backslash

‘FUTURE OF’ *FINANCE*

WELCOME TO 'FUTURE OF'

Welcome to 'Future of,' a report that explores what will—and more importantly what should—come next in must-watch categories.

At Backslash, we believe that culture is the biggest opportunity and threat to businesses today. With support from over 300 Spotters, we closely observe global and local developments so that TBWA—and our clients—can better understand and anticipate cultural change.

The following report leverages cultural intelligence to unlock four opportunities for disruptive growth in finance. Opportunities that don't just impact how a brand communicates, but point to emerging sources of demand. Within each opportunity we've outlined specific ways for businesses to take action—whether that be through addressing untapped audiences, introducing new services, or investing in product innovation.

The transition from the now to the next is taking place every day. The businesses that play a role in shaping the future will be the ones to secure their place in it.

METHODOLOGY

This report was born from months of in-depth qualitative and quantitative research, strategic ideation, and collaboration among 29 Culture Spotters from 18 global TBWA offices. Our Spotters bring expertise from their work on a range of financial companies—including some of the world's biggest banks, insurance companies, and fintechs.

EDGES SHAPING **THE FUTURE OF FINANCE**

What is an Edge?

Edge / 'ej / noun
A meaningful cultural shift that has the scale and longevity to propel a brand toward a greater share of the future.

See Appendix for complete Edge definitions.

A FRESH START FOR **FINANCE**

2021 isn’t just another year. It’s Year Zero. And there’s no category where that rings more true than finance. The pandemic has put money matters center stage, forcing finance to take a louder and leading role in every industry and every household. So as we look to what’s next, we’re reimagining finance not as a standalone category—but as the foundation for economic, social, and personal progress.

The finance industry is evolving, and fast, with broader cultural shifts driving the transformation:

- Money is becoming less tied to gender and life stage as modern realities upend tradition.
- A culture of taboo toppling is creating a new openness around money.
- Environmental, economic, and political turmoil is forcing a reevaluation of priorities.
- Virtual advancements are transforming financial habits for better or worse.

As a brewing consumer rebellion overthrows the old approach, finance will be forced to ditch its drab, greedy, male-dominated roots. And the pressure to innovate is greater than ever as outside industries bring fresh competition. Headspace’s Mindful Money feature is tackling the intersection between money and mental health. Square officially launched its own banking operations in March. Tech giants Amazon and Facebook are racing to develop their own digital currencies. Walmart recently announced plans to create a fintech startup with Ribbit Capital. And even Reddit communities are forcing change on Wall Street.

These new threats will force existing finance players to rethink everything from investment portfolios to insurance models. Even data is set to disrupt the industry as consumers become increasingly empowered to monetize and protect their personal information.

The opportunities to create meaningful change have never been more widespread or urgent. It’s time for a fresh start.

IN THIS REPORT WE EXPLORE HOW:

- **Death doulas might join forces with financial planners**
- **Financial therapy could boost brick-and-mortar foot traffic**
- **Ethical wealth will redesign rewards programs**
- **Haptics can help prevent overspending**

FINANCE DISRUPTORS TO **WATCH**

BoursaMioche
For offering kid-friendly financial education
The BoursaMioche app uses pocket money to teach children how to save, budget, and track expenses—no bank account required.

CitizenMe
For helping people monetize their data
The company has developed the world's leading ethical insights platform that lets users control the sale of their data and provides companies with detailed customer insights.

Cleo
For making finance fun for Gen Z
The neobank has an AI-powered chatbot that keeps you updated on your transactions, provides budget breakdowns, and even roasts you for overspending.

DeadHappy
For making a dreaded topic more approachable
From "Deathwishes" to "Death Insurance," the life-insurance provider makes it easy and entertaining to plan for your inevitable end of life.

Ethernity
For creating a philanthropy-focused blockchain platform
Ethernity Chain is a celebrity-endorsed NFT platform that sells digital artwork from renowned creators, then funnels the money to charitable causes.

Goodments
For making it easy to invest with your values
Since the launch of Goodments in 2017, investments made through the platform have led to over 114,000 tons of carbon emissions saved, over 52,000 non-renewable electricity savings, and over 32,000 tons of waste recycled.

Jefa
For removing banking barriers for women in Latin America
The challenger bank—created by women, for women—is focused on solving the problems women have historically faced when opening and managing a bank account.

Paga
For expanding access to mobile payments
Paga is dominating the mobile money market in Nigeria, where over 17 million banked and unbanked customers use their platform to digitally send and receive money.

Marqeta
For simplifying payments for businesses
Marqeta's open API platform is allowing companies like Uber, Instacart and Square to issue virtual cards (e.g., gift cards, rewards cards, or prepaid debit cards) to customers or employees almost instantly via their digital wallets.

Mizuho Trust & Banking
For protecting the assets of the elderly and vulnerable
The Japanese bank starts overseeing elderly customer's accounts when they are diagnosed with dementia and takes care of payments from the account on their behalf.

Wahed Invest
For integrating faith and finance
Wahed Invest is the world's first halal robo advisor, and is rapidly becoming a one-stop shop for Islamic law-compliant digital financial products and services.

YellowHeart
For developing the world's first NFT album
YellowHeart is on a mission to use blockchain technology to bring value back to music and improve artist-fan relationships.

ZavFit
For creating the first health solution for money
The HealthTech startup's "MoneyFitness" philosophy is grounded in improving health and happiness by addressing money stress.

FOUR GROWTH OPPORTUNITIES **AT A GLANCE**

LIFE *OUTSIDE* THE LINES

RISING COSTS AND A SHIFT AWAY FROM TRADITION ARE UPENDING OLD MONEY MILESTONES.

