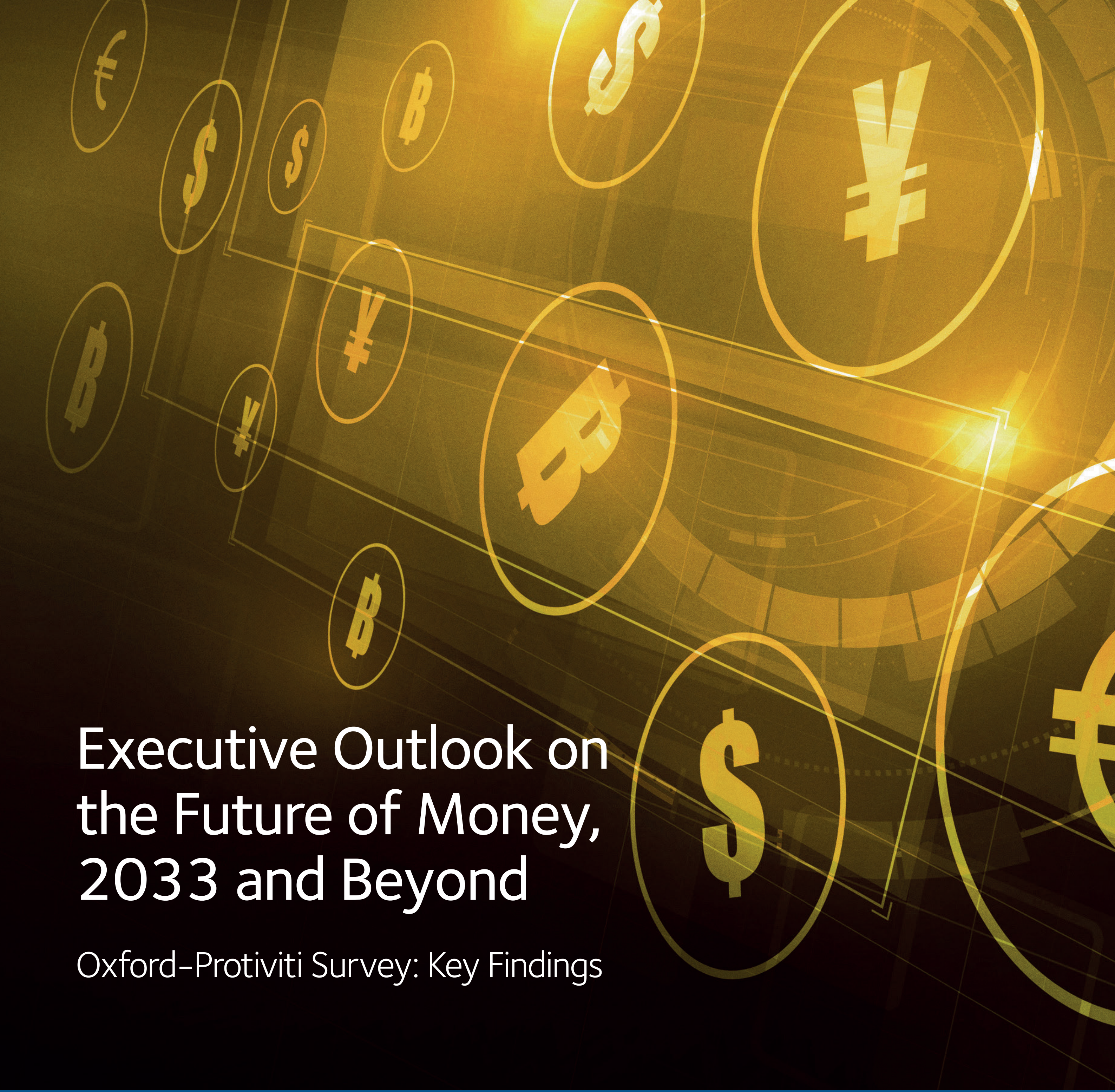

Executive Outlook on the Future of Money, 2033 and Beyond

Oxford–Protiviti Survey: Key Findings

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1 Introduction

Money, as a form of exchange, has been fundamental to the generation of today's global society. It represents a symbol of value, the relationship between issuer and user, or producer and consumer, and at once can stir emotions of co-operation and confidence, or mistrust and disagreement. Money has fuelled private profit or loss, yet traditionally has been the mandate of a monarch or state. It governs much of our routine work, home lives, and leisure time; a daily constant in concept, but a fluctuating source in practice. The latest Oxford-Protiviti survey has asked global business leaders to reflect on the present-day state of money, to consider its current and future forms, and to look to the challenges that may be revealed as this seemingly recurrent, yet slippery building block of modern economies evolves.

This report analyses the findings from business leaders' considerations of the future of money, particularly over the next decade, but ostensibly over the transformation of how we view, deal, and work with money, in all its forms. Financial infrastructures, security, and regulation stand out as key points of concern for those at the forefront of global business. The demographic characteristics of the survey sample are first outlined, before assessing the core concerns revealed about monetary disruption, regional variabilities, risk and regulation of digital currencies, corruption and privacy, technologies, the role of the US dollar, and the fundaments of wealth.

2 Executive summary: Key findings in brief

The evidence from our survey shows that global business leaders:

- Envisage a **cashless** future, sooner rather than later
- Appear ready, willing, and able to **transition to digital** currencies
- Share concerns about protecting **privacy and data** in a digitised future
- Expect **crime, fraud, and corruption** to be more prevalent in future finance
- Are extremely confident in the future of the **US dollar**
- Prefer **regulated, central bank-issued** digital currencies
- Expect heavy government **regulation** of digital currencies

More specifically, the study reveals core trends as business executives prepare for a cashless future in a rapidly-moving digital world. Overall:

- Two-thirds of global executives say their company is at least "somewhat prepared" for a significant disruption to monetary policies and structure over the next decade.
- Nine of out ten business leaders across the globe are concerned about their ability to protect customer and client data in a digital currency future.
- Some 61 per cent say crime, fraud, and corruption will be more prevalent in future financial transactions.
- Global executives remain confident in the US dollar, with four-fifths expecting it to be the world's reserve currency in a decade.

An overwhelming majority of global business leaders — 85 per cent — expect the country in which they work to be "cashless" within a decade, and nearly a third expect it will happen within the next five years, according to this survey. Despite all the media attention and noise associated with the rise and fall of blockchain-based cryptocurrencies, our findings support the scepticism — prevalent in academic literature — that state-regulated money could be threatened with disintegration. The state regulation of money as we know it is here to remain. The majority of global business leaders (59 per cent) prefer regulated, central bank-issued digital currencies, and the overwhelming majority (79 per cent) expects a very significant role to be played by governments in regulating digitised currencies in the future. Amongst the financial services industry executives, the preference for regulated digital currencies stands at 61 per cent, whilst the expectation of close government regulation of digitised currency in the future is shared by 87 per cent of the finance respondents.

[1] Ingham, G. (2013) "Reflections," in J. Pixley et al. (eds), *Financial Crises and the Nature of Capitalist Money.* London: Palgrave Macmillan.

3 The Oxford-Protiviti survey: Methodology

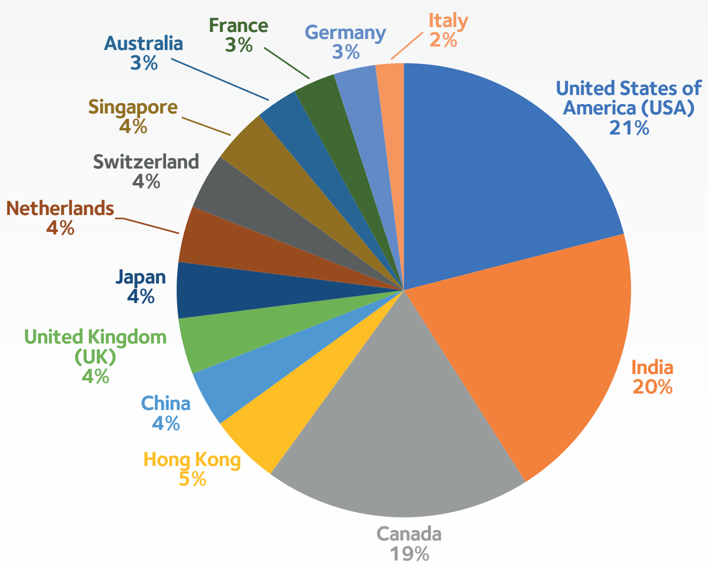
This survey captures the insights from 251 company board members, C-suite executives, and business leaders across North America, Europe, and Asia-Pacific regions. The survey participants represent a broad range of industries, which include both publicly and privately held organisations and asset management companies. Data, which were collected between July and September 2023, were obtained via one-on-one computer-assisted telephone interviewing (CATI). Participants were asked a series of questions about the future of the money, finance, currency systems, and transactions, compared to current practices, concerning their own organisations. Additional questions were asked about the size and location of their organisation, as well as their gender, age, and occupation.

