SIGHT

for **GROWTH**

a monthly series

The Future of Financial Literacy

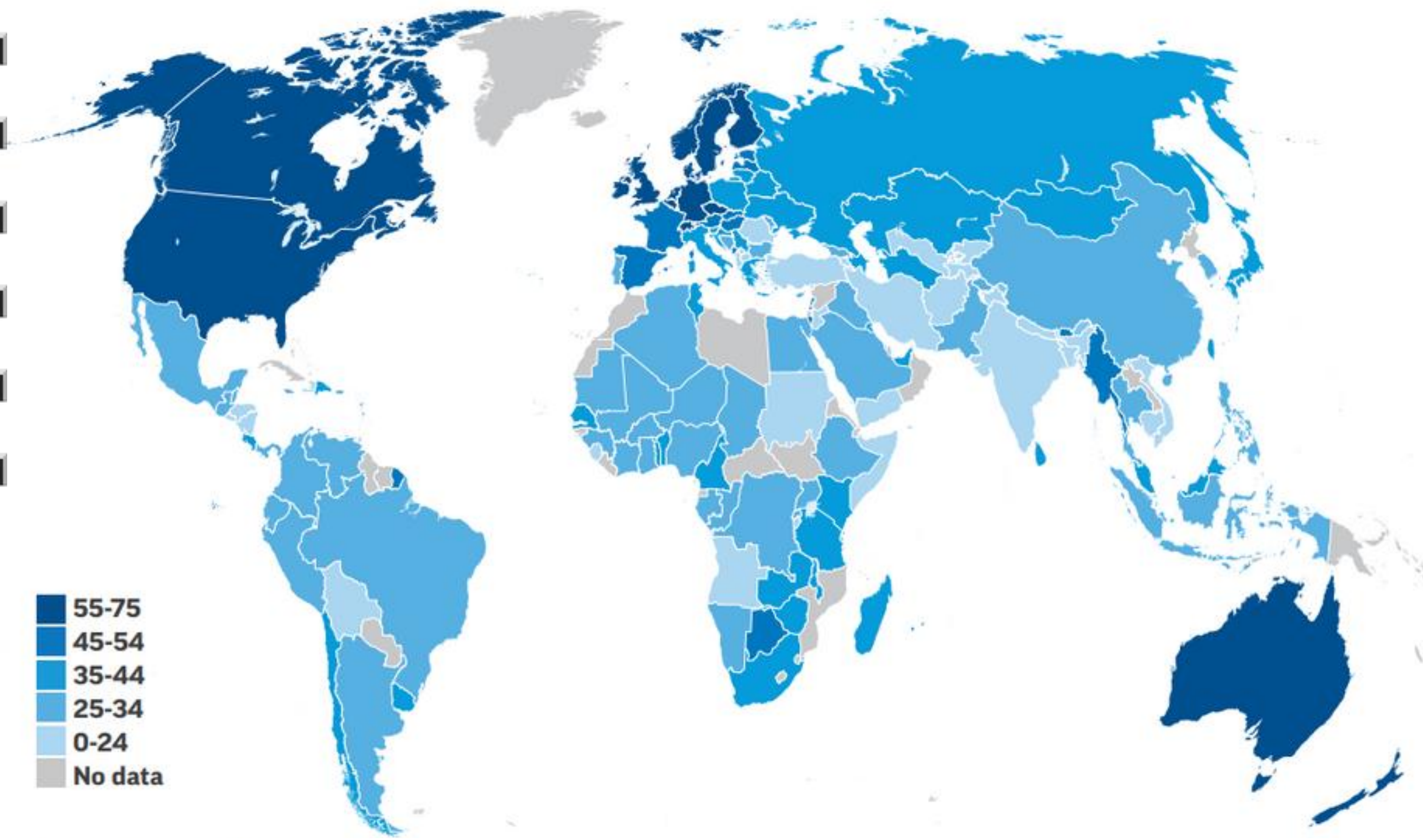
FEBRUARY | 2025

The **finance industry** continues to evolve, thanks to **new trends and modern technologies**. This has in turn impacted financial literacy in the region.

