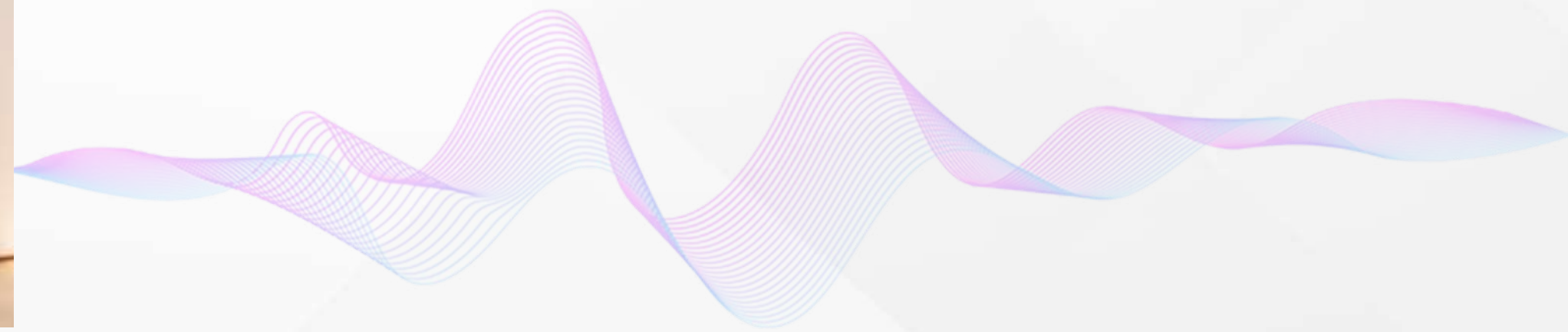
FINANCIAL STRESS

Trends:

Elevated costs in essential living categories contribute to increased financial stress. The upward trend in housing-related expenses adds to daily financial burdens.

Interpretations:

Consumers are likely experiencing heightened stress due to the need to allocate more resources to cover basic living expenses. This increased stress can negatively impact overall financial wellness, leading to potential cutbacks in discretionary spending.



FINANCIAL LITERACY

Trends:

Understanding of inflation and its impact on personal finances is crucial. The varying inflation rates across different categories underscore the need for improved financial literacy.

Interpretations:

Financial literacy programs could focus on educating consumers about managing inflationary pressures, particularly in high-cost categories like housing and utilities. Enhanced literacy can empower consumers to make informed decisions, improving financial wellness.



ECONOMIC OVERVIEW AND CPI INSIGHTS (CB UAE REPORT)

General Index and Non-Tradeable Items



General Index Inflation:

Inflation in the general index has shown a moderate increase, moving from 3.6% in Q4 2023 to 3.9% in April 2024. Non-Tradeable Items: Inflation for non-tradeable items has increased from 4.2% in Q4 2023 to 4.6% in April 2024. The high weight of non-tradeable items (74.9%) indicates a significant impact on the overall inflation rate.



Specific Categories:

Housing, Water, Electricity, Gas, and Other Fuels: This category, with the highest weight (40.7%), has seen a continuous increase in inflation from 6.1% in Q4 2023 to 6.5% in April 2024. This reflects rising living costs, impacting household budgets and financial wellness.



Food and Beverages:

Inflation decreased from 4.0% in Q4 2023 to 2.3% in April 2024, easing some pressure on consumer spending on essentials.



Transport:

A significant rebound is noted, from -2.0% in Q1 2024 to 3.3% in April 2024. This volatility can affect commuting costs and overall mobility expenses.



Education and Health:

Relatively stable with slight fluctuations, these sectors indicate steady service costs, influencing long-term financial planning for families.

THANK YOU

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