STRAIGHT TO WORK

Gen Zs are reconsidering college, with 1 in 3 global respondents reporting they might not go at all.[1]

TILL DEBT DO US PART

84% of older US Gen Zers and young millennials have put off getting married due to debt.[3]

DECLINING HOME OWNERSHIP

Home ownership in Australia, Britain, Germany, Switzerland, and the U.S is in decline for the first time in a century. According to the Economist, weak earnings growth, tighter regulation of mortgage markets, and student debt are to blame.[5]

PUTTING PREGNANCY ON HOLD

In the U.K., the average age of first-time moms has been steadily increasing since 1970—with financial concerns and career ambitions largely driving the delay.[2]

LONGER LIFESPANS

People are living longer, meaning their retirement savings will need to last them longer. The number of people aged 80 years or over is projected to triple from 143 million in 2019 to 426 million by 2050.[4]

A GROWING NUMBER OF EXPENSES—BOTH EXPECTED AND UNEXPECTED—ARE FORCING PEOPLE TO BE MORE CAREFUL WITH THEIR CASH.

ESSENTIAL SPENDING

Financial instability is causing consumers to evaluate their spending more carefully. In a seven-country study, 64% said they've stopped purchasing nonessential items and will continue doing so post-pandemic.[6]

CAUTIOUS COUPLES

28% of millennials are forgoing the traditional joint bank account after marriage and opting to keep their finances completely separate—more than double that of Gen X and baby boomers.[8]

PRICY PRENUPS

Prenuptial agreements are becoming increasingly popular in Japan, where 200,000+ divorces occur every year.[10] Complicated prenups can cost up to $10,000 USD.[11]

END-OF-LIFE EXPENSES

The cost of dying has reached a record high in the UK, with total expenses approaching £10,000.[7]

GOING IT ALONE

Accenture research shows that when a major life event like a divorce, loss of a loved one, unemployment etc. causes financial instability, only 51% of customers seek some form of help with their financial predicament. Of this group, just 28% did so from their bank, with the large majority turning instead to family and friends.[9]

MODERN REALITIES ARE GIVING RISE TO

NEW ENTRY POINTS

AND INNOVATION OPPORTUNITIES.

WAY IN:

FEM-FINANCE

Say goodbye to money management by and for men.

In the next decade, we'll see a massive transfer of wealth as more women become the primary breadwinners and male baby boomers die, leaving assets to their spouses (who live six to eight years longer on average).[12] According to McKinsey,[13] the shift is expected to put American women in charge of about $30 trillion of assets by 2030, roughly a $20 trillion increase from 2016.

Yet despite women having more financial power than ever before, financial companies are largely ignoring them. And their ignorance is costing them. For example, a record number of single women are becoming first-time homeowners in recent years, with twice as many unmarried women buying homes as single men according to the U.S. National Association of Realtors[14]. Female entrepreneurship is on the rise as well. HNW women in the Asia Pacific region are more likely to have gained their wealth from private enterprise employment than men (31% vs. 26%),[15] providing an opportunity for finance brands to support women-owned businesses.

One way brands can win women over is by offering solutions tailored to their largest expenses. Take the massive uptick in spending on reproductive assistance as an example. In vitro fertilization (IVF) is one of the largest out-of-pocket health expenses Millennials face, with total costs often reaching up to $60,000.[16] Companies who understand these needs and remove barriers to access will earn female fandom.

Jefa, a challenger bank specifically designed for women in Latin America, is already setting a new standard. The startup offers a reward program called "It pays to be a woman" that lets users earn points on hygiene products, gynecologist visits, and more.

Today's finance sector is still run by a strong male majority. But as women earn a larger share of the wealth, they'll pay close attention to which finance companies were there for them at life's biggest and priciest moments. After all, it's no coincidence that 51% of women surveyed by Singapore-based Agility Research[14] are unsatisfied with their current banking providers—compared to only 44% of men.

"A large percentage of new wealth management clients will be female, yet many firms are unprepared for them… Moreover, younger women will be more likely to leave if they see an older man telling them how to manage their money." – Finextra[17]

\ WHAT IF…

Credit card rewards points could be used to offset the high cost of fertility treatments?

WAY IN:

SURVIVALIST SAVINGS

Safety nets are earning their time in the spotlight.

A survivalist mindset is setting in around the world. Economic instability, climate change, and a global health crisis are fueling the multimillion-dollar disaster prep industry—driving record high demand for stylishly branded emergency kits and bushcraft courses. As the world prepares for the worst, businesses and individuals will apply this same prepper approach to their finances.

"History tells us that these type of seismic black-swan-type events cause society to value things like savings more greatly, which we certainly haven't valued as a society in the immediate past." - Melissa Hill, Global Business Lead at TBWA\Worldwide

Households around the world are now sharply boosting their savings and reevaluating their spending habits. Thinking about post-pandemic financial plans, Australians are more determined to reduce spending on nonessentials (39%) and build up their emergency funds (29%)[18]. The desire for safety nets is driving up life insurance sales as well. According to CNBC,[19] many firms have noted double-digit increases in the number of life insurance policies they've sold during the pandemic relative to last year. As people face the uncertainties ahead, we'll see heightened demand for financial services that provide peace of mind.

\ WHAT IF...

Finance companies created personalized savings plans based on risks related to your occupation, lifestage, and environmental surroundings?

WAY IN:

DEATH PLANNING

Death? Guaranteed. Financial end-of-life planning? It depends.

The death positive movement is bringing new life to the antiquated end-of-life industry. We're rethinking traditional burials in favor of more sustainable options, investing in the support of death doulas, and openly engaging in mortality talk. The *Wall Street Journal* [20] notes that "one of Japan's hottest business buzzwords has become 'shukastsu' or 'end of life' referring to the explosion of products and services aimed at people preparing for their final years." But as society breaks barriers around death, there's still one fundamental piece of the puzzle missing: finance.