With the merge of technology and finance, **fintech platforms** are now playing an **important role in delivering financial literacy and education**.

It allows investors to make **informed decisions** and manage their **finances productively**.

Global variations in Financial Literacy
(% of Adults who are financially literate)



Source: S&P Global FinLit Survey

So, what is Financial literacy?

It is an essential ability for managing the **complicated world of personal finance and investing**.

In today's rapidly evolving, tech-driven world, **financial literacy extends beyond the fundamentals** of budgeting, saving, investing, and debt management and now **encompasses modern banking solutions, fintech innovations, and digital investment strategies.**

Financial literacy in the region has evolved significantly over time, driven by increasing access to education, financial reforms, and growing influence of technology

Pre-2000s

A significant number of **people exhibited limited financial literacy**, relying heavily on **informal knowledge passed down through families or communities**, which mainly emphasized traditional banking practices and saving techniques. This was **compounded by a cash-driven economy** where most transactions were conducted using cash or checks, and there was a **pronounced lack of awareness regarding modern financial instruments** such as credit cards and loans.

Early 2000s to 2010s

The early 2000s saw **significant economic growth in GCC countries**, leading to the **rise of consumer banking, personal loans, and credit card usage.** Governments focused on **developing financial infrastructures, emphasizing the need for financial literacy**.

Financial institutions expanded their services, but public understanding of long-term financial implications remained limited. In response, governments and institutions **initiated programs to educate the public on money management, debt, and savings,** with campaigns launched in **the UAE and Saudi Arabia to promote financial awareness.**

2010s to Present

Mobile technology and digital banking have improved financial access and literacy in the region. Countries like the UAE, Saudi Arabia, and Egypt have initiated strategies to enhance financial understanding, such as **the UAE Financial Literacy Campaign and Saudi Vision 2030.**

Financial literacy is now part of school curriculums in Jordan and Lebanon, equipping youth for financial responsibilities. Moreover, **as entrepreneurship rises, especially among youth and women, programs focused on financial planning and investment are becoming more common.**

Current Trends in financial literacy

The rapidly growing fintech sector has greatly enhanced access to financial services. **Innovations like peer-to-peer lending, digital wallets, and blockchain solutions** are paving the way for increased financial inclusion.

In middle east, fintech companies enhance **financial awareness and inclusion for marginalized groups**, such as women and rural populations. Both government and private entities focus on providing **access to essential financial services, often incorporating microfinance solutions** and financial education.

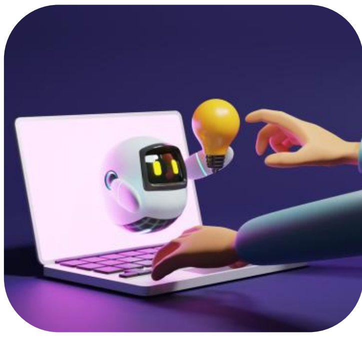
The **rise of investment platforms aimed at younger demographics** has increased interest in financial literacy, with more individuals, particularly Gen Z and Millennials, learning about stocks, bonds, and cryptocurrencies to build wealth.

Let's take a look at how financial literacy is evolving to keep up with these changes

01 Shifting demographics demand bold innovation

Financial advice is evolving due to changing demographics, longer life expectancies, and shifting economic conditions. Older adults struggle with retirement savings, while younger generations engage with financial markets earlier. As investor demographics diversify, trust in financial services declines among younger individuals, driving institutions to innovate and address these emerging needs.

02 Technology & AI are reshaping the industry



As customer expectations rise and new markets develop, technology enhances productivity, reduces costs, and increases access. AI and digital platforms offer personalization, real-time insights, and automated financial advice. Neo-backed fintech solutions have lowered barriers to investment, attracting new investors and transforming the landscape.

03 Holistic financial well-being takes center stage

People desire holistic financial well-being rather than just isolated products. Comprehensive, long-term advice and one-stop solutions can enhance savings, reduce financial anxiety, and improve overall well-being. Financial institutions should utilize technology to provide personalized guidance and education effectively.

