

Rethinking

Financial Security and Savings in the UAE

welcome to brighter

Currently only 15% of surveyed employees in the UAE have access to a corporate pension plan. Employees outlined that a savings and pension plan offered by their employer would

- **have a positive impact on their relationship with their employer**
- **improve levels of trust**
- **encourage employees to engage with efforts to help them with financial planning**



Executive Summary

A recent Mercer study, *Financial Security and Savings in the UAE*, seeks to understand and address a pressing concern that is increasingly confronting employers in the United Arab Emirates (UAE): how to help longer-term, foreign employees achieve greater financial security for the years after they return home, while at the same time respecting the arms-length relationship and financial flexibility that have attracted many to the Emirates in the first place. We spoke with fifty senior decision-makers and 517 full-time employees, in October and November of 2019, to understand their views, and where they differ and where they are the same. The findings are illuminating and yield clear implications for employers in the region to consider.

With its favourable climate and tax-free income and savings, the UAE, traditionally, has been an attractive location for expat employees seeking career advancement and a better quality of life. An array of benefits, and a less paternalistic relationship with employers, has been a desirable part of that package. In particular, employees appreciate the independence and ability to make their own choices about how to allocate accrued financial benefits.

This independence, however, can also pose risks, given recent trends. Increasingly, expats are remaining in the region for longer periods of time and much closer to retirement age than in previous years. Worryingly, a significant number of those interviewed for this report do not appear to have developed plans for supporting themselves and their families once they stop work, nor do they appear to have sufficient savings in place to assure their financial security. A substantial number of employees surveyed in the UAE, the vast majority of

whom are expats (89%), have made no plans for retirement other than intending to “work as long as possible,” that is, beyond the state retirement age. Helping these employees better plan for their futures presents both challenges and opportunities for UAE employers.

Our research shows that senior decision-makers in the UAE believe their employees are facing a number of unique financial concerns; this is corroborated by the employees themselves. Employees are not aware, nor are they taking advantage of the financial tools available to them, in order to plan for a prosperous future post-retirement, commensurate with the quality of life to which they’ve become accustomed whilst in the UAE. They are significantly more likely than senior decision-makers interviewed for Mercer’s **Healthy Wealthy and Work-Wise (HWW) global study**¹ to say that, “using emergency lenders at high rates,” and “spending more than they can afford,” exacerbates their employees’ financial stress.

¹ <https://www.mercer.com/our-thinking/healthy-wealthy-and-work-wise.html>

UAE employers who set up remuneration packages that include more flexible pay, benefits, and financial education tools to support employee savings and investments can help reduce these pressures for their employees. This approach has the added benefit of helping UAE employers attract and retain top talent. By actively reviewing and expanding the benefits they offer, they are more likely to remain competitive and to keep their best people.

Employees are far less likely than their senior managers to believe that their employer cares about their financial wellness. With less than a quarter of UAE employees surveyed currently having access to work-based pensions, virtually all agree that an improved savings and pensions benefit offer would a) have a positive impact on their relationship with their employer, b) improve levels of trust, and c) encourage employees to engage with efforts to help them with financial planning.

This study also reveals that all employee groups would benefit from greater savings and investment benefits; however, the group that demonstrates the greatest appetite and predisposition is that of long-term expats who are remaining in the region for extended periods and closer to retirement. What follows are five key findings, and corresponding solutions, that employers in the region may want to consider. Ultimately, these solutions will aid UAE employers in creating relationships that are rewarding, prosperous, and enduring for both groups.



John Benfield

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Methodology

The Financial Security and Savings in the UAE study was fielded online with 50 senior decision-makers and 517 full-time employees in the UAE between October 22 and November 12, 2019. Survey controls were built into the employee survey to ensure that the end sample reflected the profile of all full-time employees in terms of age, gender, country of origin, and where the employees live and work within the UAE.

Senior decision-makers were defined based upon a combination of job role (e.g. C-Suite and decision-making status within their employer organisation).

All survey respondents had a minimum monthly household income of AED 8,000.

The report also includes pertinent comparisons with the Mercer **Healthy, Wealthy and Work-Wise (HWW)** study conducted amongst 7,828 employees and 695 senior decision-makers across 14 countries. The HWW employee interviews took place in Chile, China, Ireland, Japan, Denmark, Norway, Finland, Sweden, the UK and the U.S. and interviews with senior decision-makers were conducted in China, Japan, Denmark, Norway, Finland, Sweden, Chile, Brazil, Mexico, the UK and the U.S.



Five Key Findings

01

Strong Case for Additional Savings and Pensions Plans in the UAE, Beyond the Minimum Currently Offered

02

Savings Shortfall for UAE Employees Threatens Current and Future Quality of Life and Financial Security

03

Remedy Requires Greater Flexible Pay, Benefits and Training to Support Employee Savings and Investments

04

Trust Issues Exist between Employees and their Employer

05

Segment Demonstrating Greatest Appetite is that of Long-Term Expats



Key Finding 01

Strong Case for Additional Savings and Pensions Plans in the UAE, Beyond the Minimum Currently Offered

More take-home pay and a wide range of perks are among the main factors attracting top talent to the UAE, but many would benefit from extended benefit packages that include additional savings and pension plans, along with greater financial advice. Our study finds a strong case for employers in the UAE to invest in enhanced employee benefits, including financial investment products, advice and support. Virtually all senior decision-makers surveyed (96%) agree it is important to offer such benefits.

Eighty-one percent of employees report that they would be less likely to leave an organisation that provides enhanced benefits, suggesting that these benefits are a powerful tool for attracting and retaining talent. Yet, less than two-thirds of senior decision-makers believe that enhanced benefits would demonstrate an impact on staff retention (62%). This uncovers a perception gap around the impact that enhanced benefits can make on an organisation's talent management.

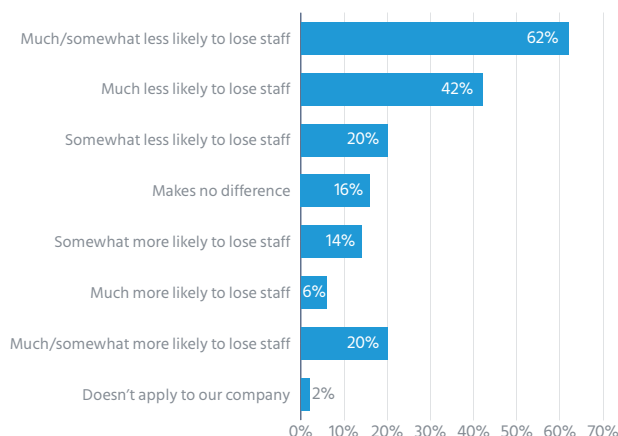


81% of employees report that they would be less likely to leave an organisation that provides enhanced benefits.



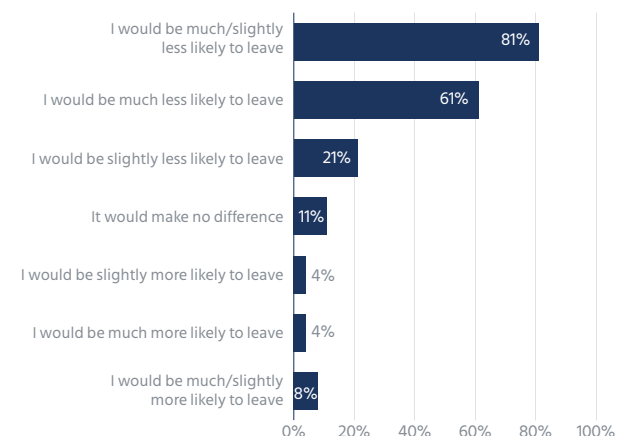
Figure 1. Impact of UAE employers offering enhanced benefits to employees would have on staff retention

UAE Senior Decision Makers 2019



What impact, if any, do you think UAE employers offering enhanced benefits to employees would have on staff retention?

UAE Employees 2019

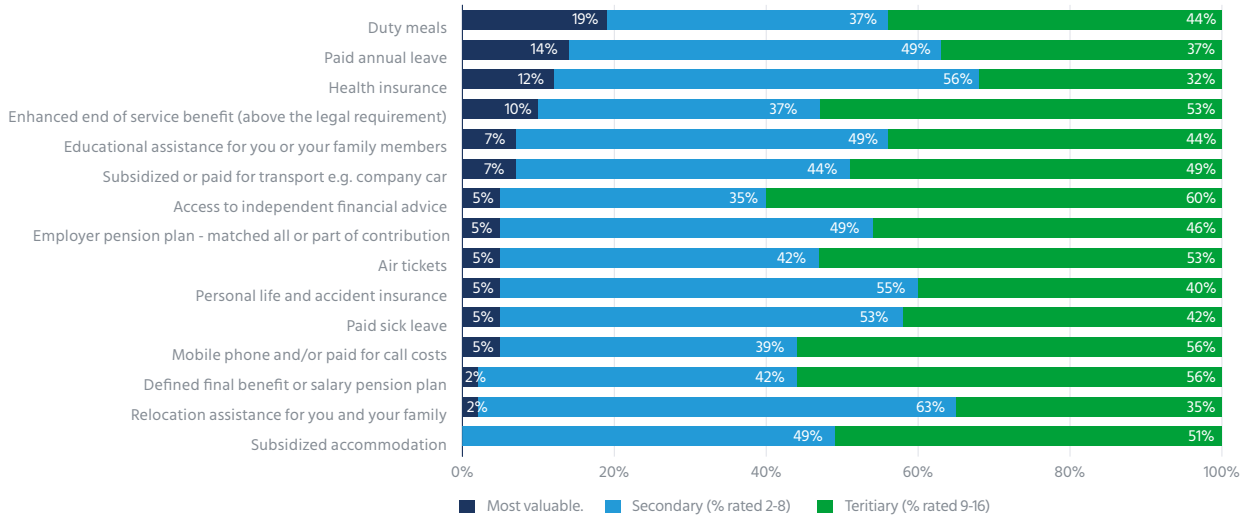


How much more or less likely would you be to leave your current employer if they were to provide access to or improve the overall employee benefits available to you?