Though the pandemic is forcing us to confront the fact that we all have a 100% chance of death, the odds that we'll have our finances in order are much lower.

A 2020 survey from Caring.com[21] shows a 25% decrease in the number of people that have a will or similar document since 2017. When asked why they have put off estate planning, an increasing number of people are citing a lack of education or the cost of estate planning as the main reason.

As we shift from denying death to accepting it, we'll start getting real about the need for end-of-life financial planning. It's time to put the culture of avoidance to rest.

\ *WHAT IF...*

Finance joined forces with death doulas to facilitate proactive end-of-life planning?

BREAKING THE MONEY *TABOO*

MONEY HAS TOPPED THE “DO NOT DISCUSS” LIST FOR DECADES—RIGHT ALONGSIDE RELIGION, SEX, AND POLITICS. BUT A WORLD OBSESSED WITH WELLNESS IS REALIZING THAT THE SILENCE AROUND MONEY ISN’T MAKING US WELL. IN FACT, IT’S MAKING US SICK.

ANXIETY ON HIGH

Money is the # 1 source of stress in people’s lives.[22]

DEBT DEPRESSION

People with anxiety and depression are 3x more likely to be in debt.[24]

PHYSICAL FALLOUT

Financial stress affects physical health, blood pressure, respiratory symptoms, somatic issues, and rates of tension.[23]

SOCIETY IS DONE SUFFERING IN SILENCE. AS THE LOOMING RECESSION HEIGHTENS FINANCIAL FEARS, A MORE CANDID MONEY CONVERSATION IS EMERGING ACROSS THE GLOBE.

MONEY TALK

1 in 2 Australians are discussing their finances more than they were pre-Covid.[25]

TIKTOK FINANCE

Complicated finance bro jargon is being demystified on TikTok, with #personalfinance content amassing over 3.5 billion views.

WELLNESS DISRUPTORS

London-born financial therapy app Emma recently secured €2.23 million in seed funding. [27]

FINANCIAL THERAPY

"The impact of the COVID-19 pandemic is generating more demand for financial therapy than ever."[26]

"FIN-FLUENCERS"

Brazilian YouTube star Nathalia Arcuri is sharing straightforward finance advice to her 5.85 million subscribers — from how to invest to how to make extra income. She's part of a growing group of global influencers setting out to make finance less intimidating.

LOOKING FORWARD, DEMAND FOR *TRANSPARENCY & CANDOR* WILL DEFINE A NEW ERA OF FINANCE.

WAY IN:

FINANCE-TAINMENT

Will the real finance experts please stand up?

Platforms expanding access to financial know-how is great news. But not all online advice is worth taking. As financial advice enters new platforms and comes from celebrity voices, finance brands can help us distinguish the credible from the questionable.

In several cases, viral finance content has been linked to myths, scams, and dangerously misleading information. One TikTok user who goes by @marenaltman, for example, is using astrology to predict bitcoin prices for her 1.1M followers. Another watchout is finance content that crosses the line from casual to carefree. An article from the Drum[28] notes that "Klarna has been no stranger to critical headlines, a question mark hanging over its breezy promotion of 'easy credit' to millennials, with bright pink billboards and light-hearted advertising messages." In an effort to improve, Klarna recently launched an Influencer Council dedicated to "shaping responsible marketing practices for the financial services sector."[29]

Though the proliferation of educational finance content brings some cause for concern, it also creates an opportunity for finance brands to establish themselves as the legitimate experts. What finance brands have that most social media stars don't is the ability to offer proven, personalized advice. To make themselves heard, businesses will need to offer resources that are equally trustworthy, entertaining, and understandable.

"Mortgage-backed securities, sub-prime loans, tranches, it's pretty confusing, right? Does it make you feel bored? Or stupid? Well, it is supposed to. Wall Street loves to use terms to make you think only they can do what they do or even better for you to just leave them the f*ck alone." – The Big Short

One company making finance more approachable is Charlie. The personal finance app gamifies savings by letting users create personal autosave 'rules' connected to their bank account. For example, you could create a "Guilty Pleasures" rule where Charlie will put away 10% every time you eat at a fast-food restaurant.

The growing finance-tainment market will give rise to gamified financial literacy courses, partnerships between educators and finance players, and credible content made accessible on your favorite social channels. Finance is finally cashing in on fun.

\ *WHAT IF...*

Video games gave people a safe space to experience the impact of their financial decisions before they made them in real life?

WAY IN:

THERAPY STOP

From financial advice to financial therapy.

Banks have a problem. They've invested a great deal of resources into their brick-and-mortar locations only to see foot traffic steadily declining. A recent study by Boston Consulting Group found that post-crisis, 24% of consumers plan to use bank branches less or stop visiting them altogether.[30]

Of course, having a strong physical footprint made sense back when people chose a bank based on factors like convenience and proximity. But in 2021, those factors are steadily being replaced by a desire for rewards and mobile offerings. At the same time, traditional banks that have been slow to digitize are now sitting on the sideline while digital-first solutions win over younger consumers.

According to Gallup,[31] millennials are less likely than older banking customers to visit a branch or rely on human customer service to get help with their banking needs.

The more money matters go digital, the less incentive we have to stop by our local bank branch. But what if brick-and-mortar banks shifted their focus from financial advice to financial therapy—giving people a new reason to drop in? After all, the stats show that strictly pragmatic money tips have done little to quell our anxiety. And on top of that, financial therapy is one of the few remaining services where the benefit of in-person connection beats the convenience of online service.

As people become increasingly comfortable confronting their money struggles, banks have an opportunity to reframe their approach around personal goals rather than products.

\ WHAT IF...