04 Consumers demand hyper-personalized services and 24/7 digital access

Personalized approach is increasingly becoming the default expectation. In addition to personalized advice, customers also want instant access to their accounts and financial products.

05 The birth of the 'finfluencer economy'

Social media has transformed financial services, with influencers now playing a key role in financial education, especially for Gen Z and Millennials. While they offer relatable and inclusive advice, they often lack formal qualifications and transparency. To stay relevant, traditional financial institutions must modernize their approach, expand accessibility, and rebuild trust.

With all these changes, ensuring **financial stability and independence** for the **next generation** begins with **early financial education**.

Despite being digital natives, many **young adults still face a knowledge gap** compared to more seasoned investors.

How can we **simplify complex investment strategies** and financial tools to make them more accessible, thus **empowering the next generation** to make informed, confident financial decisions?

"It is a crucial investment from many perspectives, including sustainability and financial inclusivity; full financial participation is crucial to building a strong, sustainable economy. Being financially literate can protect against financial pitfalls and exclusion." Radu Topliceanu, EVP, Head of NEO and Personal Banking at Mashreq,

Key Trends for cultivating a financially literate future in the Middle East

Trend 1

Catch them young

Trend 2

Embrace the shift in mindset

Trend 3

Leverage Interactive tech tools for financial education

Trend 4

Embed Gamification for enhanced engagement

Trend 5

Market beyond just product features

Trend 6

Data analytics & AI for tailored financial wellness

Trend 1

Catch them Young

Integrating **financial education into school curricula is crucial** for empowering students with essential money management skills. Although many Middle Eastern schools have not yet mandated financial literacy courses, **there is a push to incorporate financial concepts into subjects like mathematics and economics.**

This strategy is **endorsed by experts as a vital step toward creating a sustainable future for our youth**. Investing in financial education today leads to a more informed and prosperous society tomorrow.

"As the UAE's leading provider of financial education, KFI GLOBAL has partnered with the National Bank of Fujairah to bring this critical education to youngsters. I am a strong believer in the power of collaboration and am thrilled with this partnership and the potential it has to positively impact the lives of the next generation". Marilyn L. Pinto, Founder, KFI GLOBAL

National Bank of Fujairah kicks off new financial literacy campaign

Emirates NBD MoneySense Program (UAE): offers interactive workshops and educational sessions tailored for school-age children and families. By integrating fun, hands-on learning with real-life financial scenarios, MoneySense helps instill good money habits early on.

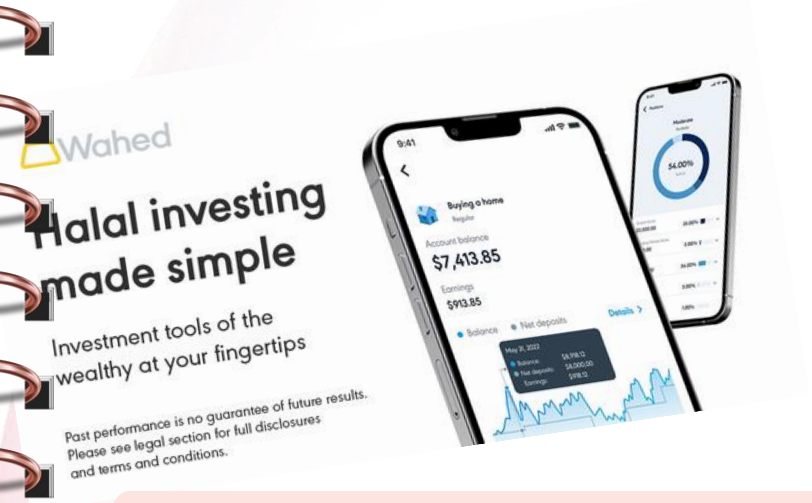
MISK Foundation Youth Financial Literacy Initiatives (KSA): Part of Saudi Arabia's Vision 2030 efforts, MISK Foundation runs programs that equip young people with essential financial and entrepreneurial skills through workshops and hands-on activities.