Following a series of introductory screening and demographic questions, the survey posed twenty-one key questions about the role of money in its different forms for commerce, and how the most recent trends and developments in the monetary system are likely to impact business over the next decade and beyond. All data were collected confidentially, and the names of organisations and individuals are not disclosed.

The Oxford-Protiviti Survey: Demographics

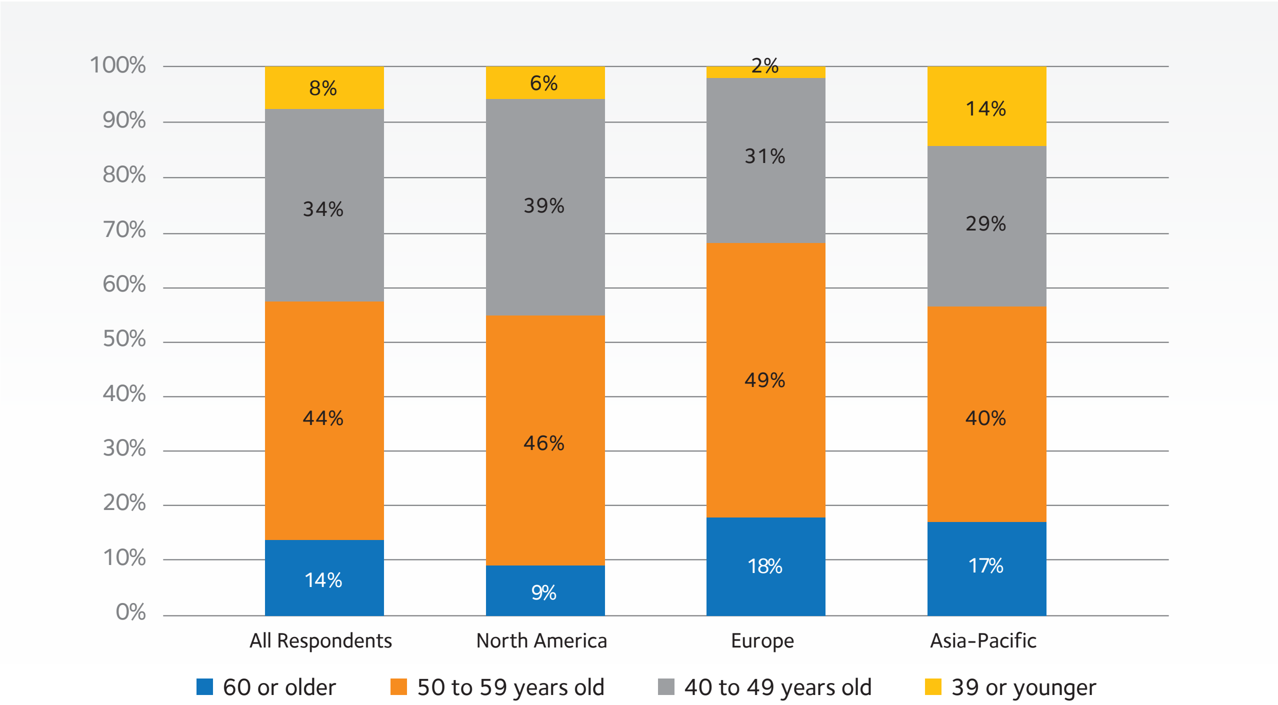
The total number of board members, C-suite executives, and business leaders surveyed was 251, of whom 40 per cent were located in North America; 40 per cent in the Asia-Pacific region, and 20 per cent in Europe. Country-wise, the largest representation of company headquarters was in the United States (21 per cent), India (20 per cent), and Canada (19 per cent), with the remaining countries being distributed more evenly at between 2 to 5 per cent each (Figure 1). Overall, this study covers organisations headquartered in 14 states and territories — with an aggregate population of 2.2 billion people, these territories cover almost 30 per cent of the world's total. The survey demographic results are summarised below.

Figure 1: Location of company headquarters



Eighty-seven per cent of the business leaders surveyed were male and 13 per cent were female, with 58 per cent being 50 years of age or older (Figure 2). The gender and age composition of the business leaders in North America and Asia-Pacific were very similar and overwhelmingly male-dominated, whereas female executives in Europe were significantly higher. At the same time, while two-thirds of the C-suite executives in Europe were aged 50 and older, the younger cohort represents almost half of the C-suite executives in North America and Asia-Pacific.

Figure 2: Age range of respondents



While the survey covered a broad range of company positions, the roles of chief executive officer, president, non-executive director, and chairperson or board member comprise 70 per cent of all respondents (Figure 3). In terms of the primary economic activity, most companies operate in finance, with Banking & Capital Markets, Payments, Asset & Wealth Management, Mortgage & Consumer Lending, and Private Equity accounting for 13 per cent of the total (Figure 4). The smallest part of the sample comprises Equipment Rental, Healthcare Integrated Delivery Systems, and Warehousing/Distribution. Given the focus of this research on the future of money, the significant presence of financial services is important.

Figure 3: What is the title of the most significant or most senior position you hold within your organisation?

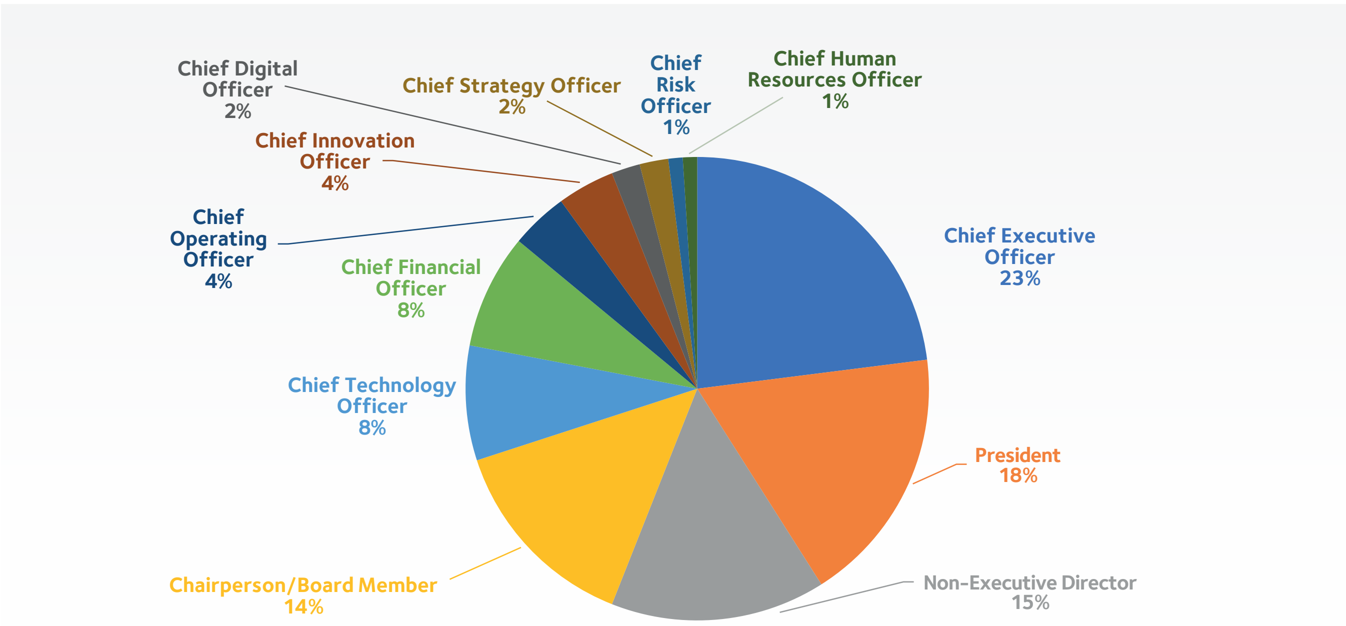
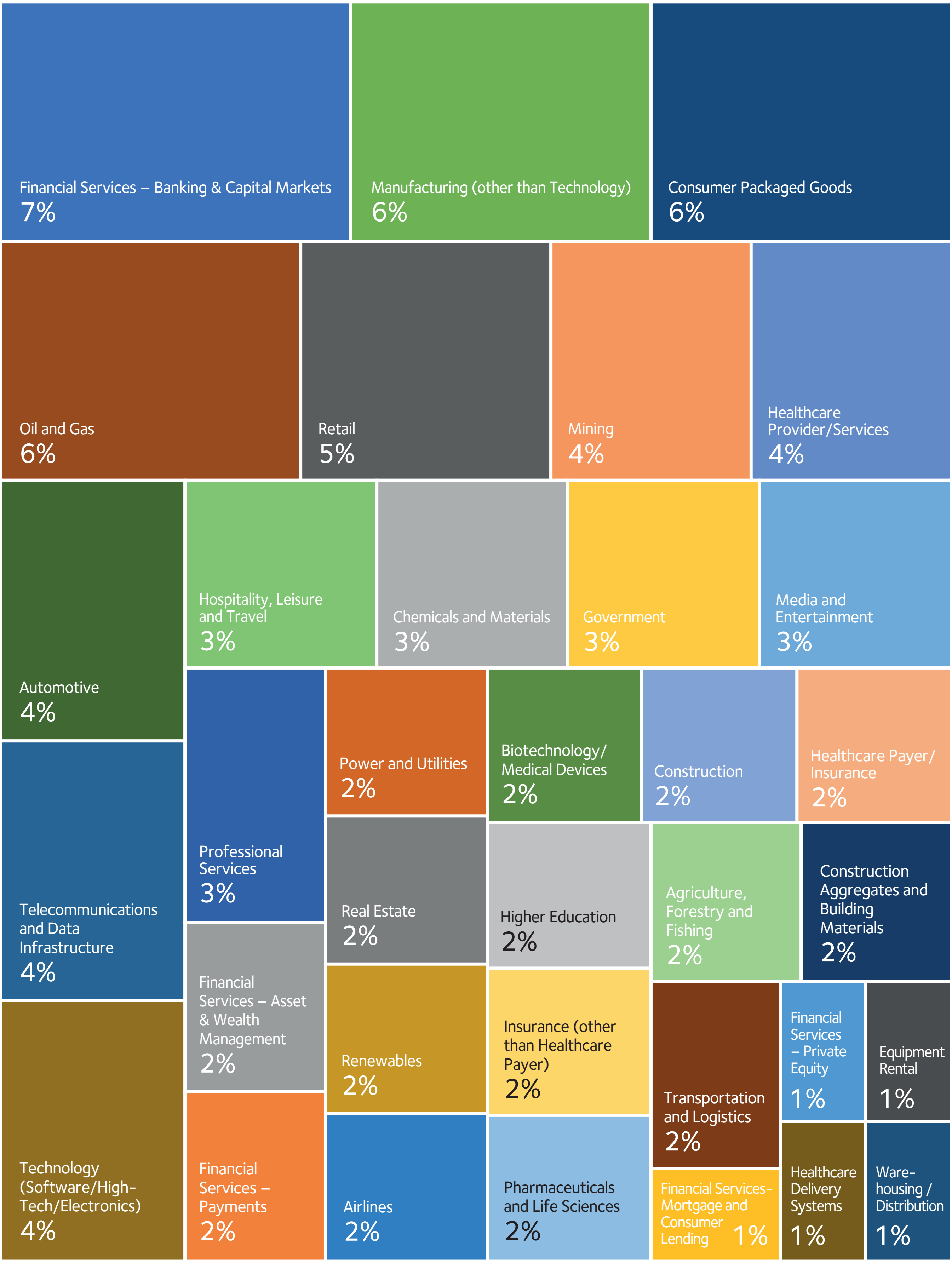