Banks paired customers with a resident financial therapist who could best relate to their specific needs?

WAY IN:

LIFE WELL SPENT

HEALTH HEDONISM

The rise of financial wellness is creating fierce competition.

As more and more players frame money stress as a health problem rather than a finance problem, we'll see financial wellness programs sit alongside the established wellness basics like nutrition, sleep, and exercise. And that means finance players will no longer just be competing with each other—they'll be competing with health companies, lifestyle brands, meditation apps, and more.

Headspace's new Mindful Money tool is a perfect example. The course guides the app's 62 million users to "approach finances through a lens of awareness and compassion—from spending it, to talking about it, to coping with the feelings it stirs up." Another player approaching money through the wellness lens is European HealthTech startup ZavFit. The app's MoneyMoods tool allows users to reflect on the emotional impact of their spending, so they can make everyday money decisions that boost their health and happiness.

We think about and interact with money daily, yet financial planning sits in a separate box that we avoid at all costs. But what if finance brands became lifestyle partners that showed up at the positive spending and saving moments—not just the "I need money now" moments? By proactively joining hands with wellness companies now, finance brands can avoid fighting for their piece of the $4.5 trillion dollar[32] global wellness pie in the future.

\ WHAT IF...

Financial fitness became part of our everyday wellness routine? Just like movement or meditation.

RICH,
REDEFINED

OLD IDEAS OF "GET RICH QUICK" FEEL OUT OF TOUCH IN A WORLD WHERE NATURAL RESOURCES ARE DWINDLING AND INEQUALITY IS RISING. AS MONEY AND VALUES BECOME INCREASINGLY INTERLINKED, THE IDEA OF A "RICH LIFE" WILL BE REDEFINED.

ENRICHMENT OVER RICHES

77% of global High Net-Worth Individuals (HNWIs) see personal enrichment as more important than wealth.[33]

LIVING WITH LESS

When asked what it takes to be financially comfortable now, Americans say it takes much less than it did in January. Respondents cited an average of $655,000 in net worth when surveyed in June 2020, down nearly 30% from January 2020 when their comfort level stood at an average of $934,000.[35]

EXPOSING STATUS SEEKERS

Lauren Greenfield's 2018 documentary *Generation Wealth* examined a global culture of materialism, celebrity culture and social status that "reflected on the desire to be wealthy at any cost."[34]

LUX GUILT

"[W]e argue that luxury can be a double-edged sword because, paradoxically, the associations of superiority and privilege that often make luxury so desirable can backfire and make consumers feel inauthentic."[36]

A MASS ACTIVIST AWAKENING IS FUELING A CULTURE WHERE ETHICS COME FIRST. ONE-DIMENSIONAL, MATERIALISTIC VIEWS OF WEALTH ARE BEING TOSSED OUT IN FAVOR OF A PURPOSE-DRIVEN APPROACH.

GREEN INVESTMENTS

Almost 70% of millennials would choose to invest in companies with positive sustainability elements even if that meant a 5% lower return on investment.[37]

ESG SURGE

Over the past year, assets in ESG EFTs more than doubled to $80 billion.[39]

ISLAMIC FINANCE

Global Islamic Finance assets are forecast to reach $3.69 trillion by 2024.[41]

CONSCIOUS CONSUMPTION

79% of consumers are changing their purchase preferences based on social responsibility, inclusiveness, or environmental impact in the wake of COVID-19.[38]

LUXURY LULLS

The global personal luxury good market has contracted for the first time since 2009, falling by 23% to hit €217bn.[40]

ETHICAL MEASURES

OF FINANCIAL SUCCESS ARE DISRUPTING THE SYSTEM.

WAY IN:

ISLAMIC FINANCE

GUIDE US

INCLUSIVE BY DESIGN

Faith-based and ethically conscious consumers are flocking to Islamic finance.

According to the Pew Research Center, the number of Muslims around the world is growing twice as fast as the rest of the population. By 2060, there could be as many as 3 billion Muslims on Earth—a 70% increase from 2015.[44] As this happens, we'll see unprecedented demand for financial services and products that are aligned with Islamic values.

Islamic finance is a type of financing activities that "abides by interest-free Sharia laws and avoids unethical investments, such as those on alcohol and gambling."[42] Islamic finance hardly existed 30 years ago, but today is a $2.5 trillion industry with hundreds of specialized institutions operating in 130 countries.[43] And it's only getting bigger. According to a 2020 Islamic Finance Development Report, total Sharia-compliant assets are expected to grow to $3.69 trillion by 2024.[41]

As home to the majority Muslim population and the current leader in Islamic finance, Asia manages over a quarter of the world's Sharia-compliant financial assets.[66] But it's certainly not the only continent poised for growth. Larger shifts toward socially responsible investing and ESG are fueling greater consumer interest in Islamic finance around the globe. Realizing its market potential for both Muslim and non-Muslim banking customers, many stakeholders are ramping up their efforts to advance the Islamic financial industry.

A key theme across these efforts is digital innovation. Per Global Finance, "whether they live in Asia, Europe, the Middle East, or Africa, the next generation of Muslims will have at least two things in common: youth and technology."[67] With this in mind, several countries are getting serious about Sharia-compliant fintech innovations. For example, Pakistan's mobile wallet SadaPay received central bank approval to process payments in over 45 countries just last year, Qatar Islamic Bank started digital onboarding during the pandemic, and new digital-only Islamic banks are gearing up to launch in Kazakhstan and Australia.

Demand for modern, accessible Islamic finance services is forcing industry-wide change. As money and morality become increasingly interlinked, new standards will be set for how and where we spend.

\ WHAT IF…

Islamic values set new universal finance standards?

WAY IN:

ETHICAL ROI

Welcome to the era of do-good, feel-good spending.