Saudi Arabia's National Savings and Financial Literacy Strategy prepares students for the university of life by outlining different types of bank accounts for students, how to open a bank account, and how to budget effectively.

Trend 2

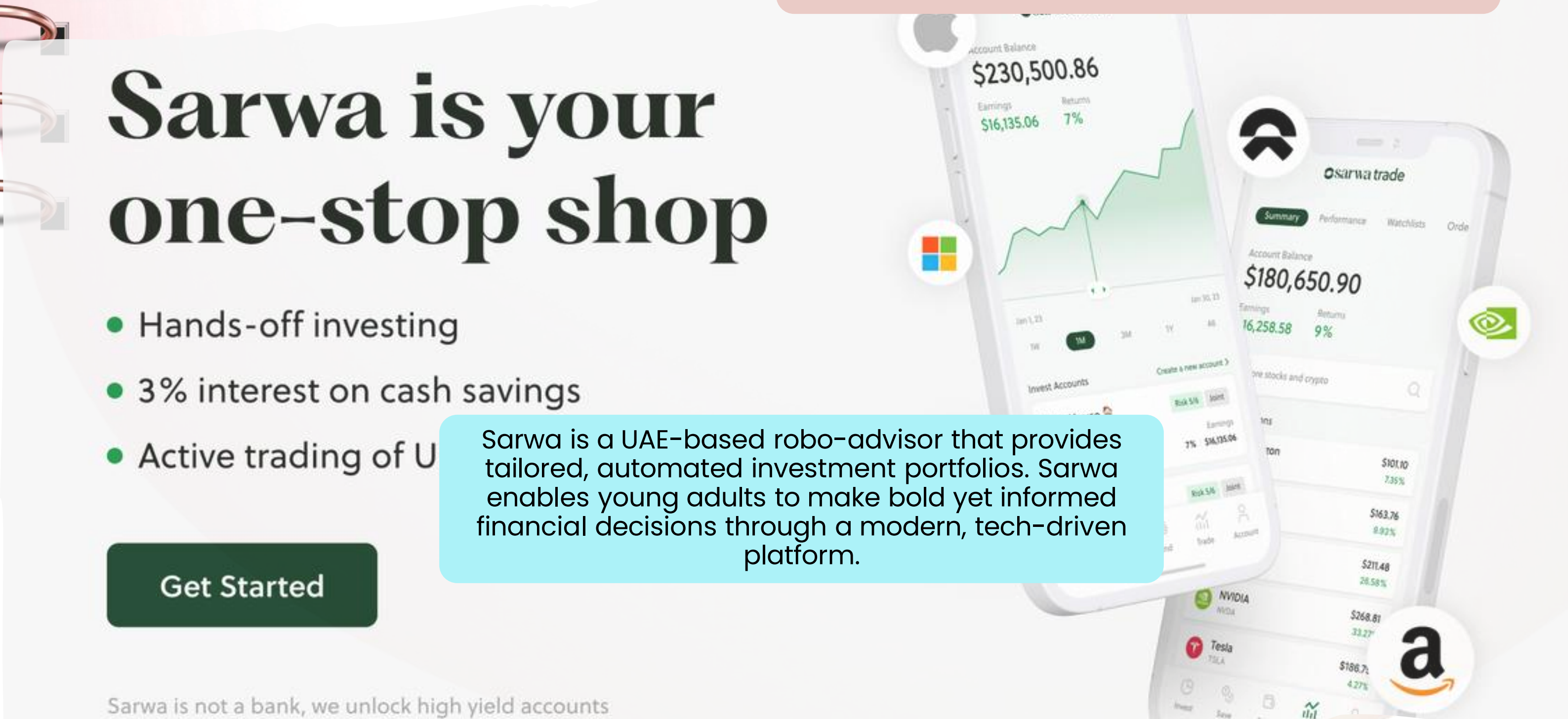
Embrace the shift in mindset

Younger generations are transforming financial literacy with a digital, entrepreneurial approach, prioritizing accessibility and financial independence, unlike older generations who focused on stability and traditional planning. Financial service providers must adapt to this **shift by offering tailored solutions and educating young adults on modern investment strategies to help them build wealth.**



Wahed Invest (UAE/KSA): A real digital investment platform that offers Shariah-compliant robo-advisory services, encouraging a modern, digital-first approach to investing and financial decision-making.