Figure 4: What is your organisation's primary industry?



Amongst the companies surveyed (excluding asset management firms), 44 per cent generated gross revenues under US $5 billion per year, whereas almost one in four companies grossed US $20 billion or more (Figure 5). For asset management companies, two in three generated US $10 billion or more per year, with 16 per cent of the firms holding half a trillion dollars' worth of assets or more (Figure 6).

Figure 5: What is your organisation's size by gross annual revenue in US dollars? (non-Financial Services)

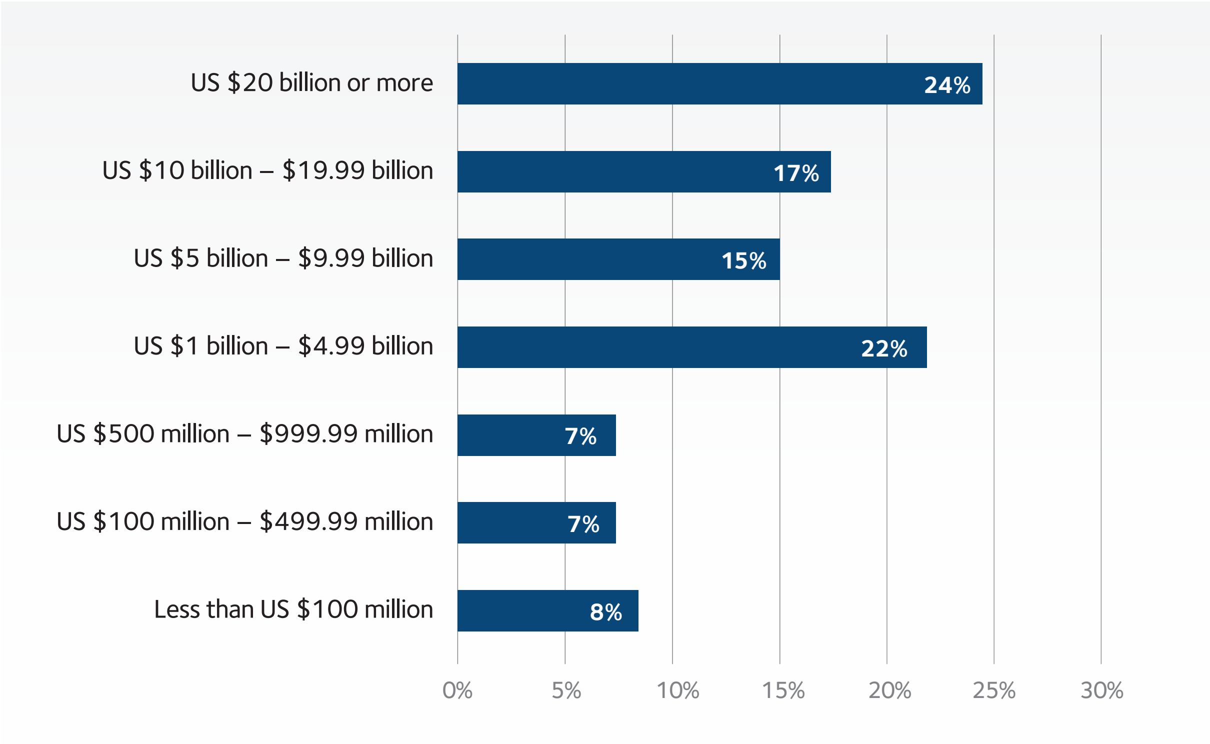
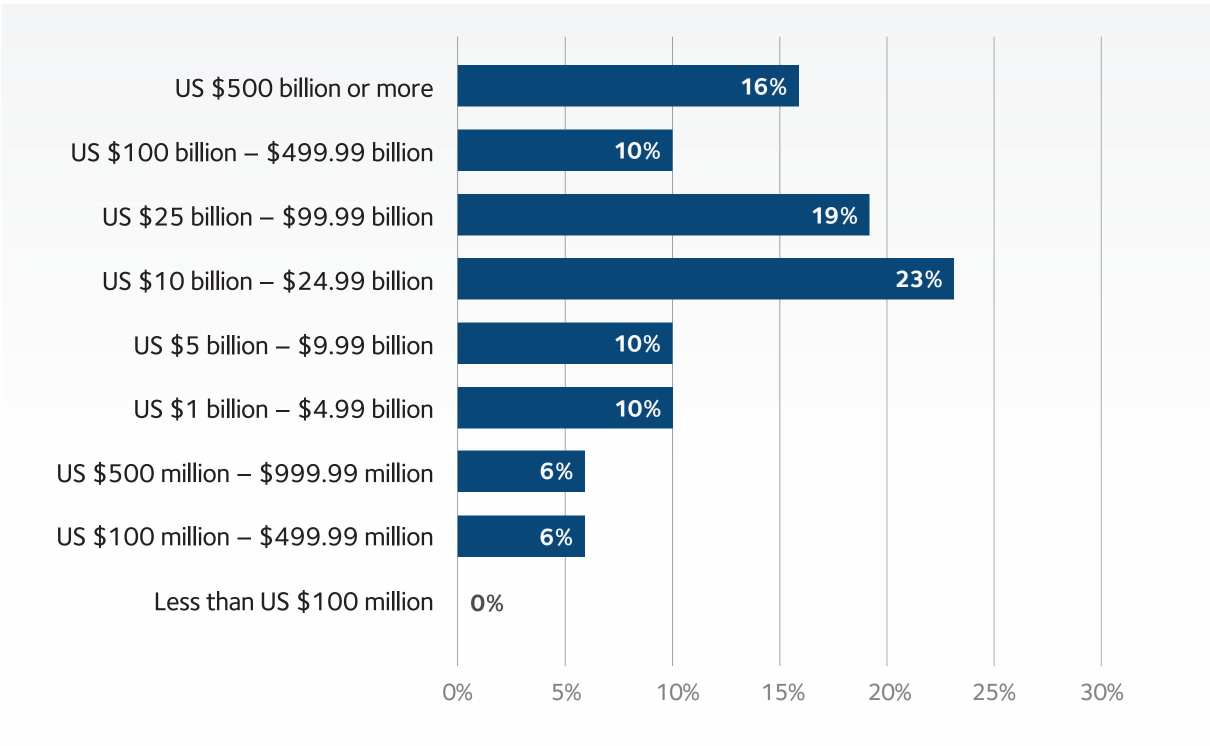