They say money is power. And with power, comes great responsibility. The pandemic has pushed people to take their responsibilities to our planet and to one another more seriously—driving a major uptick in ethical spending.

"There's a much greater willingness to switch investments. A huge majority of those not investing ethically, in fact 90%, are stating that they're intending to invest ethically in the next year."[45] - Simon O'Connor, CEO of Responsible Investment Association of Australasia

Values-driven finance companies are already equipping consumers with the tools to make their money do good. Allianz's "Sustainable Solutions" program identifies the insurance, asset management products, and assistance services that address climate-related concerns. Betterment's SRI portfolios let you invest in companies around the world that align with your values—from cause-specific portfolios to general impact-focused investments. Fintech startup Aspiration offers features like "Plant Your Change," which rounds up debit card purchases to the nearest dollar and uses the change to plant trees. And nonprofits like Slow Money, which catalyzes the flow of capital to local food systems, are attracting a new cohort of socially responsible investors.

Many players claim to be different from the "greedy, big bad banks," but only those that offer impact-based products and services will be able to prove it. With the right systems in place, brands can make finance something to feel good about.

\ WHAT IF...

Credit cards structured their rewards programs based on ethical spending? The more socially responsible the company or sector, the more points you get.

backslash

WAY IN:

BUILT-IN GIVEBACKS

WEALTH WARFARE

A new generation is committed to funding a better future.

A common COVID-19 enemy is making us realize that we're all in this together. As the crisis exacerbates existing inequalities and exposes entirely new ones, a growing group of people are looking to give back. Article titles like "The Rich Kids Who Want to Tear Down Capitalism" [46] and "The Millennials Who Want to Get Rid of Their Class Privilege" [47] speak to this new world where people are taking wealth redistribution into their own hands.

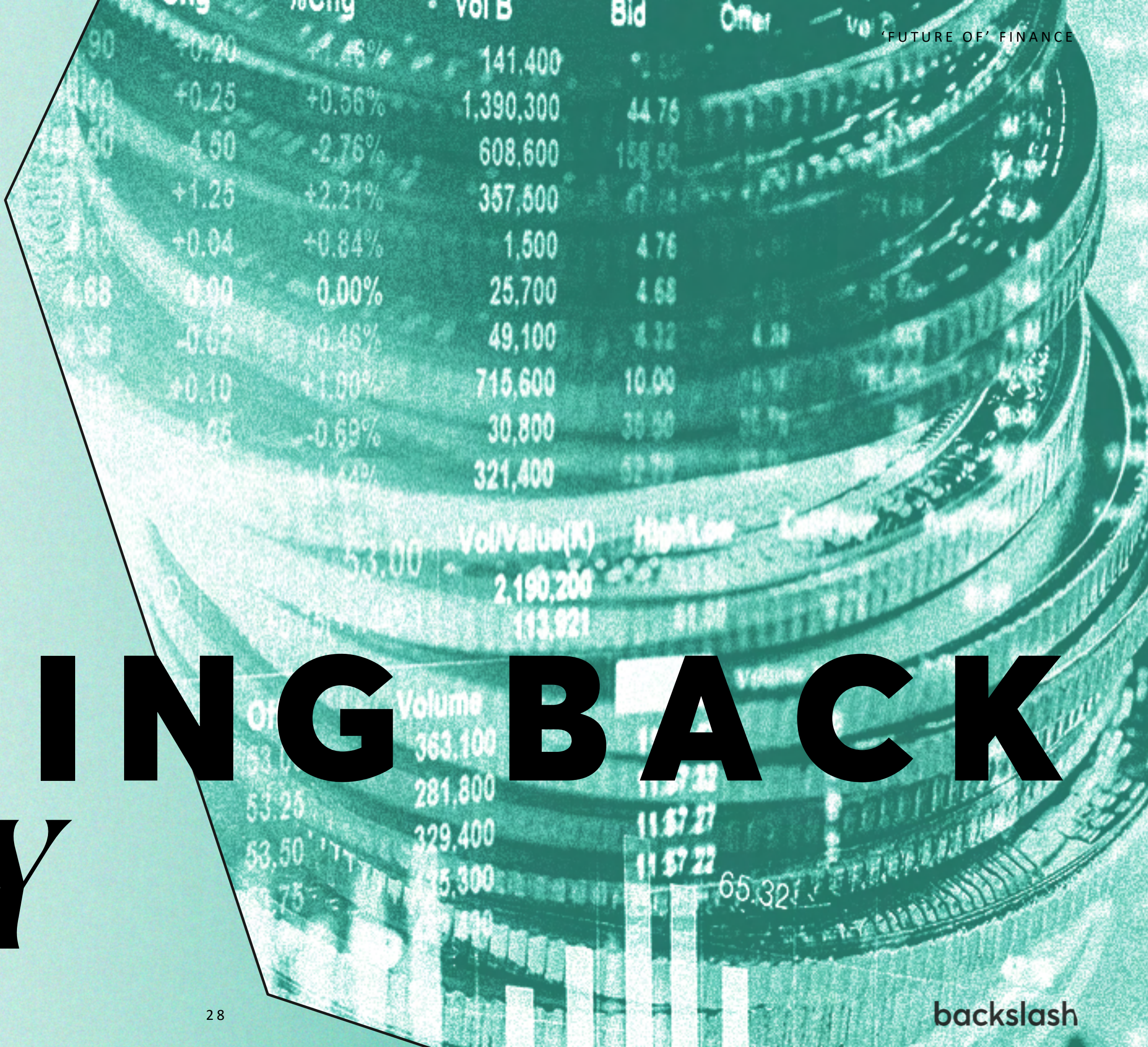
Global displays of generosity have exploded since the start of the pandemic. People in Singapore and the U.S. are donating their economic stimulus payments to charities in need through the #WeGiveInSolidarity movement[48] (Singapore) and #ShareMyCheck campaign[49] (U.S.). And on GivingTuesday 2020, PayPal announced that it processed a record-breaking $185 million globally, the largest amount raised on the platform for the global day of giving since its inception in 2012.[50]