Cashee – A Fintech Startup Focused on Youth Financial Literacy (UAE/KSA): Cashee is a teen-oriented digital banking solution that provides a prepaid VISA card and an app designed to teach financial literacy.



Sarwa is a UAE-based robo-advisor that provides tailored, automated investment portfolios. Sarwa enables young adults to make bold yet informed financial decisions through a modern, tech-driven platform.

Trend 3

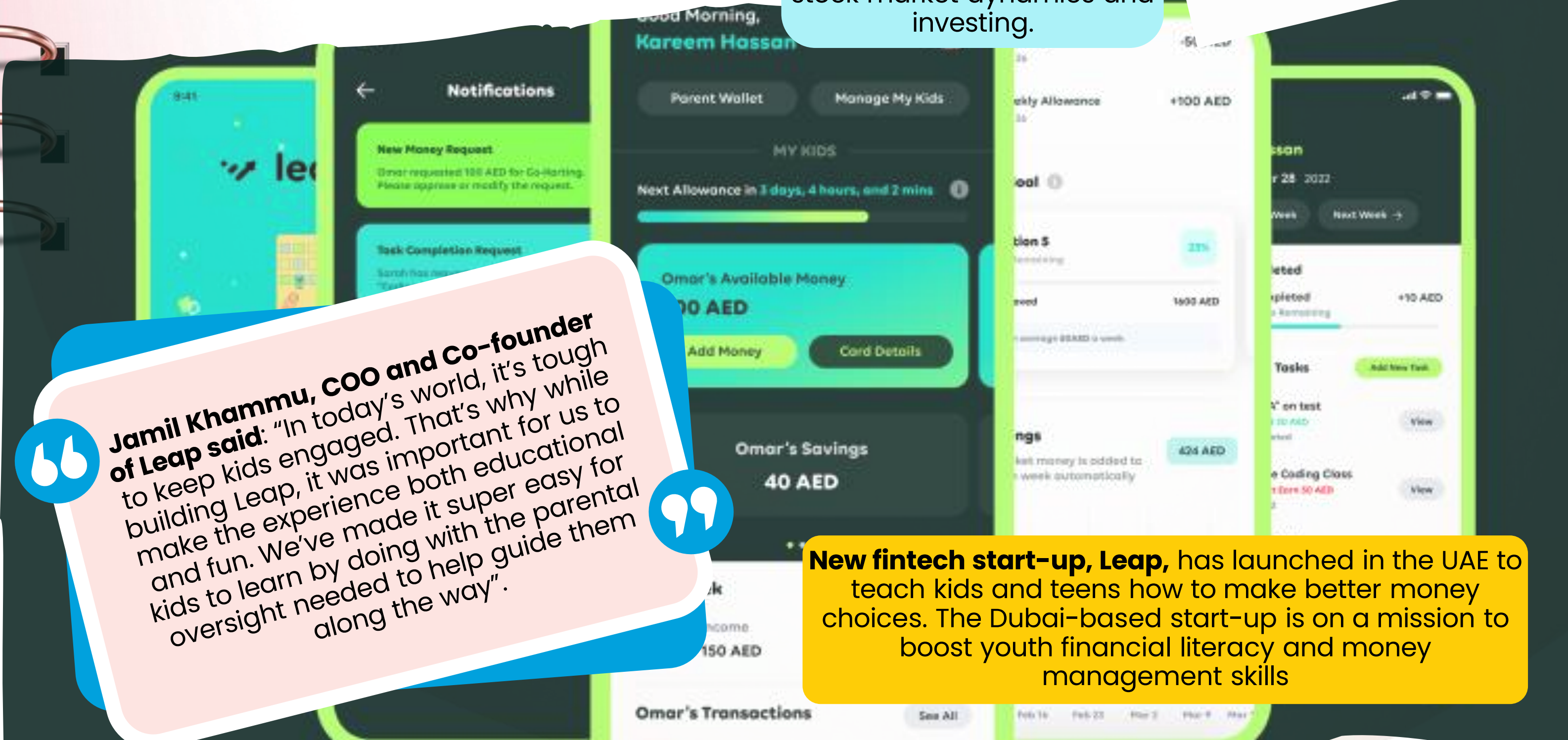
Leverage Interactive tech tools for financial education