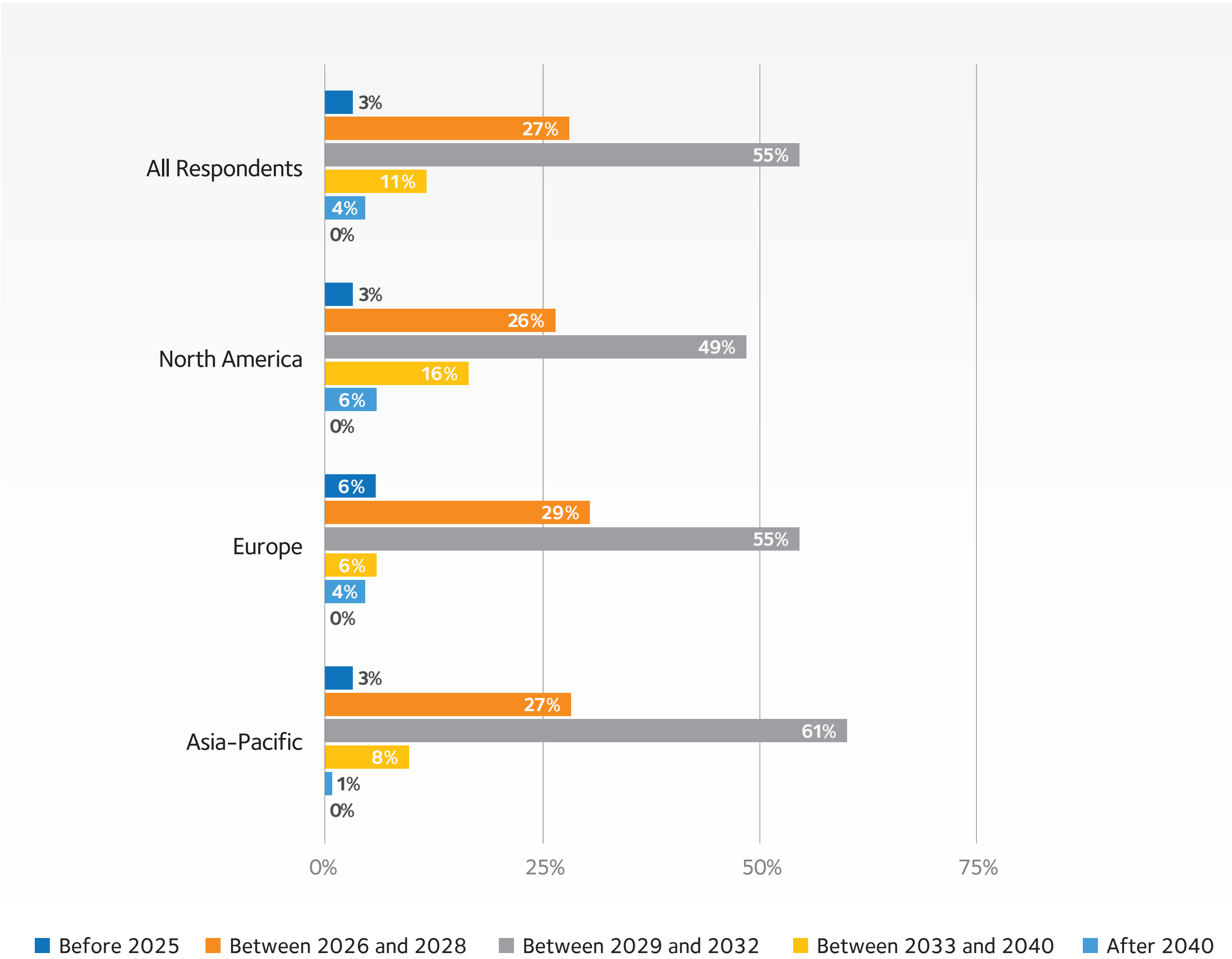
Figure 6: What is your organisation's size by assets under management in US dollars? (Financial Services)



4 Monetary disruption: A changing global system

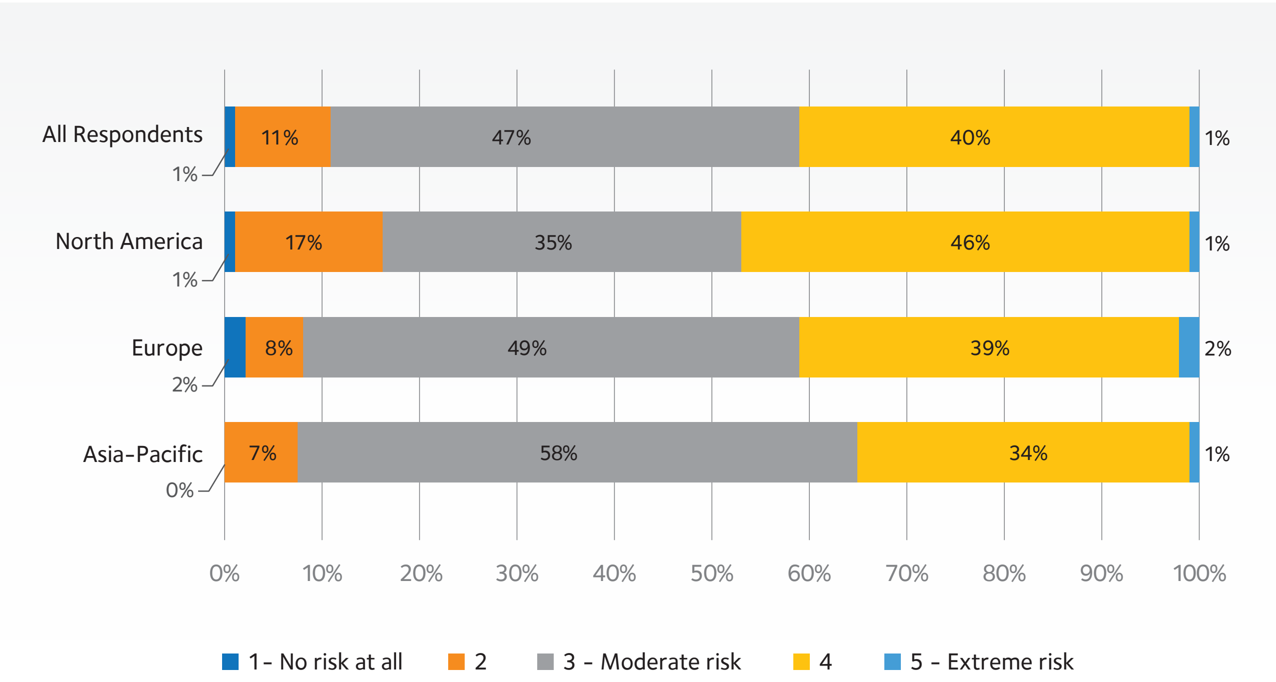
Six in every seven executives around the world are convinced that the cash economy will be surpassed before 2032 (Figure 7) — including 81 per cent of those working in financial services. There is little doubt that we are in the midst of significant changes to the global monetary system. Over the next decade and beyond, a massive disruption — the evolution from cash to both regulated and unregulated digital currencies — will upend traditional financial systems and infrastructure in an unprecedented way. The future of money poses opportunities and risks, both known and unknown, for businesses worldwide.

Figure 7: At what point, if at all, do you anticipate the countries where your company operates to be predominantly "cashless"?