When asked what they believe to be the most valuable benefits they can offer their employees, UAE employers suggest a wider range of options compared to their counterparts in the HWW study. These include access to free meals while they are working; paid annual leave; end-of-service benefits; educational assistance for the employee and their family members; subsidised transport; and access to independent financial advice. This is in addition to the pension and health coverage benefits that are seen as most valuable among HWW survey respondents.

Figure 2. Most valuable benefits organisation can offer

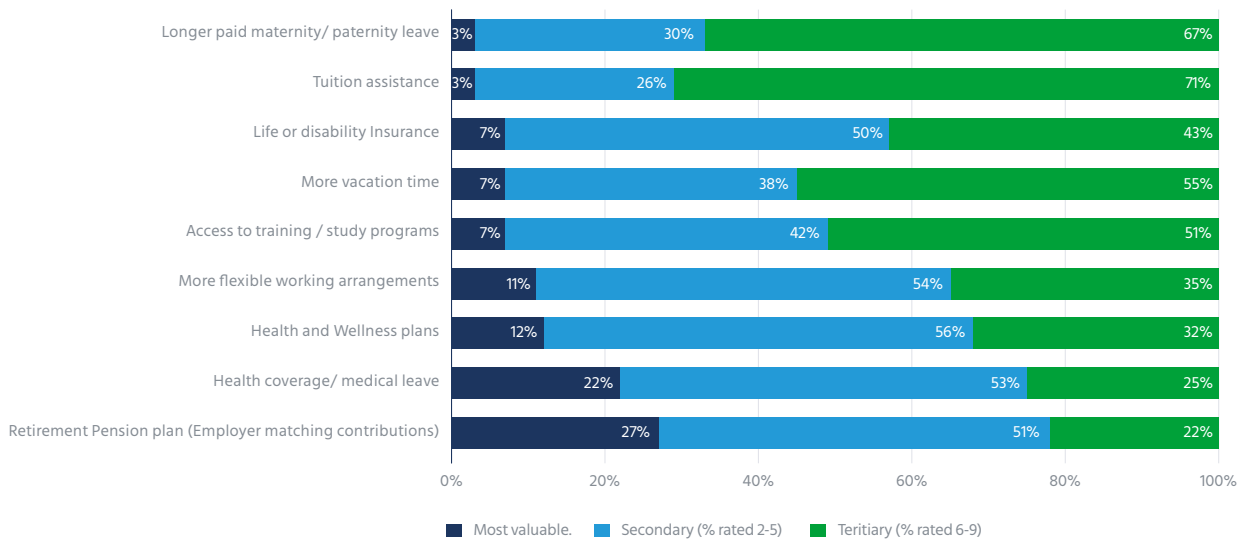
Senior Decision Makers - UAE



What do you consider to be the most valuable benefits that your organisation can offer its employees?

Figure 3. Most valuable benefits organisation can offer

Senior Decision Makers - HWW Global



What do you consider to be the most valuable benefits that your organisation can offer its employees?

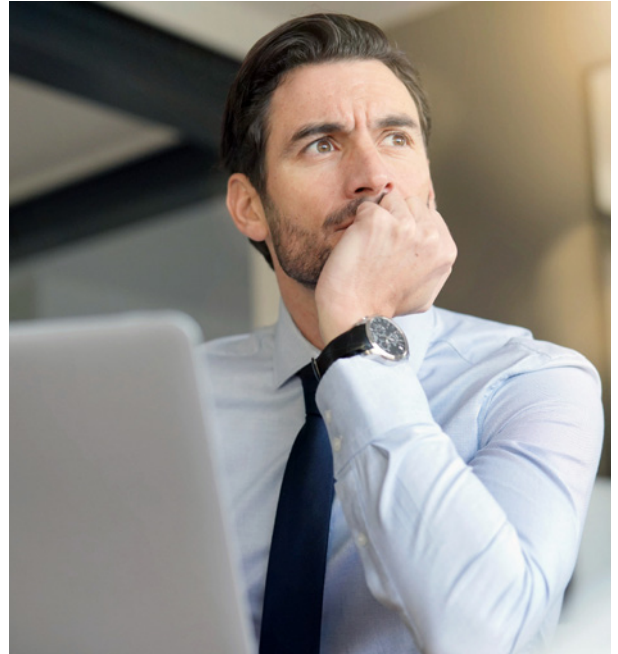
UAE employers taking part in our study believe that they are already taking employee views into account now. When asked how senior decision-makers believe their organisation determines employee benefits, they cited CEO or top management decisions, standard HR policy for the industry, and employee feedback, among the top three factors. In fact, UAE senior decision-makers are twice as likely to base their benefits decisions on these factors, over benefits-decisions aimed at what is needed for employee retention and reducing turnover (20%).

Figure 4. How organisation determines employee benefits

Senior Decision Makers - UAE



How do you believe your organisation determines what benefits and at what level to offer to employees?



The level of employee benefits in the UAE is still relatively low compared to total remuneration, and to a great extent also still deemed less important. But providing enhanced benefits has proven to be a strong engagement and retention tool, as proven by the results of this survey, which still comes at a relatively affordable cost due to its low value. As the war for talent continues to increase in the UAE, particularly for certain jobs or skillsets in high demand, providing enhanced benefits will tend to become a differentiating factor and may be difficult to replicate by other organizations, as opposed to simply paying higher salaries.

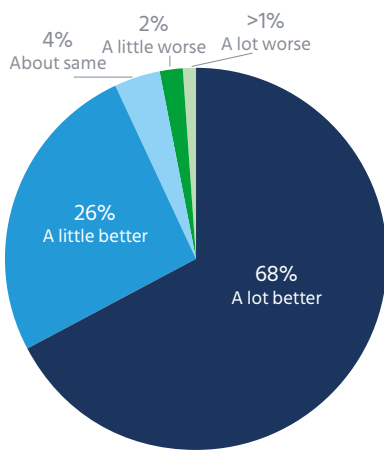


Key Finding 02

Savings Shortfall for UAE Employees Threatens Current and Future Quality of Life and Financial Security

The overall standard of living in the UAE is undoubtedly a major attraction for expat employees. More than two-thirds say that the quality of life in the UAE is better than that in their home country (67%). But the factors that make the lifestyle so appealing also pose risks to employees who will ultimately be moving on and possibly back to their country of origin.

Figure 5. Quality of life in the UAE



How would you describe your quality of life in the UAE compared to the quality of life that you experienced in your home country?

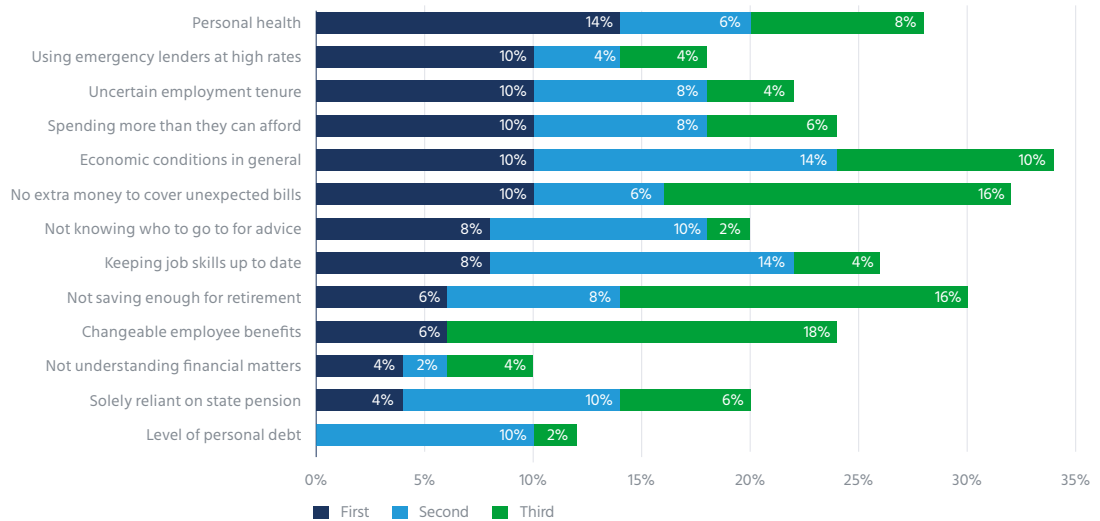


Employers in our survey, nevertheless, know that many of their employees are experiencing financial pressures despite generous pay packages in the UAE. They rank use of emergency lenders at high interest rates as the second most important cause of financial stress to their employees, just after their personal health. One in ten of those surveyed also cite spending beyond their means and a lack of extra money to cover unexpected bills. This suggests that many UAE employees are not managing to allocate sufficient income to savings.