This growing peer-to-peer fundraising market is inspiring action from some of finance's biggest players. In November 2020, PayPal launched the Generosity Network to more directly compete with other crowdsourced funding platforms like GoFundMe. On the insurance front, Lemonade is proving that the giveback model is in high demand. The insurance disruptor reverses the traditional insurance model by taking a flat fee, paying claims quickly, and giving back any unclaimed money to causes you care about. Lemonade reached over 1 million customers just 1,500 days after launch, an achievement it says is "15-45 years faster than industry leaders such as State Farm, Allstate, GEICO, and USAA." [51]

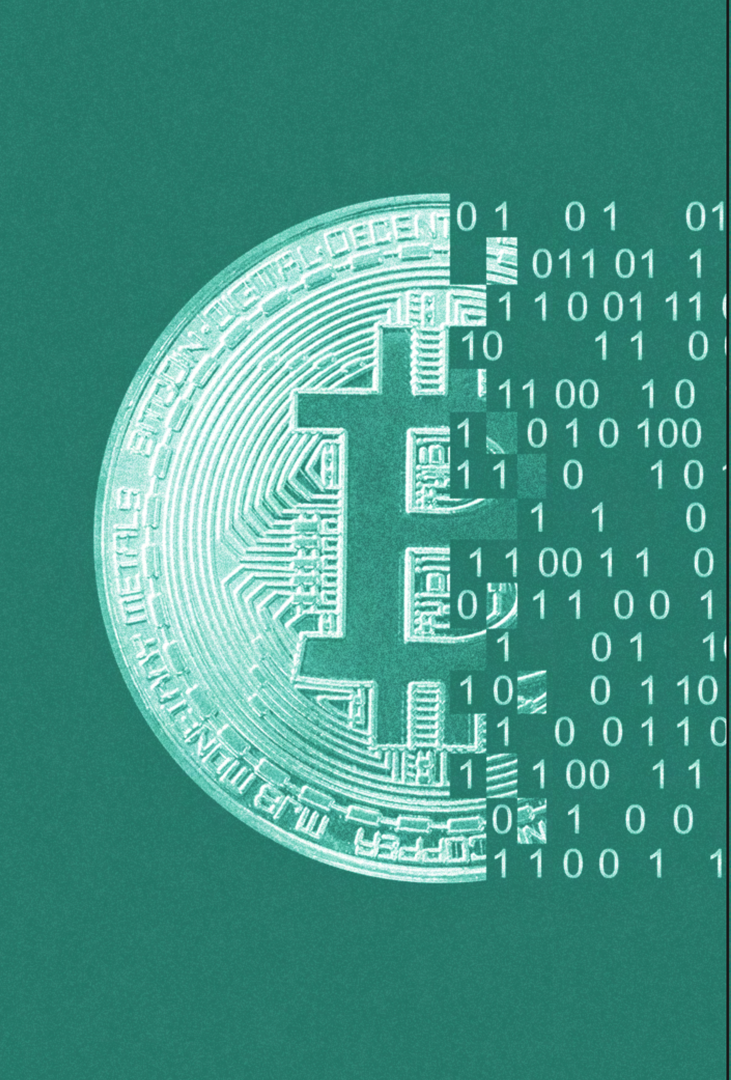
Giving back is becoming common practice. Finance brands who don't just facilitate, but contribute to, the development of a fairer future will be rightfully rewarded.

\ WHAT IF...

Charitable giving was commonly budgeted for in financial planning? So it never felt like an "extra."



BRINGING BACK *REALITY*



FROM DIGITAL CURRENCIES TO VIRTUAL ASSETS, FINANCE IS BECOMING INCREASINGLY INTANGIBLE.

COVID ACCELERATES CASHLESS

The percentage of cashless businesses has increased by an average of 28% worldwide since the pandemic, with fear of germs driving the shift.[52]

THE BIOMETRIC BOOM

Globally, 2.6 billion people are expected to use biometrics for payments by 2023.[54]

A GROWING CRYPTO CROWD

Around 106 million people are now using cryptocurrencies globally.[56] Out of 74 countries in the Statista Global Consumer Survey, Nigerians were the most likely to say they used or owned cryptocurrency.[57]

CENTRAL BANK DIGITAL CURRENCIES

The Bank of International Settlements published its latest 2021 survey showing that 86% of the 65 central banks it spoke to are doing some form of work on central bank digital currencies, be it research, proofs of concept or pilot development.[53]

THE VIRTUAL ECONOMY

There are up to 2.5 billion people actively accruing and storing virtual assets.[55]

BUT AS MONEY GOES VIRTUAL, OUR RELATIONSHIP WITH IT IS BECOMING LESS AND LESS ROOTED IN REALITY.

E-WALLET OVERSPENDING

One study found that consumers make 23% more purchases when they pay with a mobile wallet compared to when they pay with cash.[58]

RISING SECURITY CONCERNS

Almost four in five Asia-Pacific banks (78%) believe the introduction of real-time payment platforms such as P2P (peer-to-peer) transfers and mobile payments had resulted in increased fraud losses.[59]

DIGITAL WALLET DANGERS

"A phone or Apple Watch doesn't represent money. It represents a communication device. As a result, there is no reminder of money."
- Dr. Avni Shah[61]

VIRTUAL ECONOMY EARNINGS

There are hundreds of thousands of people earning real income from virtual platforms globally, generating over $66 billion in gross value added, higher than the GDP of Bulgaria.[55]

THE TOKENIZED METAVERSE

The total trading volume of non-fungible token (NFT) artwork hit an all-time high of $8.2 million in December 2020.[60]

AS DIGITAL DEVELOPMENTS CREATE NEW COMPLEXITIES, WE’LL LOOK TO BRANDS TO *KEEP US GROUNDED.*

WAY IN:

REALITY CHECKS

As finance goes virtual, keeping it real will be key.