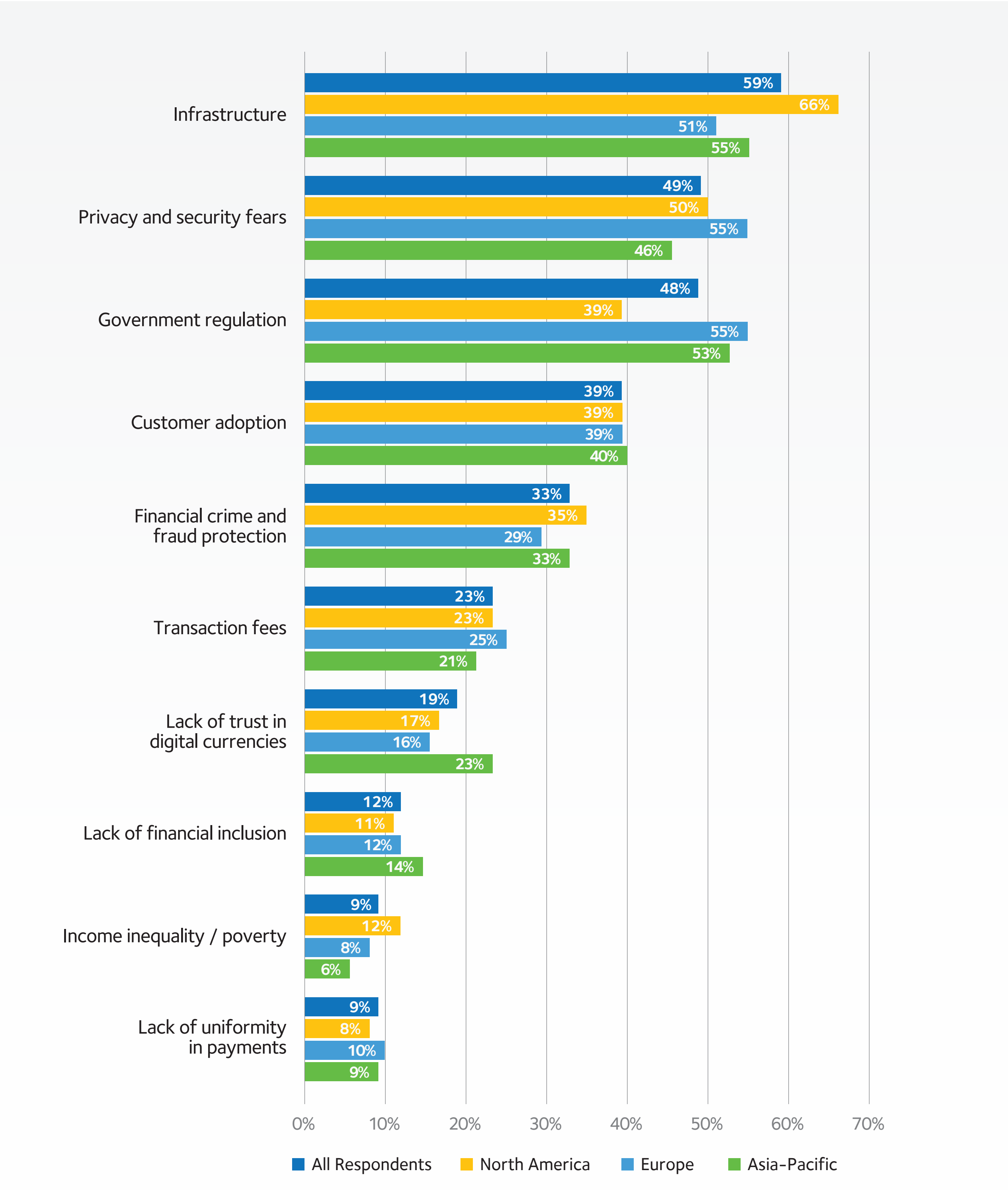
Eighty-eight per cent of global business executives expect increased business risks to accompany anticipated changes to the monetary system over the next 10 years, although nearly half of those quantified the risk as “moderate” (Figure 8). Fewer executives in North America were concerned about increased business risks than their counterparts in Europe and Asia-Pacific, suggesting a confidence in the future of the US dollar and the business infrastructure and financial resilience of that economic region. Within global financial industries, nine out of ten business leaders also anticipate future risks. However, the majority of the financial services’ C-suite executives (55 per cent) rank that this risk as “moderate,” none believe it to be “extreme,” and three per cent anticipate “no risk at all.” This may indicate a business leadership that is confident in their skills to face new challenges, or one that is wary not to cause alarm at this stage.

Figure 8: For a company like yours, how would you assess the future risk posed by the changes to the monetary systems in 10 years' time?



The survey asked executives to identify the biggest challenges that their businesses would face during the transition to a cashless business. The top three concerns are infrastructure, 59 per cent; privacy and security, 49 per cent; and government regulation, 48 per cent (Figure 9). These three factors are consistent points of focus for leadership throughout the survey's findings, although notably, North American executives are less concerned about government regulation as a source of intervention in their business affairs. Customer adoption of new forms of currency was also viewed by many respondents as an important, if not primary concern.

Figure 9: For a company like yours, what are the main challenges in the transition to a cashless business?

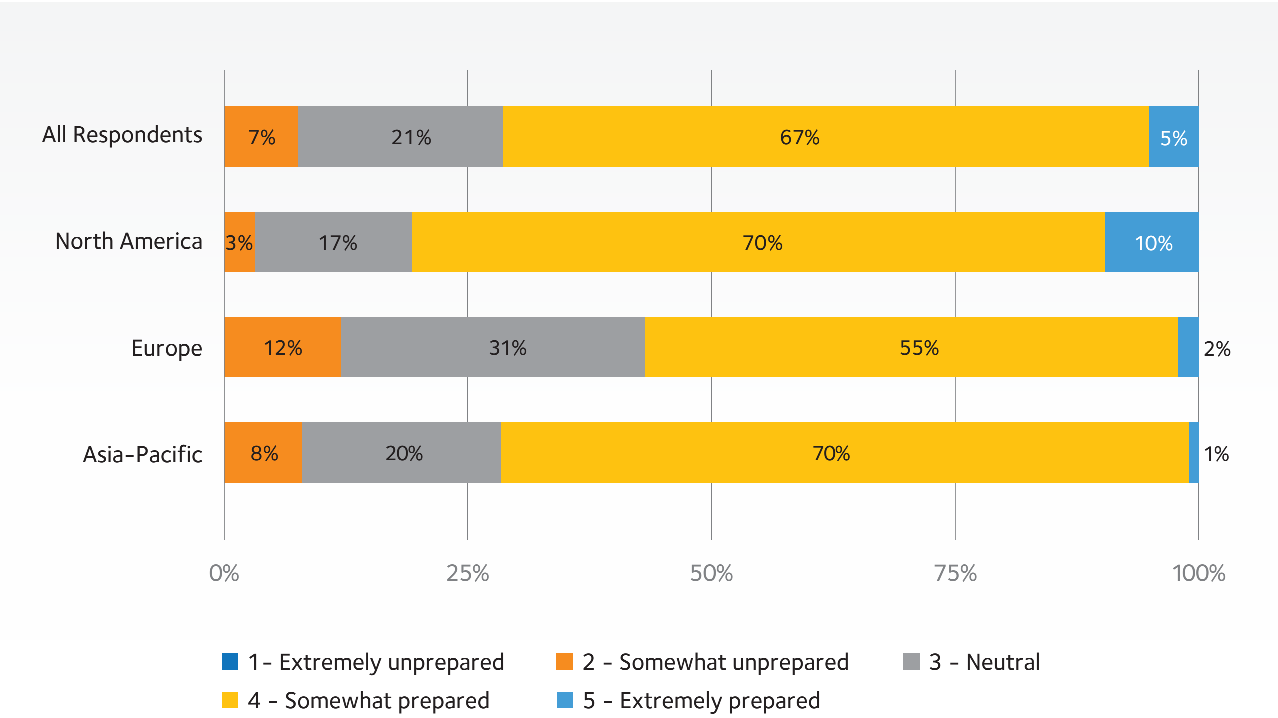


5 Regional variability of responses: Infrastructure, security, and regulation

The study revealed substantial geographic disparities among the main three challenges of monetary infrastructure, security, and regulation. Infrastructure was overwhelmingly the major concern in North America at 66 per cent (Figure 9), and was also primary in Asia-Pacific (55 per cent), although closely followed by apprehensions over government regulation (53 per cent). In Europe, privacy and security fears, and government regulation were of most interest, each at 55 per cent.

The positive news is that two-thirds of all global executives say their company is "somewhat prepared" for a significant disruption to monetary policies and structures (Figure 10). A further five per cent are "extremely prepared." Amongst financial industry executives, the share of those being "somewhat prepared" is even higher at 71 per cent, with another six per cent feeling "extremely prepared." Regionally, Europe appears as the least prepared, with 43 per cent of executives reporting that they are either "neutral" or even "somewhat unprepared" for the impending changes. While these regional perceptions are broad-brush, they capture the perception of preparedness in the face of global monetary transformation. Perception, however, does not always translate to practice, and state- or region-based governance responses will likely shape the immediate context of how the future of money fares at the regulatory level.

Figure 10: How prepared would you say your business is to adapt to a significant disruption to monetary policies and structures?