Figure 6. Causes of stress to employees with regards to financial security in general

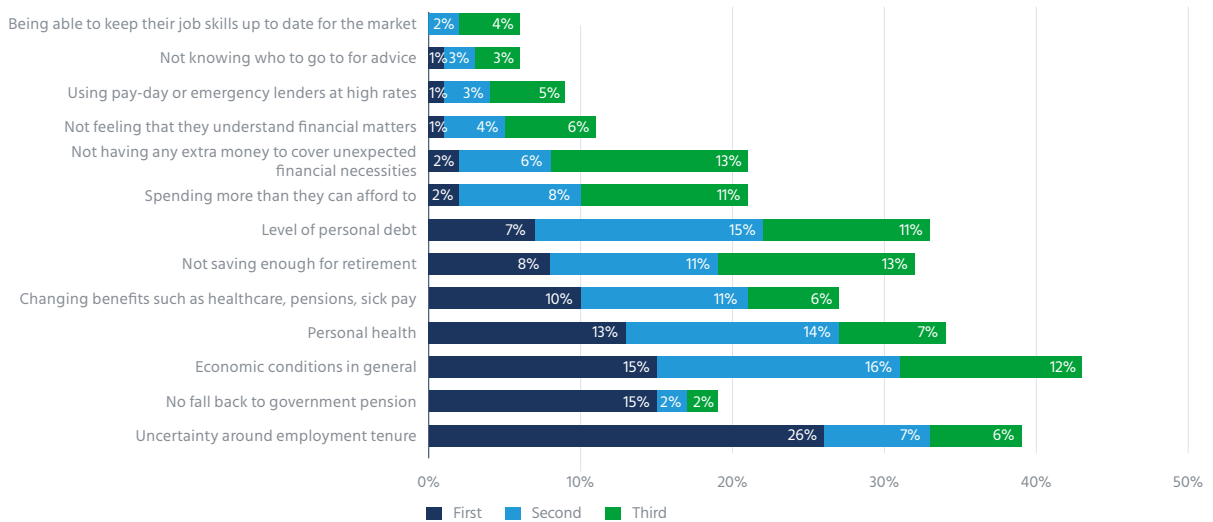
Senior Decision Makers - UAE



What do you think causes stress to employees with regards to their financial security?

Figure 7. Causes of stress to employees with regards to financial security in general

Senior Decision Makers - HWW Global



What do you consider to be the most valuable benefits that your organisation can offer its employees?

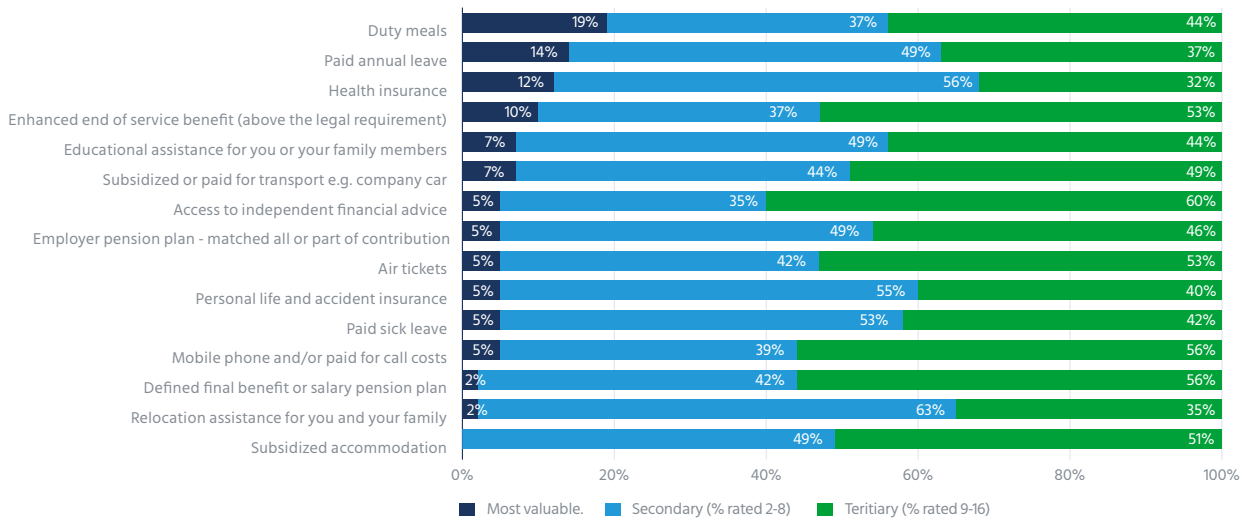
Yet, when it comes to longer-term financial planning, in particular, UAE senior decision-makers seem to be less aware of the reasons that employees might neglect to put aside savings for the future.

While pension plans are currently less commonplace in the UAE, employers offer other reasons for the lack of employee participation in their organisation’s pension or retirement plans.

More senior decision-makers in the UAE, than their counterparts in the HWW global study, say that pension plan complexity is the reason for employee non-participation, while fewer mention problems with affordability. Of the UAE senior decision-makers surveyed, 55% cite pension plan complexity, compared with just 29% of senior decision-makers in the HWW global survey. Only 5% of UAE employers rated employer pension plans as the most valuable benefit and a further half (49%) rate pensions as a benefit of secondary importance.

Figure 8. Most valuable benefits organisation can offer

Senior Decision Makers - UAE



What do you consider to be the most valuable benefits that your organisation can offer its employees?

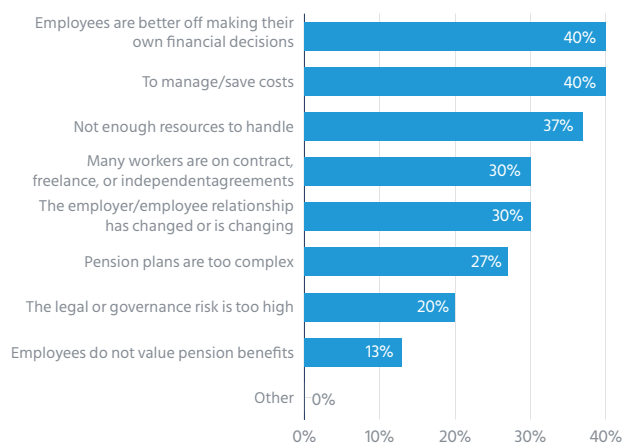


Part of the problem is that most employers are not offering work-based plans - fewer than a quarter of employees have access to them (24%). As can be seen in the chart below, senior decision-makers in the UAE are more likely to cite the belief that employees are better off making their own financial decisions as the main reason for not offering pension plans; 40% of the

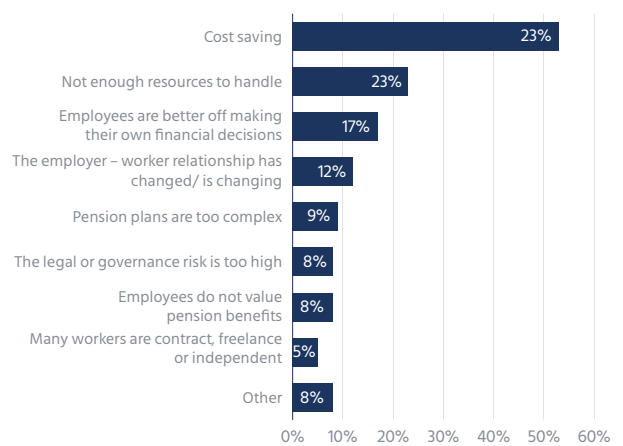
surveyed senior decision-makers in the UAE say this is their main reason, compared with just 17% of senior decision-makers in the HWW survey. By contrast, only 40% of senior decision-makers in the UAE mention cost savings, compared with 53% of those in the HWW survey.

Figure 9. Main reasons why employer does not offer pension plan

UAE Senior Decision Makers 2019



UAE Employees 2019



What do you believe are the main reasons why your employer does not offer access to a saving, investment, and/or pension plan?

What do you believe are the main reasons why your employer does not offer access to an employee pension plan?

As a result of this dynamic, employees surveyed in the UAE are more likely to rely on outside financial advisors or savings and investment tracking tools than rely upon their employers. This is especially true in comparison with senior decision-makers in the UAE.

Because of this, many of the survey respondents – both decision-makers and employees – have done little in the way of retirement planning. Similar numbers of UAE senior decision-makers and employees – 44% and 45%, respectively – say they have made no plans except to work for as long as they are able to.

Less than half of both groups also say they have sufficient savings to help cover unexpected expenses, education, medical, and/or housing costs (44% and 42%, respectively).

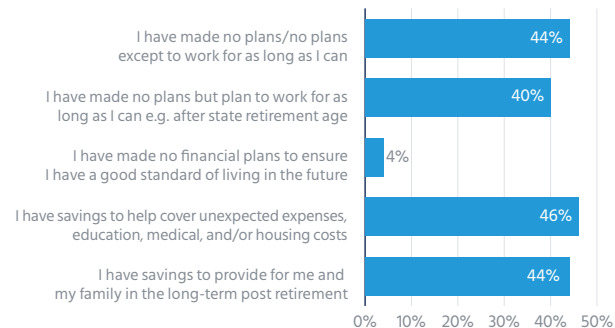


Top three reasons for employers not offering pension plans are that employees are better off making their own financial decisions, to manage/save costs, and a lack of resources.



Figure 10. Plans made to ensure you have a good standard of living, both now, and in the future

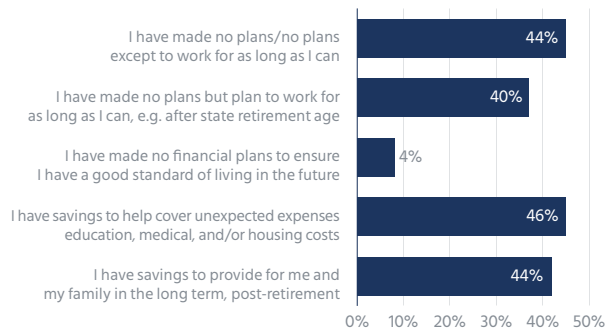
UAE Senior Decision Makers 2019



What plans have you made to ensure you have a good standard of living, both now, and in the future?