In today's **digital era, integrating interactive tech tools into financial education is essential for young adults.** Using simulations of online banking, investment apps, and cryptocurrencies helps them grasp modern financial trends. This approach not only reinforces traditional financial principles but also prepares them to manage their finances confidently in a tech-driven world

LikeCard, with AI-powered financial tools integrated into a simple smartphone app, the solution makes it easier for families to track expenses, set spending limits, and teach children essential money management skills

Financial Football by Visa merges football's appeal with financial education. Players answer finance-related questions to progress in the interactive game, making complex financial concepts accessible, especially in regions where football is culturally significant.

Dubai Financial Market (DFM) Investor Education Portal (UAE): An interactive online platform that offers simulations, tutorials, and digital resources to help individuals learn about stock market dynamics and investing.



Jamil Khammu, COO and Co-founder of Leap said: "In today's world, it's tough to keep kids engaged. That's why while building Leap, it was important for us to make the experience both educational and fun. We've made it super easy for kids to learn by doing with the parental oversight needed to help guide them along the way".

New fintech start-up, Leap, has launched in the UAE to teach kids and teens how to make better money choices. The Dubai-based start-up is on a mission to boost youth financial literacy and money management skills

Trend 4

Embed Gamification for enhanced engagement

Gamification has proven to be an effective way **to boost engagement in financial education** by transforming complex concepts into fun, interactive learning experiences.

Gamification includes interactive budgeting apps, reward systems, leaderboards and challenges. **Fintech integration involves partnering with budgeting apps and neobanks, while gamified investment simulations can simulate real-world scenarios.** This approach offers several benefits, including increased engagement, accessibility and practical application.

> For a generation that demands instant engagement, Ayton believes gamification on digital platforms could boost financial awareness among younger demographics in the UAE. "It allows them [students] to fail without real-world consequences and learn from their mistakes," **Obediah Ayton, Director at Dhabi Holding Co. and Chairman at the Family Office Summit**

Gamified trading platforms provide an excellent opportunity for beginners or anyone interested in learning trading to learn about market trends and trading strategies practically and interactively. Tutorials, quizzes, and simulated scenarios can be incorporated to teach users about various concepts.

Liv launches 'Game-On Deposit', a gamified fixed deposit providing customers enhanced interest rates

Liv, UAE's first and largest digital bank launched by Emirates NBD, a leading banking group in the MENAT (Middle East, North Africa and Türkiye) region, has introduced **'Game On Deposit',** a gamified fixed deposit offering through which customers can get enhanced interest rates of up to 10%.

Trend 5

Market beyond just product features

Finance Institutions should be about **educative resources** instead of product features. The **more finance-literate the customer is for self-growth and a secured future**, the more financial institutions would benefit. Sell "future" rather than product features. To **grow youth financial literacy**, encourage a **saving culture** as part of your financial services.

ADIB MoneySmart Financial Education Program (UAE/KSA): ADIB runs its MoneySmart series of workshops and digital campaigns that focus on teaching customers about effective budgeting, saving, and investing, emphasizing long-term financial wellness rather than solely promoting banking products.