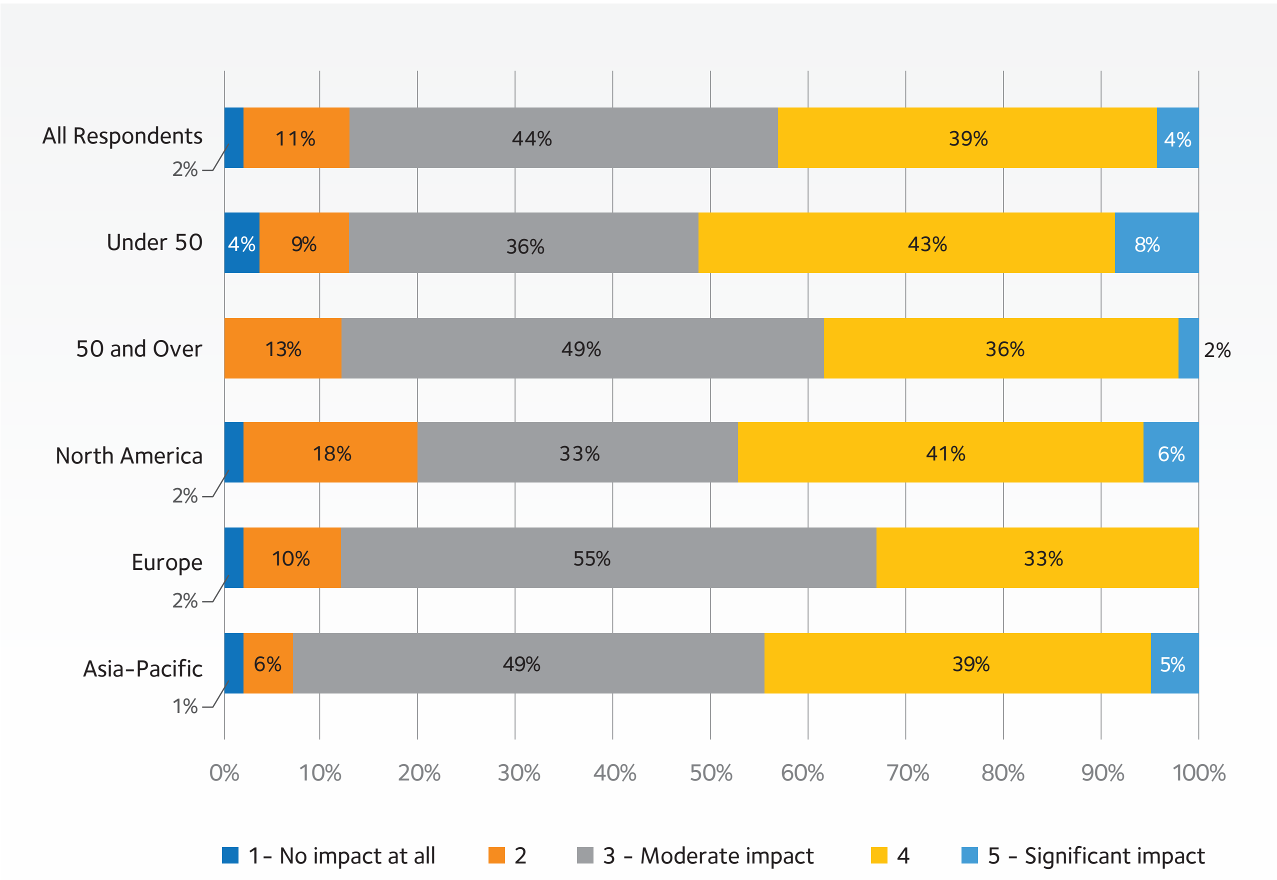


6 The rise, risk, and regulation of digital currencies

As the cash economy dissolves for many over the next five, 10 or even 20 years, it will ultimately be replaced by existing and emerging digital currencies, which take many forms, each one evolving within its own parameters of governance. The governance, or regulation, of these currencies will fall between state and market-based jurisdictions, and potentially geographically grounded rules of play. A central bank digital currency is issued by a country's central bank, and is similar to cryptocurrencies, except that its value is fixed by the central bank and is equivalent to the country's fiat currency. Cryptocurrency is a digital currency secured by cryptography, which makes it nearly impossible to counterfeit or double-spend. Most cryptocurrencies exist on decentralised networks using blockchain technology. This form of money is the source of much potential, and risk, as recent events have proved. "Stablecoins" are a type of cryptocurrency whose value is tied to that of another currency, commodity, or financial instrument, and potentially present an alternative to the high volatility of the most popular cryptocurrencies, such as Bitcoin.

In whatever capacity these forms of money occur, an overwhelming majority of business leaders (88 per cent) believe digital currencies will have an impact on their business over the next 10 years. Older and European C-suite executives appear somewhat less enthusiastic about the rise of digital and cryptocurrencies, in comparison to their counterparts working in North America and Asia-Pacific — as well as younger business leaders across the globe, the majority of whom believe in the transformative impact of digital currencies for future business (Figure 11).

Figure 11: What impact, if any, do you think digital and crypto currencies will have on your business over the next decade? (By age and by region)



The most compelling advantages that a business could gain from a digitised currency include convenience and efficiency, enhanced privacy and security, and lower transaction costs (Figures 12 and 13). The survey respondents who were under 50 years old, and those working in the financial services industry, firmly put “enhanced privacy” and “enhanced security” as their two most compelling advantages emanating from a digitised currency. Despite the global reach of digitised currencies, leadership age, industry sector, and regional context will play a significant part in business adaptation and ultimate success over the next decade. While the digital playing field may theoretically seem even, it is the difference between players which will shape future currencies.

Figure 12: What are the two most compelling advantages that your company could gain from a digitised currency? (By age)