There is also a clear gap in accessibility to pension plans between senior decision-makers and employees. While Emirati nationals are likely to have government-sourced pension plans, this differs from senior decision-

UAE Employees 2019

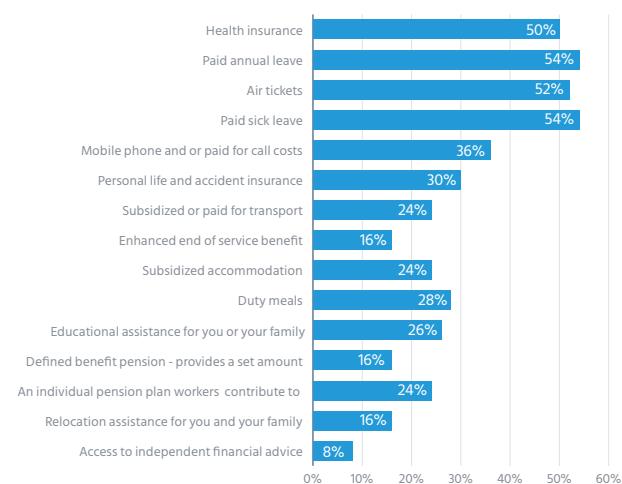


What plans have you made to ensure you have a good standard of living, both now, and in the future?

makers from outside the region. By comparison, just 24% of employees, 89% of whom are expats, have an employer-sponsored pension.

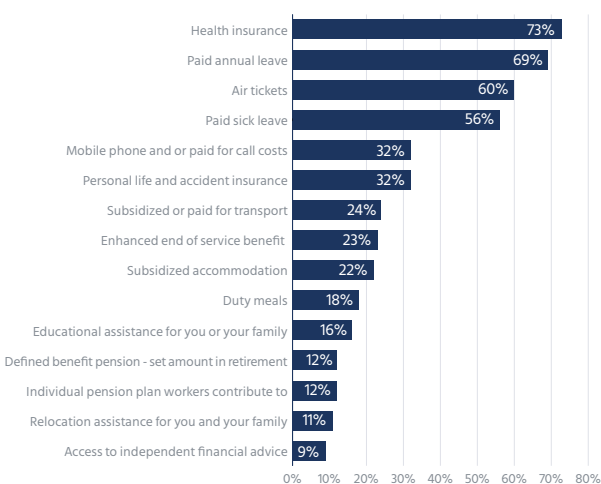
Figure 11. Employee benefits your organisation offer to employees

UAE Senior Decision Makers 2019



To the best of your knowledge, which of the following employee benefits does your organisation offer to employees?

UAE Employees 2019



Which of the following benefits are available to you through your employment in the UAE summary?

Despite this, employees in the UAE express a relatively high degree of faith in their preparation for the future, according to the survey. Yet, their confidence in their financial planning abilities appears to be misplaced.

Just under half of employees either have no plans to ensure that they will have a high standard of living in the future (45%), or their only plan is to work beyond the state retirement age. A similar proportion of employees expect their end-of-service benefit to meet their post-retirement needs (43%). Meanwhile, just under a quarter of employees (24%) have an employer-provided pension.

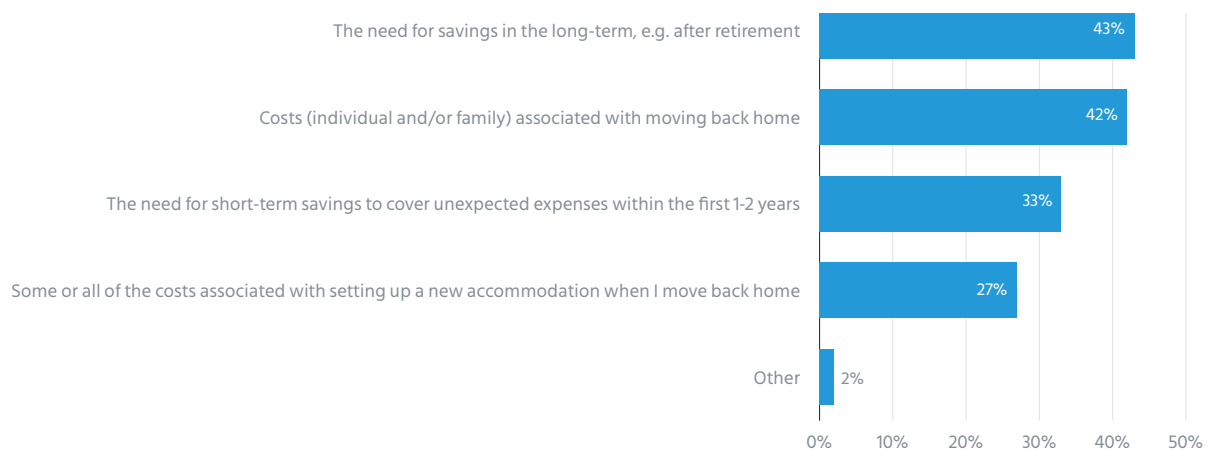
This apparent conundrum might be explained by the fact that expats who make up nearly nine in 10 of the surveyed employees (89%), appear to identify primarily short- to medium-term reasons for relocating to the UAE, including the pursuit of a higher standard of living, as 94% of expat employees find their current quality of life is better in the UAE than their home country.

As a result, despite the fact that many expats are settling in the UAE for a longer period of time, a relatively small percentage of them appear to be focused on retirement planning.

Indeed, the appeal of some of these existing benefits may be making some expat employees complacent about their longer-term financial security. More than eight in 10 expat employees in the UAE claim they are aware of how their end-of-service benefit will be calculated (81%).

When asked what they expected the end-of-service benefit to cover, four in 10 of the surveyed expat employees say they are optimistic about its ability to cover long-term savings after retirement (43%) and the costs (individual and family) associated with moving back home (42%). One-third also believe it is sufficient to cover the need for short-term savings to meet unexpected expenses within the first one-to-two years of leaving employment in the UAE (33%).

Figure 12. UAE workers expectations on end-of-service benefit coverage when leaving the employment



Which of the following do you expect your end-of-service benefit to cover when you leave employment in the UAE?



When asked what they expected the end-of-service benefit to cover, 4 in 10 of the surveyed expat employees say they are optimistic about its ability to cover long-term savings after retirement.





Key Finding 03

Remedy Requires Greater Flexible Pay, Benefits and Financial Training to Support Employee Savings and Investments

Given the need for better financial support for UAE employees, our study shows that UAE senior decision-makers and employees agree that the best way to motivate employees to plan, save, and invest is through flexible pay and benefits, and financial training or education.

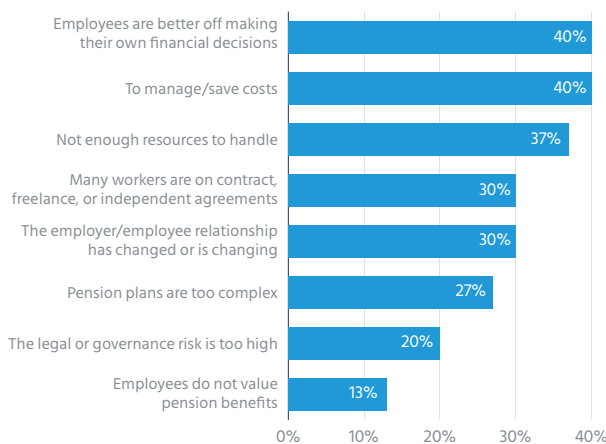
Senior decision-makers and employees are closely aligned on three potential recommendations, including flexible pay and benefits to match individual needs (48% of decision makers and 51% of employees), an employee pension plan with competitive benefits (46% of decision makers and 47% of employees) and better communication about the benefits of saving (38% of decision makers and 39% of employees). By contrast, 48% of senior decision-makers support the provision of financial training and education, compared with 41% of

employees. Meanwhile, 38% of senior decision-makers recommend that trusted managers and peers provide personal savings advice, something that is favoured by just 26% of employees.

Our study shows that employer-provided, competitive pensions are popular with both employees and senior decision-makers, with employees favouring automatic enrolment at slightly higher rates (39%) than senior decision-makers (34%). This reflects our earlier observation that senior decision-makers are more likely to have employer-sponsored pensions already; it also points to a way for employers to encourage their workforce to plan, save and invest, while at the same time potentially differentiating themselves in the competition for talent.

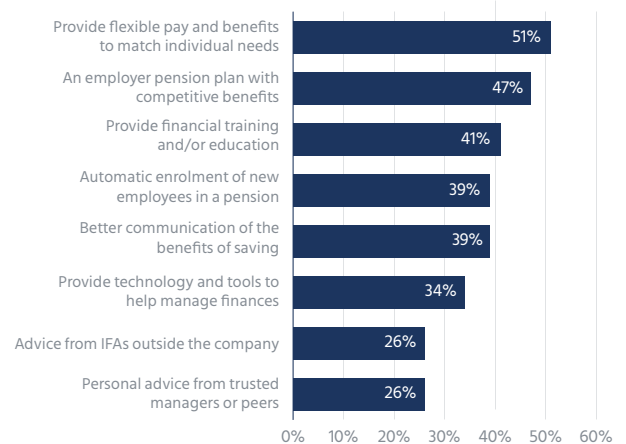
Figure 13. Best ways to help motivate employees to plan, save, and invest for today and tomorrow

UAE Senior Decision Makers 2019



What do you think are the best ways to help motivate employees to plan, save, and invest for today and tomorrow?