Online banking, digital currencies, contactless payment systems, peer-to-peer payment apps and e-wallets promised to make money management more convenient. And in many ways, they have. But have we been too in awe of the latest in fintech to stop and think about how these advancements are actually affecting our relationship with money?

Turns out that frictionless finance innovations are enabling bad money habits. A study in the International Journal of Economic Sciences found that contactless credit and debit cards that don't require signature or PIN entry lead to an 8% increase in credit card spending and a 10% increase in debit spending.[61] Similarly, e-wallets are eliminating the all-important flinch moment we feel when we part with our physical money.

"The more concrete reminders, the more pain after the fact," says Dr. Avni Shah, assistant professor of marketing at the University of Toronto Scarborough. "I'd like to see email reminders saying, 'Your purchase was approved,' and then showing the cash quantity. You'd get something that says you just spent $104 with a picture of a $100 bill and four single dollar bills. I've always wanted to do that study."[61]

As we move toward cashless societies and quicker, easier everything, reintroducing moments of friction, reflection, and tangibility will be key. Imagine if e-commerce checkout systems showed you your remaining credit card balance alongside your upcoming payments for the month. How about if your e-wallet felt lighter as you spent money? And for the generations growing up with a solely digital understanding of money, how can brands re-create the piggy bank to teach kids about money management? Looking forward, these kinds of nudges will be essential to ensuring that money doesn't lose its meaning.

\ *WHAT IF…*

Haptic technology allowed us to "feel" the money remaining in our digital wallets?

WAY IN:

VIRTUAL VAULTS

STEALTH MODE

Who will become the trusted custodians of our virtual assets?

The rise of the virtual economy means we’re spending more money on digital goods, cryptocurrencies, and non-fungible tokens (NFTs) than ever before. Per CNBC,[62] “NFTs are unique cryptocurrency tokens used to represent assets.” NFTs could be collectibles, game items such as weapons and skins, digital art, virtual real estate, event tickets, social network handles, and even ownership records for physical assets. And they’re selling like crazy. A recent report by NonFungible.com[63] notes that NFT trading was worth over $250M in 2020, an increase of almost 300% from the previous year. For an example of the NFT explosion, just look to the rising demand for virtual art. Beeple, an artist who sells NFT-backed digital art, sold a piece called “Everydays: The First 5,000 Days” for a record-breaking $69.3 million during an online auction held by Christie’s in March 2021.

Intangible art is just one early sign of a future where the virtual economy is no longer considered separate from our “real” economy. Participating in the virtual economy can mean selling in-game items, socializing in virtual lounges, creating digital assets, or streaming gameplay on Twitch. According to technology and innovation tracking unit L’Atelier, the virtual economy generates a total income of $66.2 billion.[55]

But despite strong growth, the market remains underserved due to “the lack of trusted, secure, and transparent infrastructure to facilitate the exchange of virtual goods,” notes L’Atelier. “While third-party marketplaces, forums and social online communities have popped up to fill this need, the lack of oversight, transparency and security make using these options risky for players who have accumulated valuable items,” L’Atelier continues. That’s where reputable finance brands can come in.

As consumers amass more virtual assets and gain a growing income from the virtual economy, they’ll need financial services firms to help mitigate the risk of participating in these platforms. Think virtual vaults that keep our most valuable digital goods and currencies secure, virtual asset insurance, or using virtual items as collateral.

\ *WHAT IF...*

Insurance companies offered virtual asset protection?

WAY IN:

PHYGITAL ADVISORS

The collision of digital and physical finance calls for all-in-one services.

These days, it’s not uncommon for one person to have a primary banking app, budgeting app, peer-to-peer payment app, investing app, and bitcoin trading app. The number of accounts, payment methods, and currencies are only increasing, making financial management increasingly complex. But what if one company served as the primary point-of-contact for all our finance pain points?

As fintechs—particularly non-banks—continue to gain millions of customers with upward of billions of dollars invested, traditional banks will be forced to prove their relevance and find new roles. “If they are to survive, banks must start acting more like digital giants before digital giants—including Amazon, Facebook, and Google—start acting like banks,” notes BCG.[64]

And it’s not just the under-40 crowd that traditional banks need to worry about losing. A survey from financial advisory group deVere found 70% of its clients aged over 55 had already invested in digital currencies, or were planning to do so, in 2021.[65]

The bad news? Traditional banks are at risk of being left behind if they don’t catch up with the ever-evolving world of finance. The good news? Traditional banks know money, and (for the most part) they have our trust.

As finance becomes more difficult to navigate, we’ll look to companies that help us simplify and consolidate our financial activity. Imagine if banks could help you manage all your various accounts, currencies, and income sources in one central system. Or, if banks set up an Apple Genius Bar-esque space for human-to-human advice on the harder-to-understand finance topics like cryptocurrencies and NFTs.

\ WHAT IF...

Banks offered full-service advisors that could help you manage your cash, cryptocurrencies, virtual assets, and investment portfolios altogether?

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APPENDIX

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EDGES SHAPING THE FUTURE OF FINANCE

A world exhausted by the rational is devolving into the emotional. In the age of (mis)information overload, we're seeking answers in something bigger than ourselves. Religion is seeing a resurgence as the pandemic forces us to reckon with the fragility of life. Science denial is giving rise to modern myths. And mysticism is becoming a welcome escape from post-truth politics. When "facts" fail to help make sense of the world, spirituality is the solution.