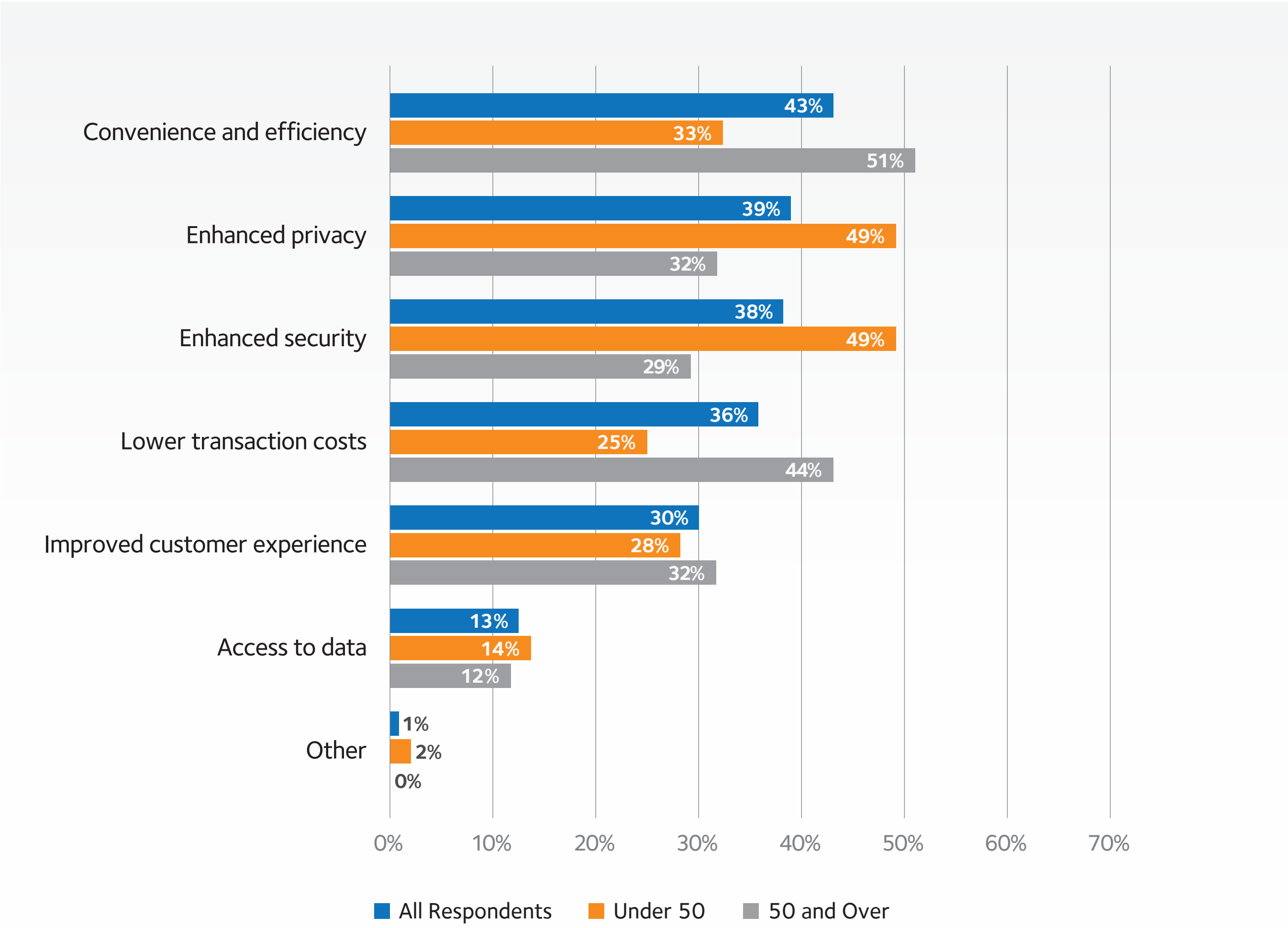
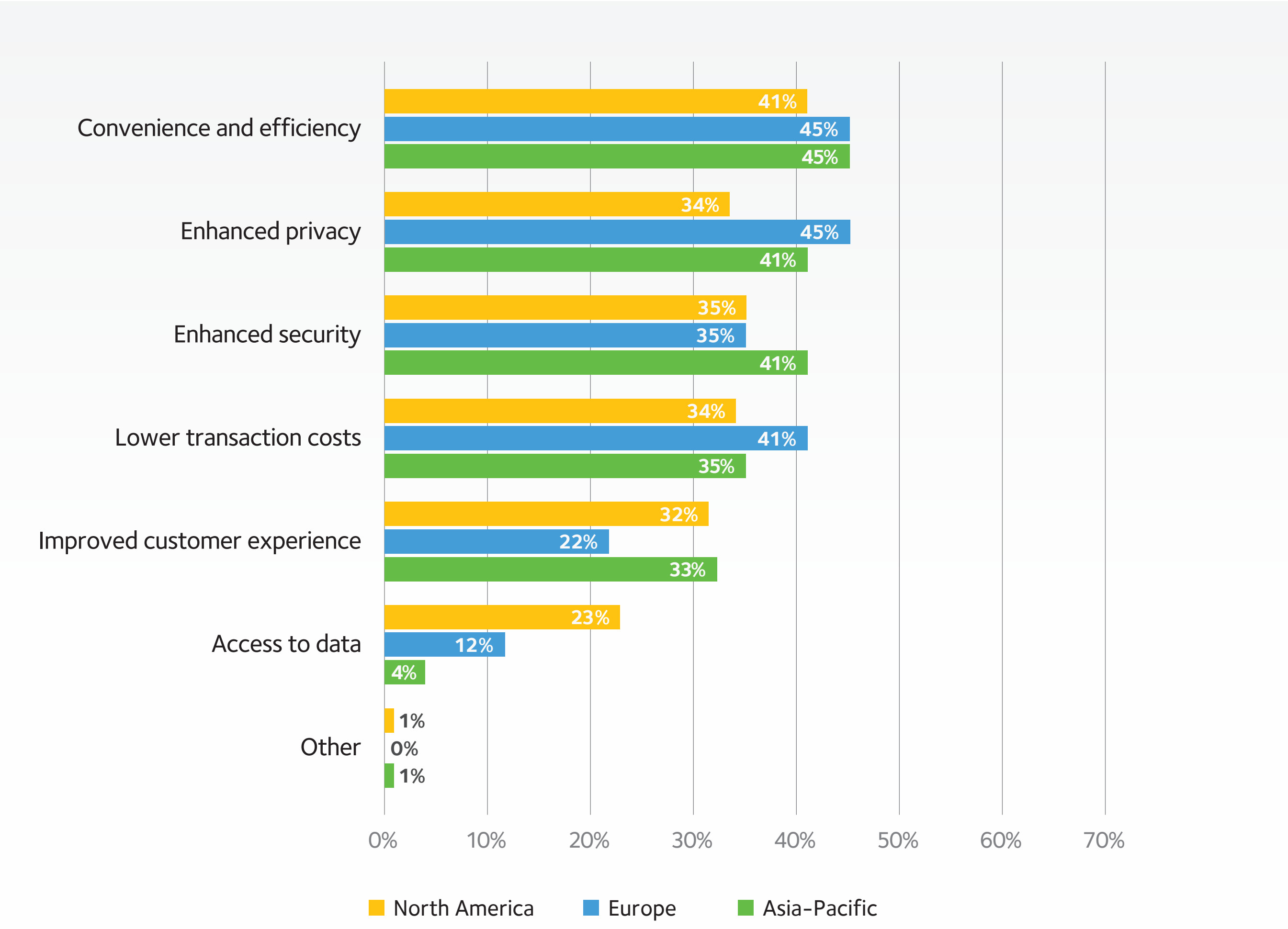
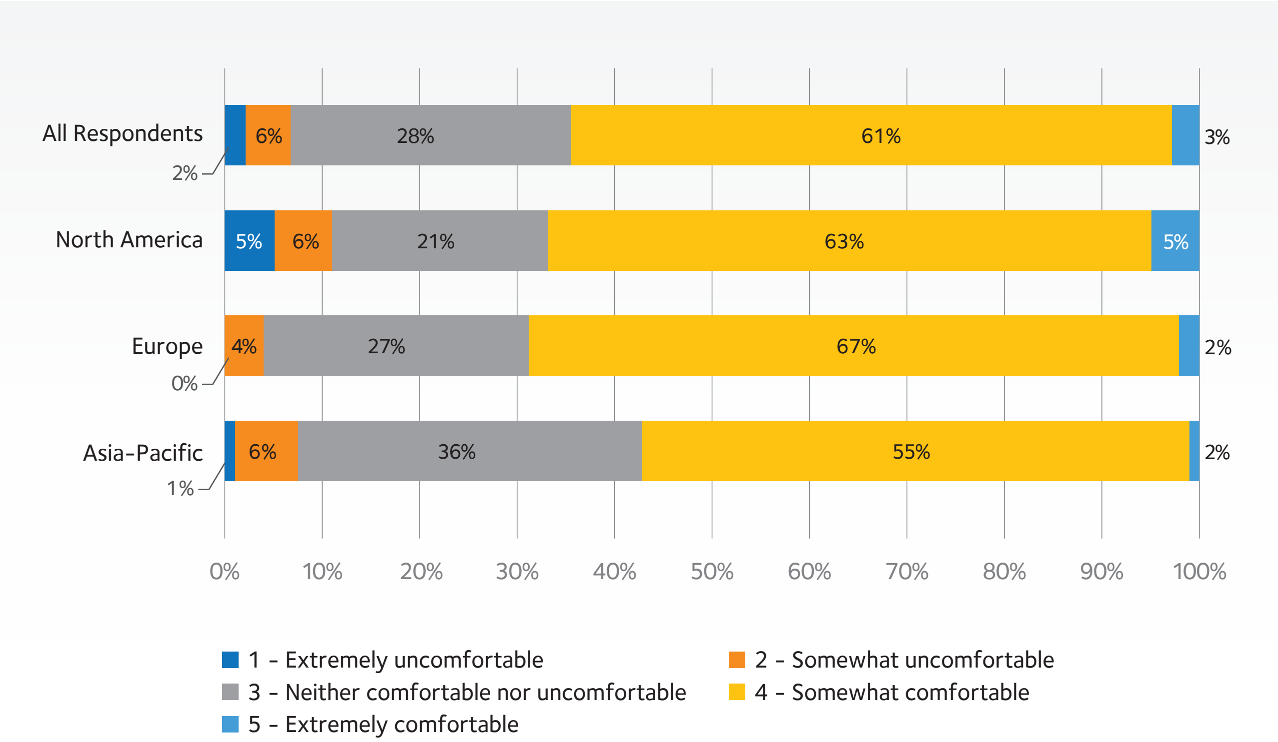


Figure 13: What are the two most compelling advantages that your company could gain from a digitised currency? (By region)



Perhaps the most significant aspect of leaders' responses in terms of negotiating the future of money is that nearly two-thirds would be comfortable using digital currencies (Figure 14). Unsurprisingly, financial services executives' level of comfort stands higher than their counterparts, 84 per cent versus 61 per cent, but the survey indicates that the evolution of digital monetary exchange platforms is generally being received with relative confidence, and an awareness of the tangible possibilities and risks.

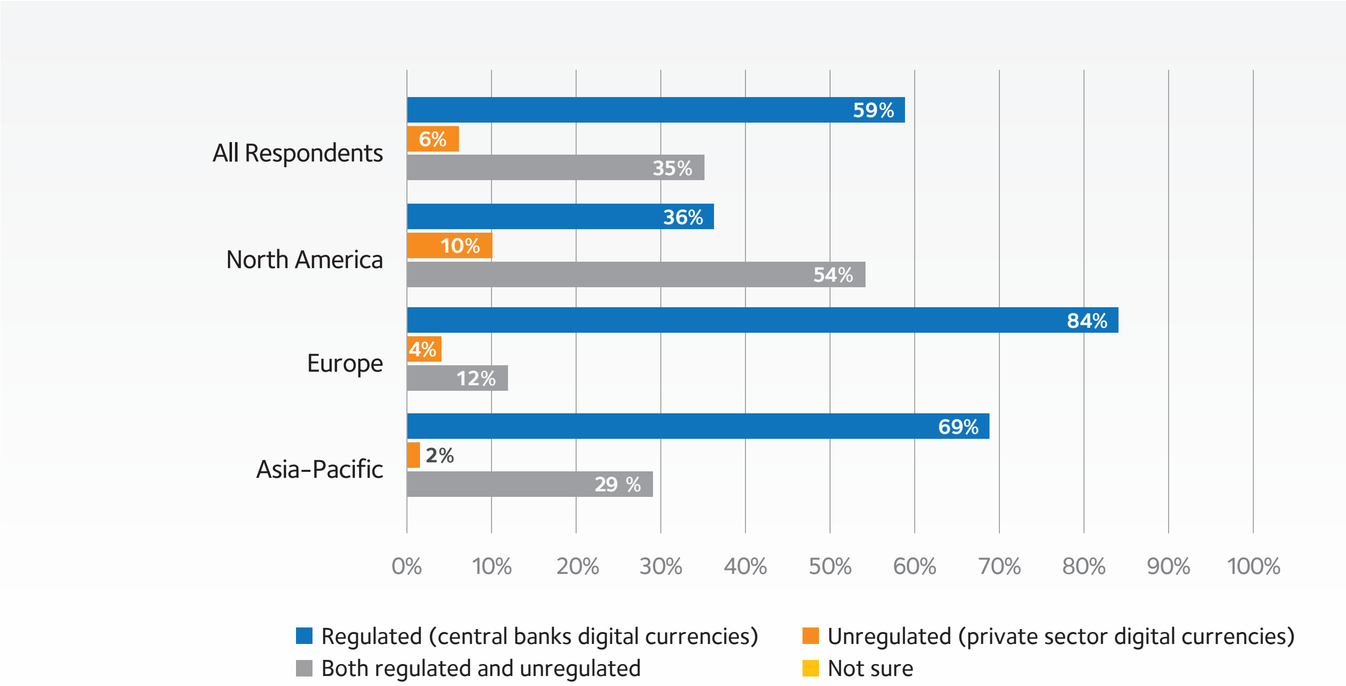
Figure 14: How comfortable would your business be using exclusively digital and cryptocurrencies in the future?