UAE Employees 2019



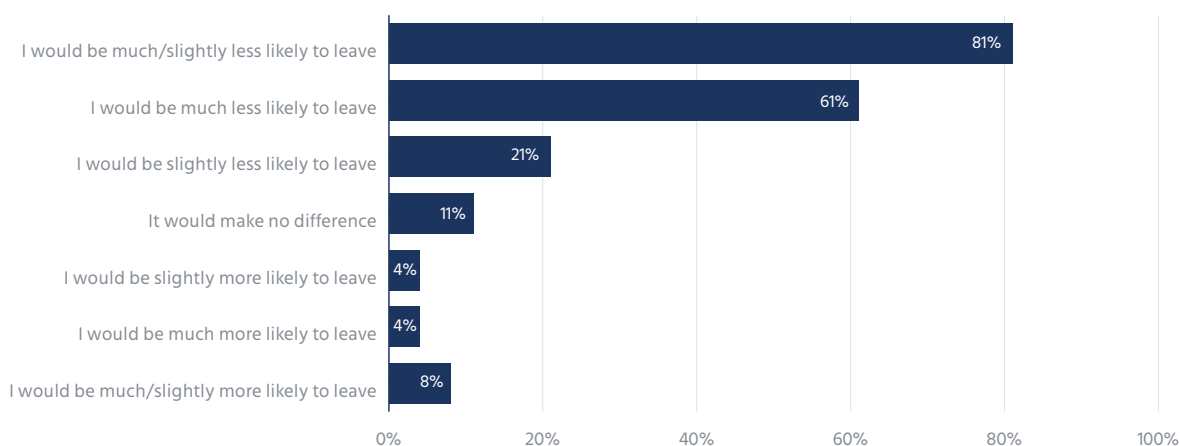
What do you think are the best ways to help motivate employees to plan, save, and invest for today and tomorrow?

Providing an enhanced set of tools to help employees prepare for their financial futures has a real potential to improve employer-employee relationships. Nearly all of the surveyed UAE employees (99%) say that if their employer improved the savings and investment benefits offered, it would positively impact their relationship, and seven out of 10 would feel more satisfied with their job (70%).

In addition, as previously stated, our survey suggests that greater access to and better employee benefits have the potential to significantly improve staff retention. Just over eight in 10 employees in the UAE say they would be less likely to leave their current employer if they were offered greater access to or improved overall benefits (81%).

Figure 14. Impact of UAE employers offering enhanced benefits to employees would have on staff retention

UAE Employees 2019



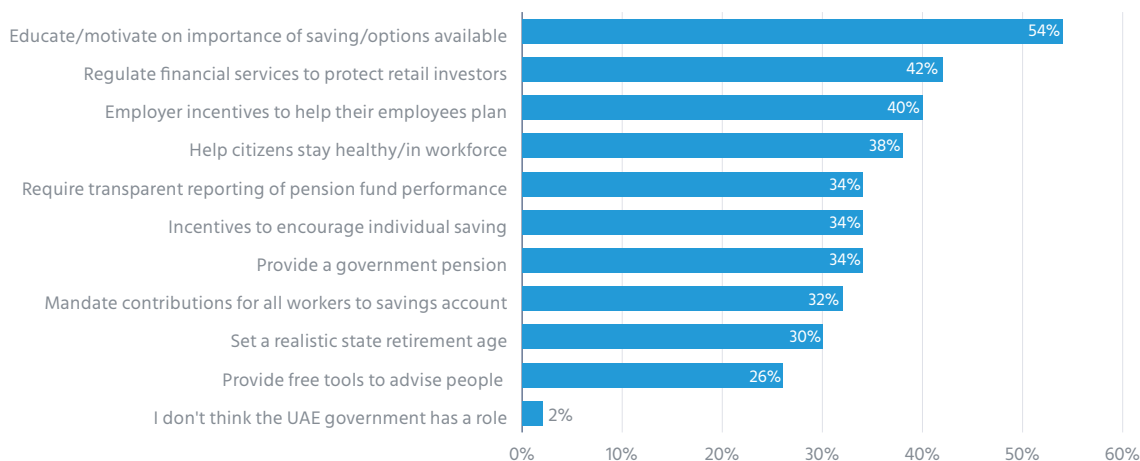
How much more or less likely would you be to leave your current employer if they were to provide access to or improve the overall employee benefits available to you?



Both senior decision-makers and employees agree that the government has an important role to play in educating and motivating employees living and working in the UAE to save, invest and plan for their future financial needs.

Figure 15. Potential role of UAE government in helping all those living and working in the UAE to save, invest, and plan for their future financial needs

UAE Senior Decision Makers 2019



What do you think the role of the UAE government could be in helping all those living and working in the UAE to save, invest, and plan for their future financial needs?

Figure 16. Potential role of UAE government in helping all those living and working in the UAE to save, invest, and plan for their future financial needs

UAE Employees 2019



What role can the UAE government play in helping all those living and working in the UAE to save, invest, and plan for their future financial needs?

Looking across the board at a variety of prospective, enhanced benefits shows some clear preferences on the part of employees. Flexible pay and benefits to match individual needs; employer pension plans; education on the importance of saving; and incentives to encourage savings, all fall under the category of

“must have” benefits in the UAE survey. By contrast, free tools to advise people on how to save or invest have a moderate appeal. Meanwhile, advice from independent financial advisors or trusted managers and individual pension plans that employees contribute to are seen as a niche offering.

Employee Benefits Features



Key Finding 04

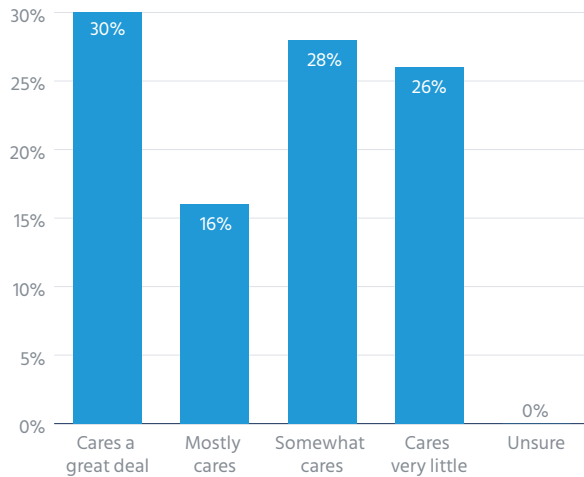
Trust Issues Exist Between Employees and Their Employer

For UAE employers, finding a way to help employees make financial preparations for the future is a gateway toward establishing greater trust, which is currently lacking. This is especially important given the sizeable gaps that exist between employees and senior decision-makers when it comes to trust in their employers.

UAE employees believe that their employers are not invested in their financial security. A significantly larger share of the surveyed senior decision-makers (46%) in the UAE believe their organisation cares a great deal or mostly cares about an individual employee's financial security, as compared to only 29% of surveyed employees.

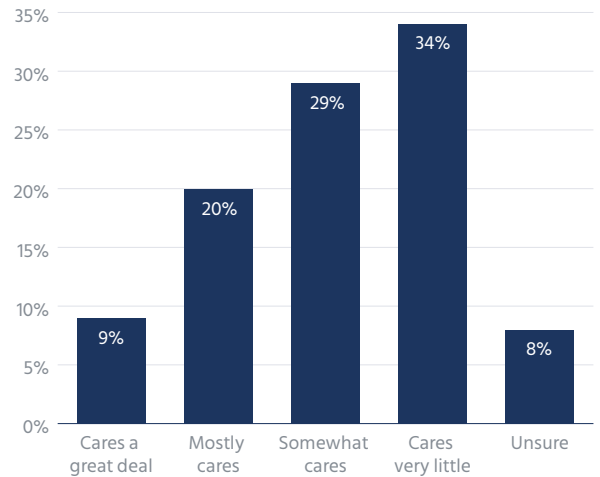
Figure 17. How much organisation cares about an individual employee's financial security

UAE Senior Decision Makers 2019



In your view, how much does your organisation care about an individual employee's financial security?

UAE Workers in 2019



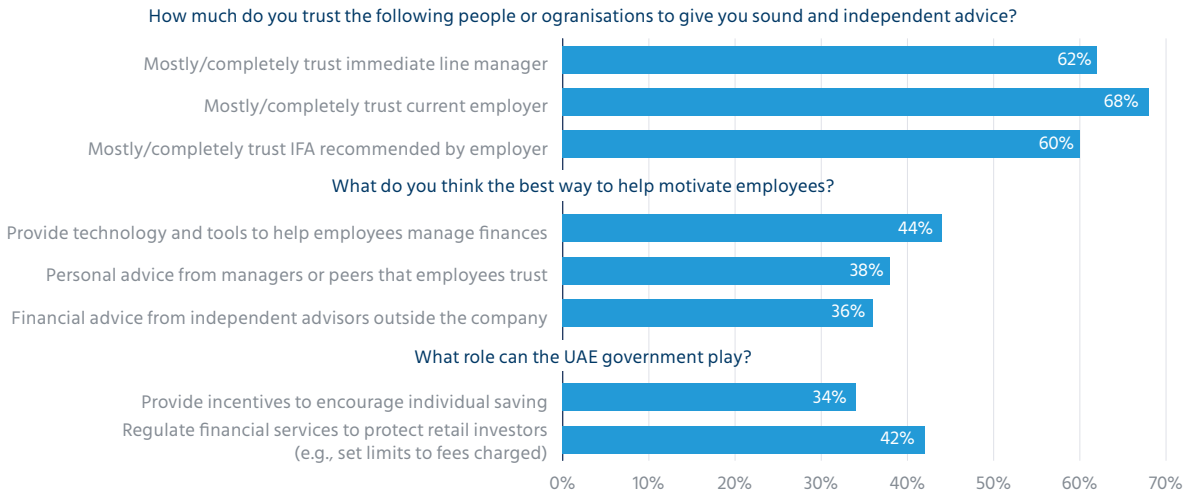
To what extent do you feel that your employer cares about your financial well-being?



