



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
- **Frequency:** Quarterly 1st Wave – September 2024



5 PILLARS X 15 INDICATORS



Financial Stability



Spending Habits



Financial Confidence



Financial Stress



Financial Literacy

WHAT DO THE SCORES MEAN?

Below 40:

Financial stress, characterized by struggles to meet basic needs and high debt levels and often lack the security to manage any financial setbacks.

40-60:

Moderate financial stability but limited capacity to absorb financial shocks, highlighting the need for careful budgeting and planning.

Above 60:

Robust financial standing and foundation with higher confidence in managing debt, savings, and long-term investments.

DEEM PULSE –WAVE 1

SCORE 53

A score of 53 reveals that financial wellness in the UAE is moderate.

This moderate rating indicates that while many residents are managing their day-to-day expenses but may struggle with building long-term financial security, managing debt and saving for emergencies. They face several challenges driven by rising costs of essential living expenses, utilities & groceries



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.



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 CONFIDENCE

A confidence score of 2.9 indicates that many residents feel moderately confident in managing their finances but remain cautious, especially regarding their ability to save and invest for the future.



FINANCIAL STRESS

A score of 2.4 reflects the persistent anxiety residents face when it comes to day-to-day money management, particularly among those experiencing the most pressure from rising living costs.



FINANCIAL LITERACY

A score of 3.1, presents a solid starting point for growth. Many UAE residents already possess basic financial knowledge but could benefit from enhanced education to improve their financial outcomes.



ECONOMIC OVERVIEW AND CPI INSIGHTS

(Central Bank – Quarterly Economic Review – Q1 2024)

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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