The doom boom is upon us. Political instability, climate change, and a global health crisis are fueling the multimillion-dollar disaster prep industry. Emergency kits and wildfire insurance offer peace of mind for the everyday, while intensified interest in private islands and extreme survival fitness courses point to a growing prepper mentality. As we face our dystopian future, we'll look to brands that help us beat the odds

The wealth gap has widened into a chasm, igniting the battle between the rich and the rest of us. COVID-19 exacerbated existing inequalities and exposed entirely new ones—waking us up to the fact that matters of privilege extend far beyond the size of your paycheck. Elitist brands beware, the uprising is here. Businesses that help build a fairer future will be on the right side of history.

Privacy is the new premium. From accessories designed to outsmart facial recognition to secure search engines, a growing wave of tech startups are putting privacy back in the hands of those who can afford it. In the age of 24/7 intrusion, escaping surveillance will cost you. Anonymity is now for the elite.

It's the era of shared despair. From climate change to class, race, and gender warfare, modern consciousness birthed infinite issues for us to care about—and now we have anxiety about all of them. As the pandemic compounds our concerns and the worldwide mental health crisis deepens, every brand will be in the business of helping us cope with the chaos. We're collectively confronting our stress with zero shame.

Say goodbye to the Wild West of social technology. In the fierce battle against misinformation, filter bubbles, and data collection, platforms are under crackdown. And they're adapting their products to help us identify fake news, break free of echo chambers, and fight tech addiction—or at least, telling us they are. The pressure is on for big tech to rewrite its wrongs. Regulate or be regulated.

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EDGES SHAPING THE FUTURE OF FINANCE

Showing you care is the latest form of self-expression. From hashtag takeovers to pop culture-inspired protests, today's youth are finding purpose and belonging in communities dedicated to creating change. Brands that amplify their voice and provide a platform for their POV will earn their support. In the empathy age, being an activist is the ultimate badge of honor.

Our relationship with relationships is changing. Intimacy is breaking free from institutions and being shared among untraditional pairs—whether it be with your BFF, your pet, or your therapy robot. As we separate societal expectations from personal desires, we'll say goodbye to prescriptive labels and old-school relationship rules. A world falling in love with independence is championing a different kind of companionship.

The physical world is turning to vapor. We're entering a new era of on/off-line blur where celebrity holograms are headlining music festivals. Where we're outfitting our avatars in the latest fashion. And where a larger portion of our paycheck is going toward digital goods. As the division between virtual and IRL is broken down, we'll redefine the "real world" far beyond what's tangible.

Learning is no longer reserved for the classroom. The pandemic put the education system to the test, upending the old ways of exchanging knowledge. School curriculums are moving outdoors and onto TikTok. Peer-to-peer learning platforms are disrupting the instructor-student hierarchy. And adults are aspiring to be more self-sufficient—using their time in lockdown to boost professional skills and personal passions. The new school system knows no bounds.

EDGES SHAPING THE FUTURE OF FINANCE

Culture is getting candid about the role money plays in our lives. Financial therapists and financial wellness programs are confronting the intersection between money and mental health. Salary transparency and financial literacy courses are empowering people to build a better financial future. And TikTok influencers are making money part of pop culture. Money talk is moving outside the bank.

Health and wellness are converging. A once-sterile healthcare industry is taking cues from the pleasurable parts of wellness, ushering in a more holistic and hyper-personalized approach to medical care. From hospitals that feel like luxury hotels, to at-home test kits that offer exciting insights into our biology, healthcare is going from dreaded to embraced. Who says the journey to better health can’t be enjoyable?

Death is getting a new life. An aging population looking to relieve the dread of death is forcing an antiquated end-of-life industry to change its tune. Enter the death wellness movement. From death cafes and death doulas normalizing mortality talk, to biodegradable burial pods making death more sustainable—we’re shedding a brighter light on our inevitable finale of life. The reexamination of death is just beginning.

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EDGES SHAPING THE FUTURE OF FINANCE

A man’s world is being reimagined for women. Femtech startups are squashing male bias in the medical field, governments are establishing mandatory boardroom quotas for women, and a sex revolution is emboldening females to find power in pleasure. When it comes to the fight for equality, no gender gap can be left unclosed.

Game play is getting purposeful. A society done sitting on the sidelines is embracing play as a strategy for real-world problem solving. Crowdsourced COVID-19 research is turning citizen science into a popular pastime. In-game therapy sessions and prescription video games are merging mental health with pop culture. And online simulations are exposing how fake news spreads. The change-maker generation is getting its head in the game.

True inclusivity isn’t a checkbox, it’s a form of design thinking. As expectations around inclusivity reach new heights, hyper-critical consumers will sniff out tokenism and expose empty brand promises. Genuine inclusion requires an entirely new blueprint—building systems, spaces, and products to be accessible and representative from the bottom up. New inclusivity-driven disruptors are stepping up and setting a gold standard.

The pressure to gain climate cred is on. With wallets as their weapon, individuals and businesses are taking action. Sustainability is the springboard for innovation and investment in the boardroom. And across the globe, the growth of green banks, ESG, carbon capture companies, and bio-inspired technologies are all evidence of the burgeoning business of climate action. Capitalism is getting a new spin. Welcome to the climate change economy.

A waste-not world is giving physical spaces a second life. COVID-19 has emptied offices and storefronts, accelerating the transformation of urban environments. Think co-living communities that combine work, school, and family life; sharing services that make the most of vacant spaces; and hotels that double as virtual schooling hubs. As we rethink the role of physical space, businesses will remix their real estate for round-the-clock purpose and profit.