When it comes to trusting line managers, just 41% of employees claim to mostly or completely trust them, compared with 62% of senior decision-makers. Senior decision-makers are also more likely (60%) to trust independent financial advisors recommended by their employers, as compared to the surveyed employees (38%).

Figure 18. Trusting people or organisations to give you sound and independent advice

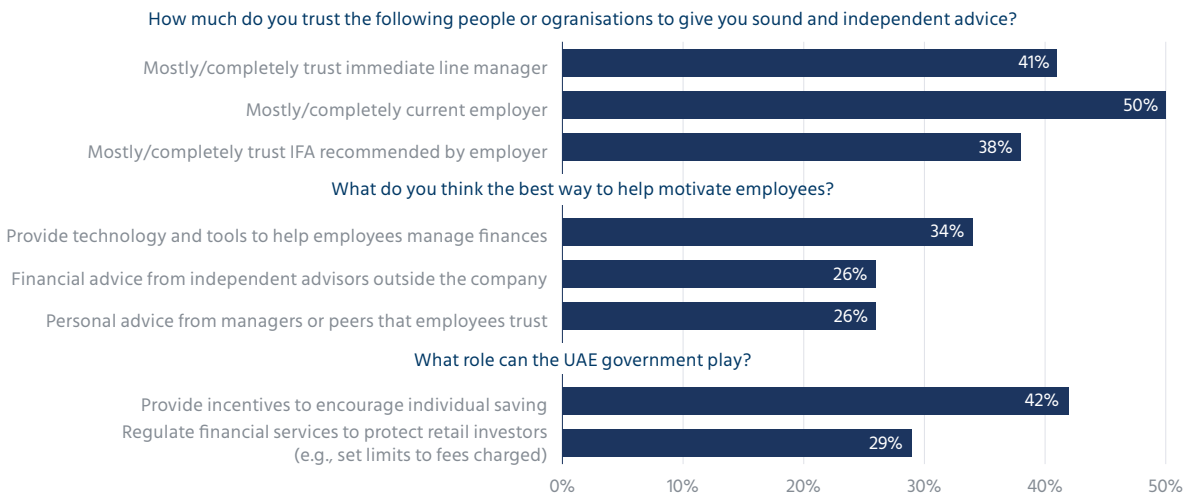
UAE Senior Decision Makers 2019



How much do you trust the following people or organisations to give you sound and independent advice on planning, saving, and investing for the future?

Figure 19. Trusting people or organisations to give you sound and independent advice

UAE Employees 2019

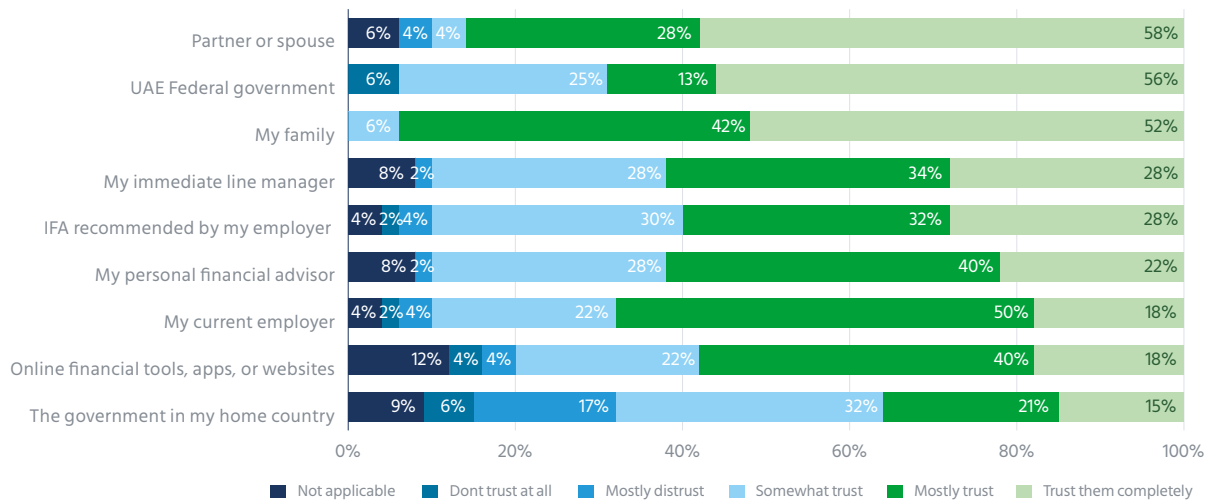


How much do you trust the following people or organisations to give you sound and independent advice on planning, saving, and investing for the future?

In fact, employees and senior decision-makers in the UAE trust their family and the government, ahead of employers, for sound financial advice.

Figure 20. Sizeable gaps exist in trust between senior decision makers and workers

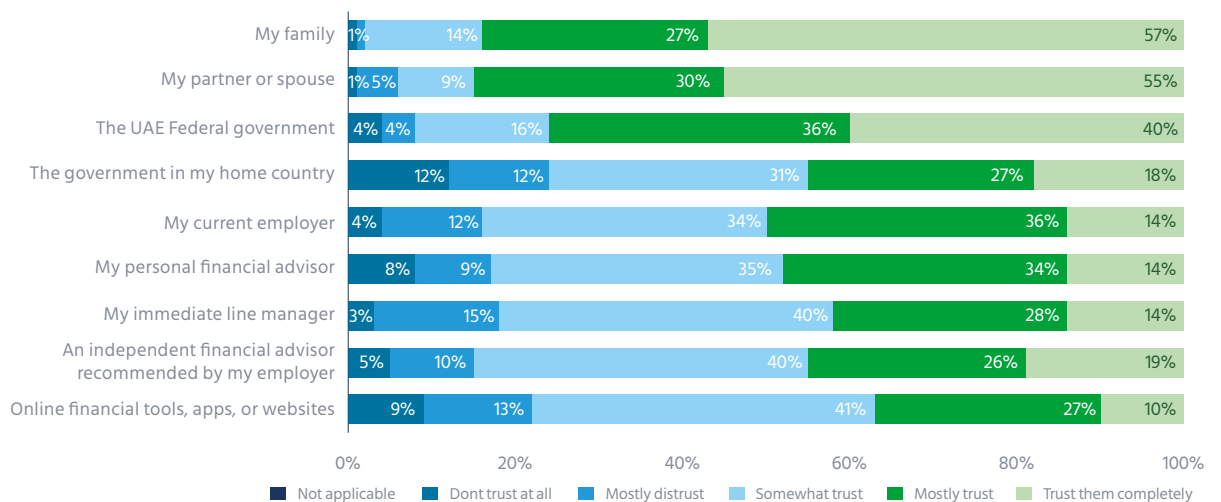
UAE Senior Decision Makers 2019



How much do you trust the following people or organisations to give you sound and independent advice on planning, saving and investing for the future?

Figure 21. Sizeable gaps exist in trust between senior decision makers and workers

UAE Employees 2019



How much do you trust the following people or organisations to give you sound and independent advice on planning, saving, and investing for the future?

Key Finding 05

Segment Demonstrating Greatest Appetite is that of Long-Term Expats

Study demographics suggest that long-term expats would be the most receptive to long-term savings and investment plans, and are already thinking more about their future needs, than other cohorts studied. A third of employees (32%) in the UAE are expats who have been living in the country for seven years or more, and intend to stay for an additional seven or more years.

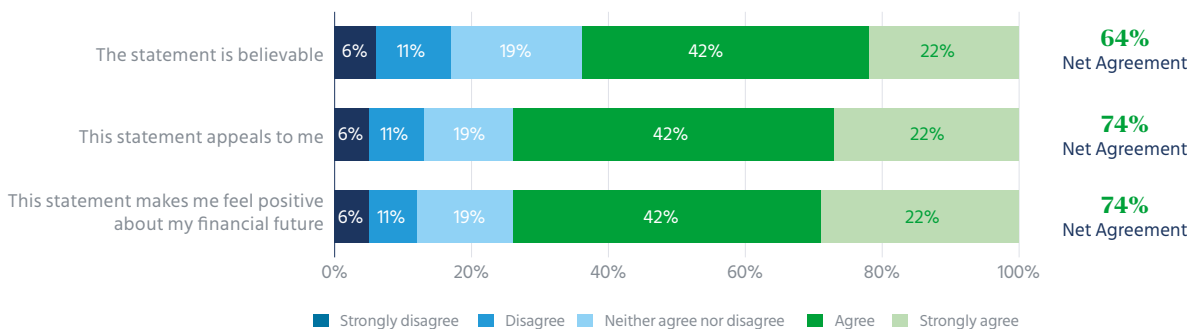
Half of these employees have long-term savings and investments (50%), compared with 42% of all of the surveyed employees. They are also more likely to have moved to the UAE with the aim of bettering their standard of living (32% vs. 24% of all surveyed employees) or savings and investing in the future (34% vs. 30% of all surveyed employees).

They are also more likely to be married with a long-term partner and children (69% vs. 53% for all employees). Further, they are older with nearly four out of 10 (39%) belonging to the Generation X cohort (born between 1967-1982), compared with just a quarter of all surveyed employees (27%).

In order to better understand employee needs and desires with regard to financial planning, the study called upon employee respondents to imagine a scenario in which their employer helped support them with financial planning for the future, such that they would not have to worry about their quality of life after retirement. Employees in the study were presented with the following concept statement:



“Individuals can rely on the income after retirement without the need to worry about extending their retirement age or covering the costs of living and health care in the future.