Abu Dhabi's Authority of Social Contribution is delivering the "Ghaya" financial literacy program to various social segments with the aim of equipping individuals with essential knowledge of money management in order to achieve their personal financial goals. The **program is delivered in partnership with the Abu Dhabi Global Market Academy, the London Institute of Banking and Finance, the Abu Dhabi Social Support Authority and the UAE Banks Federation.**

بنك دبي الإسلامي
Dubai Islamic Bank

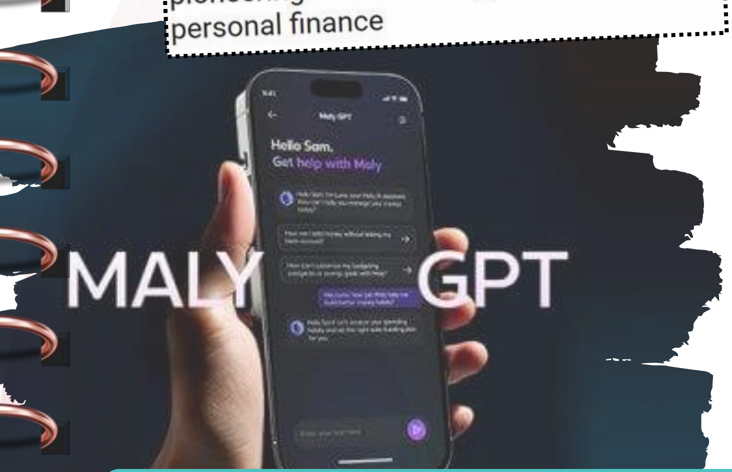
Dubai Islamic Bank's Financial Education Program (UAE): Dubai Islamic Bank offers a series of interactive webinars and online courses covering topics such as budgeting, saving strategies, and introductory investing. This program is designed to empower customers to build a secure financial future by focusing on financial knowledge and self-growth.

Trend 6

Data analytics & AI for tailored financial wellness

Data analytics enhances financial education programs by allowing companies to **customize lessons** based on individual needs, ensuring long-term success. This method simplifies complex investment strategies, promoting informed financial decision-making.
Additionally, **artificial intelligence (AI) personalizes and makes financial education more accessible** through tools like chatbots and virtual coaches, providing real-time advice. **AI adoption in finance is projected to increase significantly by 2025**.

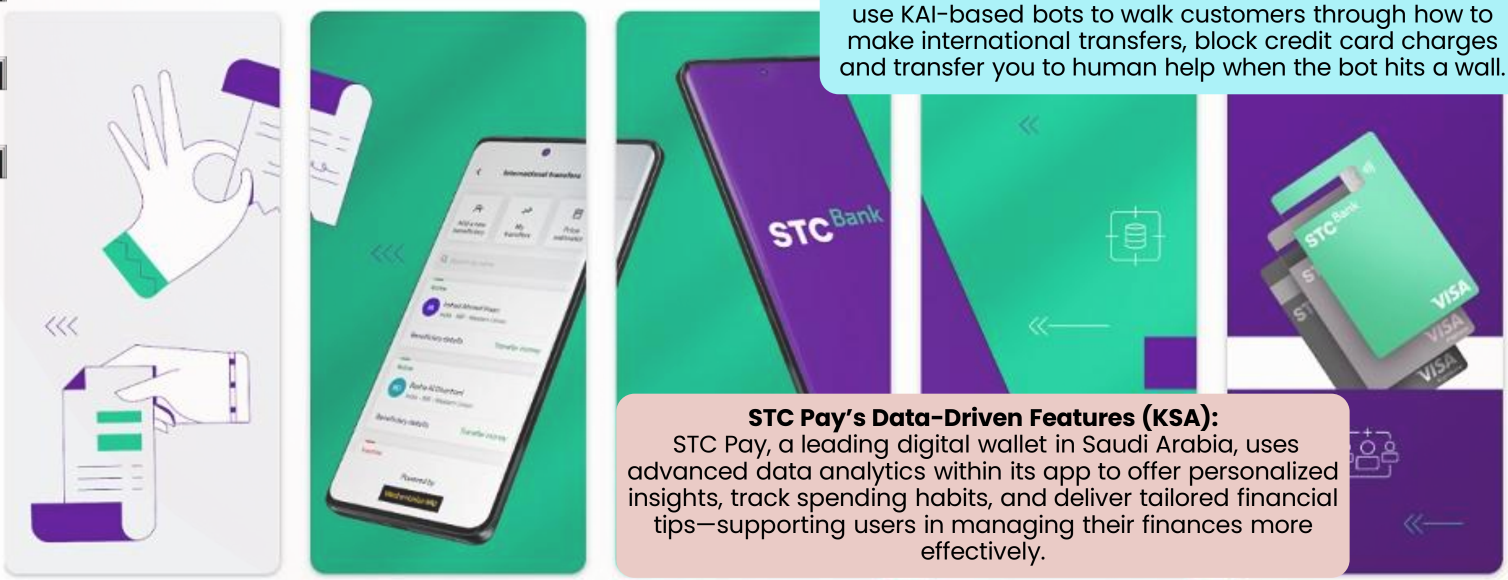
UAE-based FinAI start-up launches pioneering solution designed to transform personal finance