Now having read the statement, “Individuals and householders can rely on the support of their employer, personal savings, or government to achieve steady income after retirement without the need to worry about extending their retirement age, living longer, or covering the costs of living and healthcare in the future. This means not having the stress and anxiety of worrying about maintaining my and/or my family’s quality of life post retirement.” please say how strongly you agree or disagree with the sentences below.

UAE employees are positive about this financial planning statement, with nearly two-thirds (64%) finding it believable, and nearly three-quarters (74%) finding it appealing. Three-quarters (74%) of the surveyed employees also say the concept statement makes them feel more positive about their financial future.

This finding indicates that employer-sponsored pension benefits and/or access to financial planning education and advice would help longer-term expats, in particular, employees feel better cared for. This would clearly help to increase trust between employers and employees.

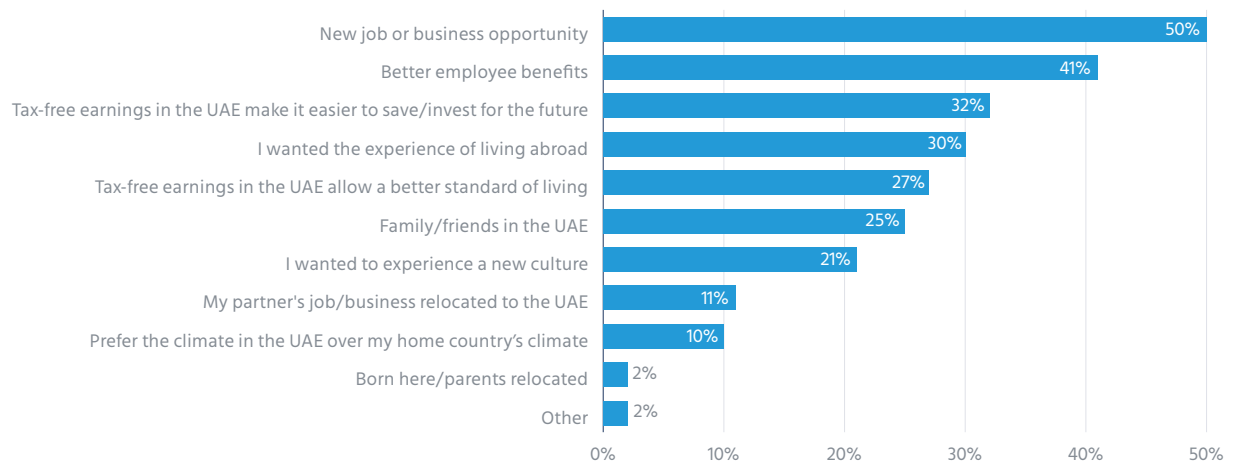
Expats comprise 89% of the surveyed employees in the UAE and most of them are of Asian or Arab origins. By contrast, just 68% of senior decision-makers are expats, slightly more than a third of whom are Asian or European and the rest are Arab.

The study found that half of expats (50%) are attracted to the UAE by a new job or business opportunity; just over four in ten are motivated by better employee benefits (41%); and nearly a third base their decision on the availability of tax-free earnings that allow for a better standard of living (32%).

A commanding majority of those surveyed say their quality of life in the UAE is better than that they experienced in their home country, which explains why many are staying for extended periods of time.



Figure 22. Main reasons for moving to the UAE

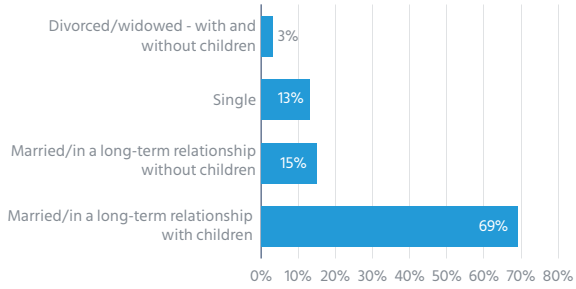


What were the main reasons why you decided to move to the UAE?

Looking deeper into the study findings reveals that longer-term expats also would be slightly more likely to save and invest to preserve their quality of life than other expat employees. One-third of longer-term expats (34%) say that tax-free earnings in the UAE make it easier to save and invest for the future, compared with 30% of all expats. Nearly a third (32%) of long-term expats also say the presence of family and friends influenced their decision to move to the UAE, compared

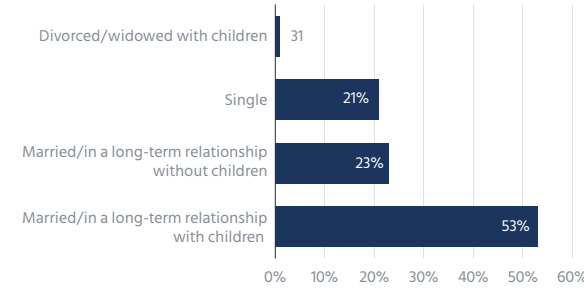
with 21% of all expats. This provides them with the motivation to stay in the country longer term, and also to improve their financial planning to guarantee a stable standard of living. Nearly seven in 10 long-term expats are married or in a long-term relationship with children (69%), compared with just over half of all expats (53%), giving them an extra incentive to plan ahead.

Figure 24. Longer-term Expats*



Which of the following best describes your relationship status?

Figure 25. All Other Employees

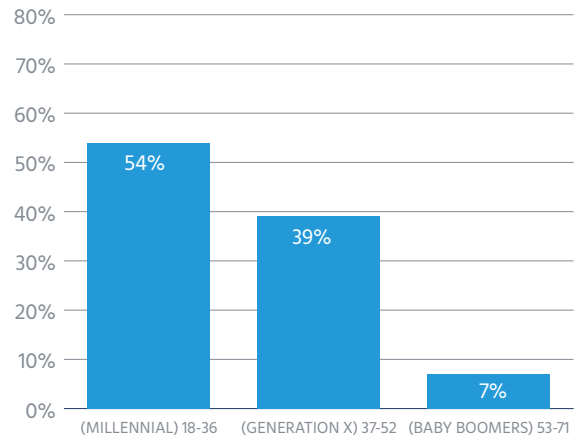


Which of the following best describes your relationship status?

In addition, more long-term expats fall into the Generation X cohort and are closer to retirement, which is likely to make them both more concerned about and/or receptive to retirement and savings benefits. Nearly

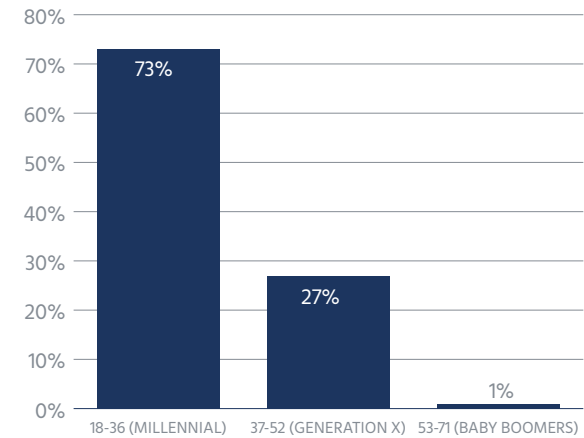
four in 10 of the surveyed longer-term expats are from Generation X (39%), compared with just 27% of the other surveyed employees who have not lived in the UAE for seven plus years.

Figure 26. Longer-term Expats*



Lived in UAE 7+ years and intend to stay 7+ years

Figure 27. All Other Employees



Not lived in UAE 7+ years and intend to stay 7+ years

* Longer-term expats have been defined as those who have lived and worked in the UAE for 7 years or more and also intend to continue doing so for another seven years or more

Five Imperatives for Progress

Senior decision-makers in the UAE are concerned about the willingness and ability of their expatriate employees to plan for their future, but a more distant relationship between employees and employers in the UAE means organisations have traditionally been less willing to get involved in their employees' financial affairs. This study has found that employees could benefit from and, indeed, would actively welcome more support from their employers with regard to financial planning and saving.

Yet, employers do not necessarily have an accurate understanding of the financial concerns of their employees. Providing more guidance, through education and financial advice, could allow organisations to compete more effectively for talent and retain their talent for longer.



Imperative 01

Evolve Enhanced Benefits and Savings and Pension Plans, to Engage Employees and Retain Talent

The UAE's untapped market for savings and investment plans offer clear opportunities both for employees looking for affordable savings vehicles and enhanced benefits that can provide them with a more secure future and employers looking to improve the engagement and loyalty of their employees. This group of employees has sufficient disposable income, but their lack of savings is connected to a need for greater simplicity, awareness, and education around employer programs.

Employers can benefit from focusing on employees' desire to maintain the quality of life they have attained in the UAE after retirement and when they return to their home country, and support them with savings and investments plans and benefits.



Long-term expats in the UAE, especially those with families and in the Generation X cohort, are most likely to be receptive to longer-term savings and investments programs.



Imperative 02

Reassess and Communicate Savings and Pension Benefits Offered to Better Support Employees Later in Life

There is a clear opportunity for employers in the UAE to give employees better access to information, education, and training regarding financial planning and decision-making. Better communication about the benefits of saving and investing for the future is also important.

Overall, employers have an opportunity to build trust and support by providing more and better, value-added education and training for employees and their families. Employers should provide a platform to listen to employees' financial concerns and engage with their employees to close the trust gap about employees' financial health.

The UAE government has a role to play in both providing incentives to individuals to save, and encouraging employers to adopt incentives that encourage the right behaviours within their workforce. There is a partnership opportunity for employers with UAE government, educational institutions, and accredited financial advisors, to boost overall financial wellness and savings awareness.

Imperative 03

Improve Access to Financial Education, Tools and Training with the Help of the UAE Government

Employees' perception that employers do not care about their financial well-being poses a risk of losing valuable talent that organisations need to be aware of. Yet, the study makes it clear that employers are aware of the importance of offering enhanced benefits to their employees as part of their employment package.

Employers would be wise to consider incorporating improved savings and investment benefits offered to employees; as we have already seen, the vast majority of employees claim that if their employer improves the savings and investment benefits offered, this would have a positive impact on their relationship with their employer. Seven in 10 of the surveyed employees say they would feel more satisfied with their job and an even larger majority - 81% - would be much or somewhat less likely to leave their employer.

Organisations can find ways of providing more education and training for employees in order to create a higher awareness of the benefits of long-term savings and investments.



Imperative 04

Bridge the “Trust Gap” Between Senior Decision-Makers and Employees

The “trust gap” between senior decision-makers and employees identified in this study shows that employers in the UAE have a critical role to play in supporting employees with financial planning. This is particularly important when it comes to assuring them that their employers do indeed care; in the context of this study, “trust” is a proxy for empathy and care towards the employee and will require pivoting from an arms-length, and transactional relationship, to one that is more of a partnership.

Further, it is essential that employees have access to advice from independent, third parties, and employers can play a critical role in facilitating these relationships. Employers can also help support the UAE government by providing education and financial training to their employees to help eliminate the gap.

Imperative 05

Cater to Segment with the Greatest Appetite – Longer-Term Expats, Followed by Other Employee Groups

Most expat employees in the UAE experience a good quality of life, regardless of their reason for moving there. Yet, many fail to plan for their retirement, which to them seems a long way off. Employers who assist expats with financial advice, education, and tools are more likely to generate good will, help bridge the “trust gap,” and ultimately assure a longer in-country tenure for their valuable employees.

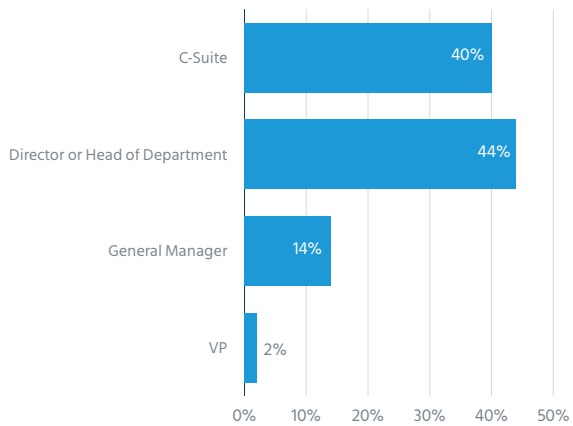
Employers would do well to prioritise expats who have been in the region for seven or more years and who plan to stay on for a similar period of time. These employees are also most likely to be receptive to the concept of holding long-term savings and investments while living in the UAE. However, this should not be done to the exclusion of all other groups. Indeed, all employee segments can benefit from greater financial advice, education and tools.



Appendix

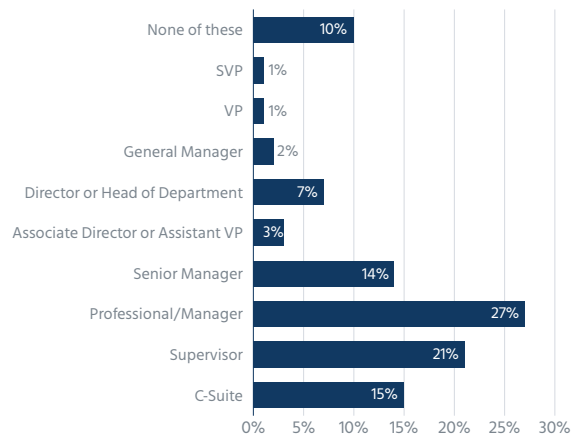
Figure 28. Distribution of Surveyed in UAE by Job Title

Senior Decision Makers - UAE



Which of the following best describes your current business title or role?

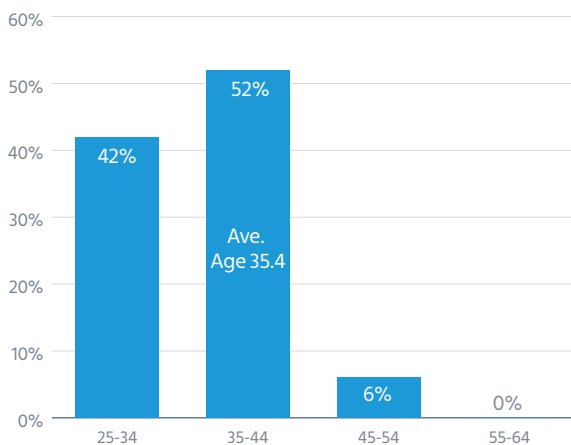
UAE Workers in 2019



Which of the following best describes your current business title or role?

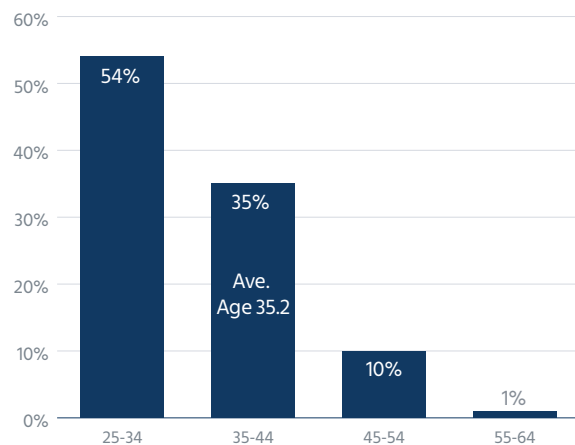
Figure 29. Distribution of Surveyed in UAE by Age Group

Senior Decision Makers - UAE



How old were you on your last birthday?

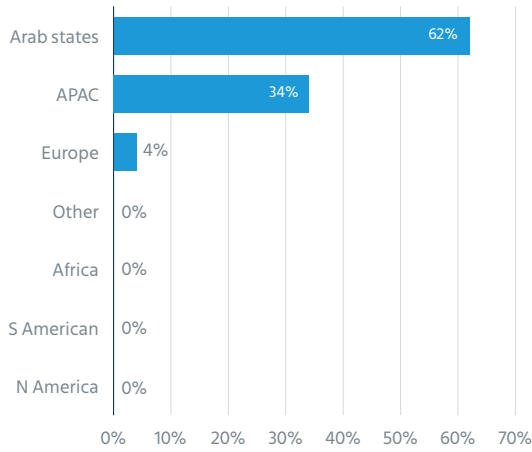
UAE Workers in 2019



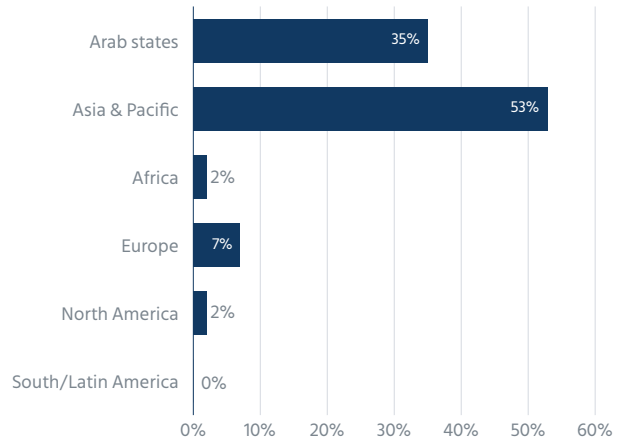
How old were you on your last birthday?

Figure 30. Distribution of Surveyed in UAE by Country of Origin

Senior Decision Makers - UAE



UAE Workers in 2019

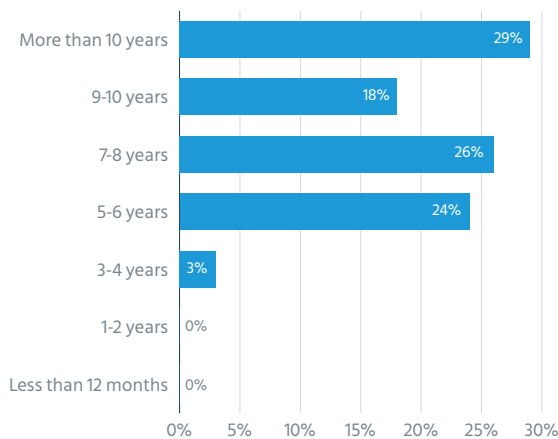


Where do you originate from country of origin recode?

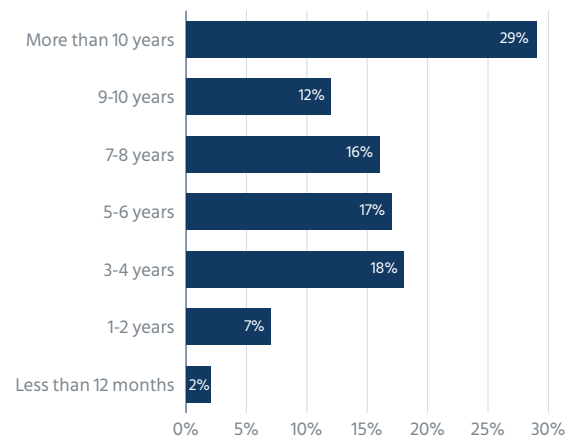
Where do you originate from country of origin recode?

Figure 31. Distribution of Surveyed in UAE by Number of Years in the UAE

Senior Decision Makers - UAE



UAE Workers in 2019



How long have you lived and worked in the UAE on a resident visa?

How long have you lived and worked in the UAE on a resident visa?

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