Maly, the innovative FinAI startup headquartered in Dubai International Financial Center (DIFC), has announced the launch of [MalyGPT, MENA's first Generative AI Financial Assistant.] With the user's permission, this groundbreaking tool can analyze spending habits, financial activities, and income, then align these with saving goals to offer personalized financial advice and help them build better money habits.

ADIB's AI Chatbot "Zaki" (UAE): leverages real-time data analytics to understand customer inquiries and spending habits. "Zaki" makes advanced financial concepts accessible to a wider audience, enabling customers to improve their financial literacy and decision-making skills.

Kasisto's conversational AI platform, has been used by banking institutions like the UAE-based digital bank Liv., DBS Bank, Standard Chartered Bank and TD. These banks use KAI-based bots to walk customers through how to make international transfers, block credit card charges and transfer you to human help when the bot hits a wall.



STC Pay's Data-Driven Features (KSA):
STC Pay, a leading digital wallet in Saudi Arabia, uses advanced data analytics within its app to offer personalized insights, track spending habits, and deliver tailored financial tips—supporting users in managing their finances more effectively.

Mind-the-Gap

Here is a snapshot of the generational mindsets to help better connect with them...

GEN ALPHA *(2012 onwards)*	**GEN Z** *(1997 - 2012)*	**GEN Y** *(1981 - 1996)*	**GEN X** *(1965 - 1980)*	**BABY BOOMERS** *(1946 - 1964)*
Future Digital Natives	**Early Financial Engagement**	**Digital Financial Integration**	**Economic Expansion Exposure**	**Traditional Financial Practices**
They are growing up in an environment saturated with technology. Their financial literacy will likely be shaped by advanced digital platforms and possibly new financial paradigms, such as decentralized finance.	Gen Z individuals are starting their financial journeys earlier, with an average starting age of 19. This early engagement is facilitated by accessible financial tools and platforms.	As digital natives, Millennials witnessed the rise of online banking and fintech solutions. Their comfort with technology facilitated the adoption of digital financial services, from online banking to mobile payment systems.	Gen X experienced increased access to financial services during periods of economic growth. This exposure necessitated a better understanding of financial management, including investments and loans.	This generation grew up during a time when financial systems in the Middle East were less complex. Their financial habits were often influenced by cash-based transactions and traditional saving methods.
Educational Initiatives	**Preference for Digital and Alternative Investments**	**Entrepreneurial Ventures**	**Balancing Traditional and Modern Finance**	**Adaptation to Modern Banking**
Recognizing the importance of early financial education, some Middle Eastern educational systems are beginning to incorporate financial literacy into their curricula, aiming to equip Generation Alpha with essential financial skills from a young age.	This generation shows a proclivity for digital financial services and alternative investments, such as cryptocurrencies. Their financial behaviors are heavily influenced by social media and online communities.	Economic diversification efforts encouraged Millennials to engage in entrepreneurial activities, prompting a need for financial literacy in business planning, investment, and financial risk assessment.	While familiar with traditional financial practices, this generation began integrating modern financial tools, balancing conservative approaches with emerging opportunities.	With the introduction of formal banking systems and financial reforms in the latter half of the 20th century, Baby Boomers had to adapt to new financial products and services, such as savings accounts and credit facilities.
	Financial Literacy Challenges			
	Despite early engagement, Gen Z exhibits the lowest financial literacy levels among all generations. This gap highlights the need for targeted financial education initiatives			

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For more information, contact **info@4sight-global.com**