Given that digital currencies can be either regulated or unregulated, the survey asked executives about their preferences: 59 per cent favour regulated governance, while 35 per cent prefer a mix of regulated and unregulated (Figure 15). Only 6 per cent would prefer an unregulated digital currency environment. The "invisible hand" of the market will remain in place, while global business leadership will look toward state-regulated guidance for the future of money.

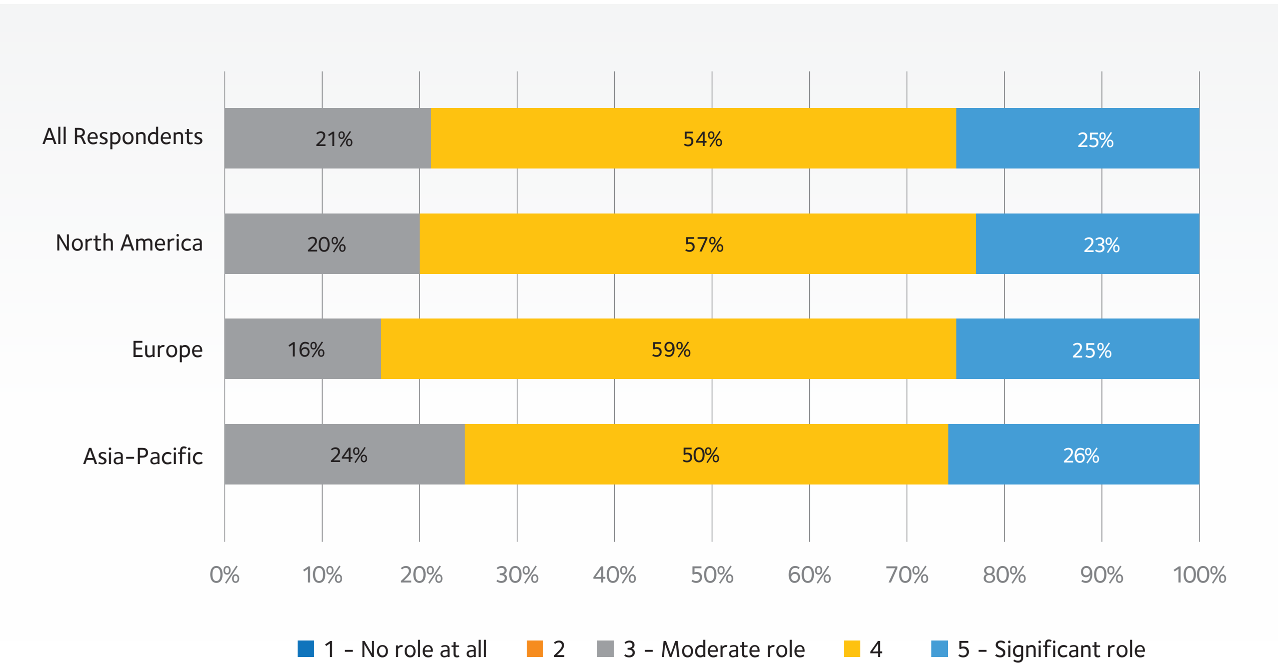
Despite the overall assurance in regulated monetary markets, regional disparities appear in the survey (Figure 15 again). In North America, 36 per cent of business leaders say they prefer a regulated business environment. By contrast, the percentage of those in favour is much higher among executives in Europe (84 per cent) and Asia-Pacific (69 per cent). More than half of North American executives would prefer a mix of regulated and unregulated governance. That proportion rests only at 29 per cent in Asia-Pacific, and plummets to 12 per cent in Europe. Regional variations in regulatory preference still matter, yet above all, regulation of monetary markets remains a key priority for global business. Amongst the financial services industry executives, 61 per cent prefer a regulated digitised currency.

Figure 15: What is your preference for the future of a digitised currency?



Given such a strong preference, it is not surprising that the overwhelming majority (79 per cent) of global business leaders expect a significant or somewhat significant role to be played by government regulation in a digitised currency future (Figure 16). Amongst the financial services industry executives, this figure is as high as 87 per cent.

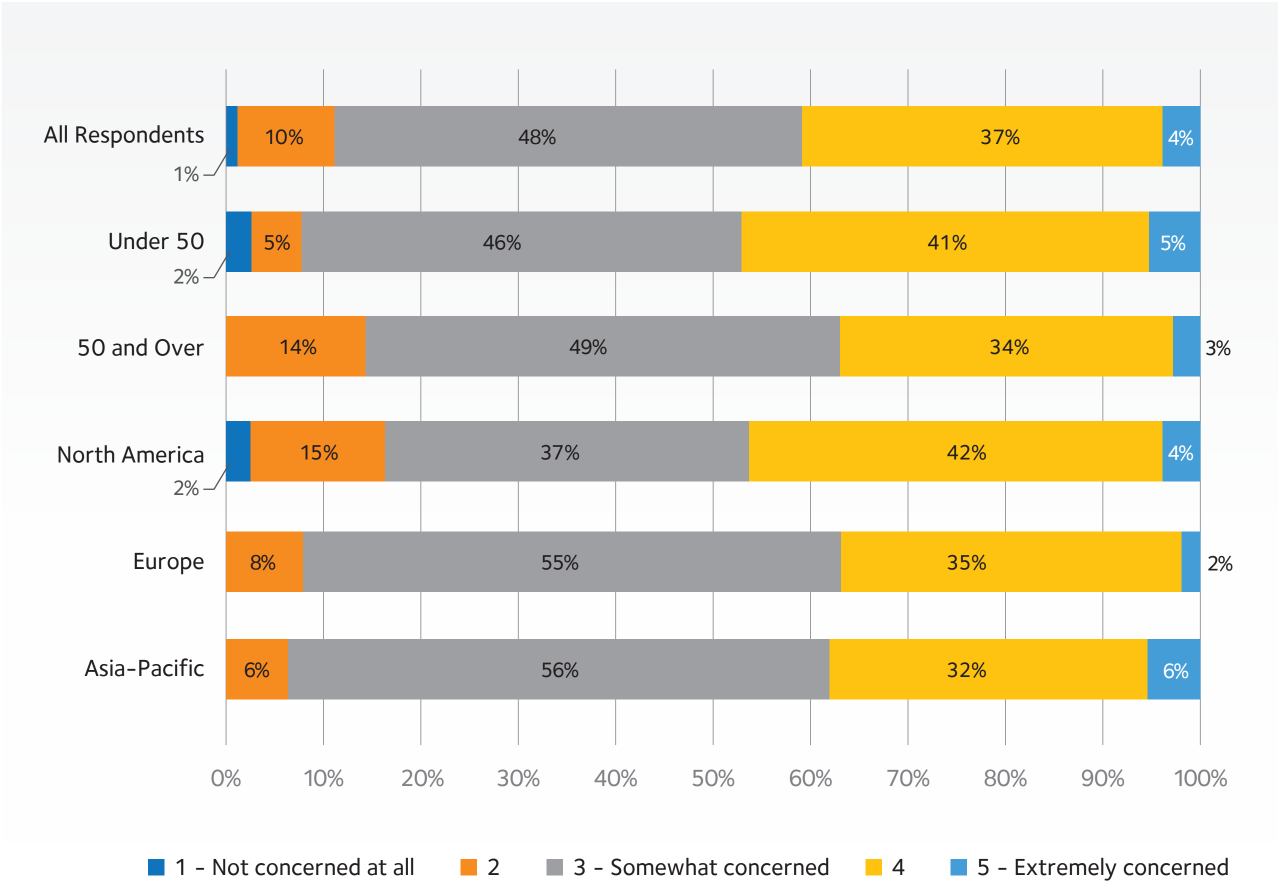
Figure 16: What role, if any, do you think government regulation will play in a digitised currency future?



7 Privacy, fraud, and corruption

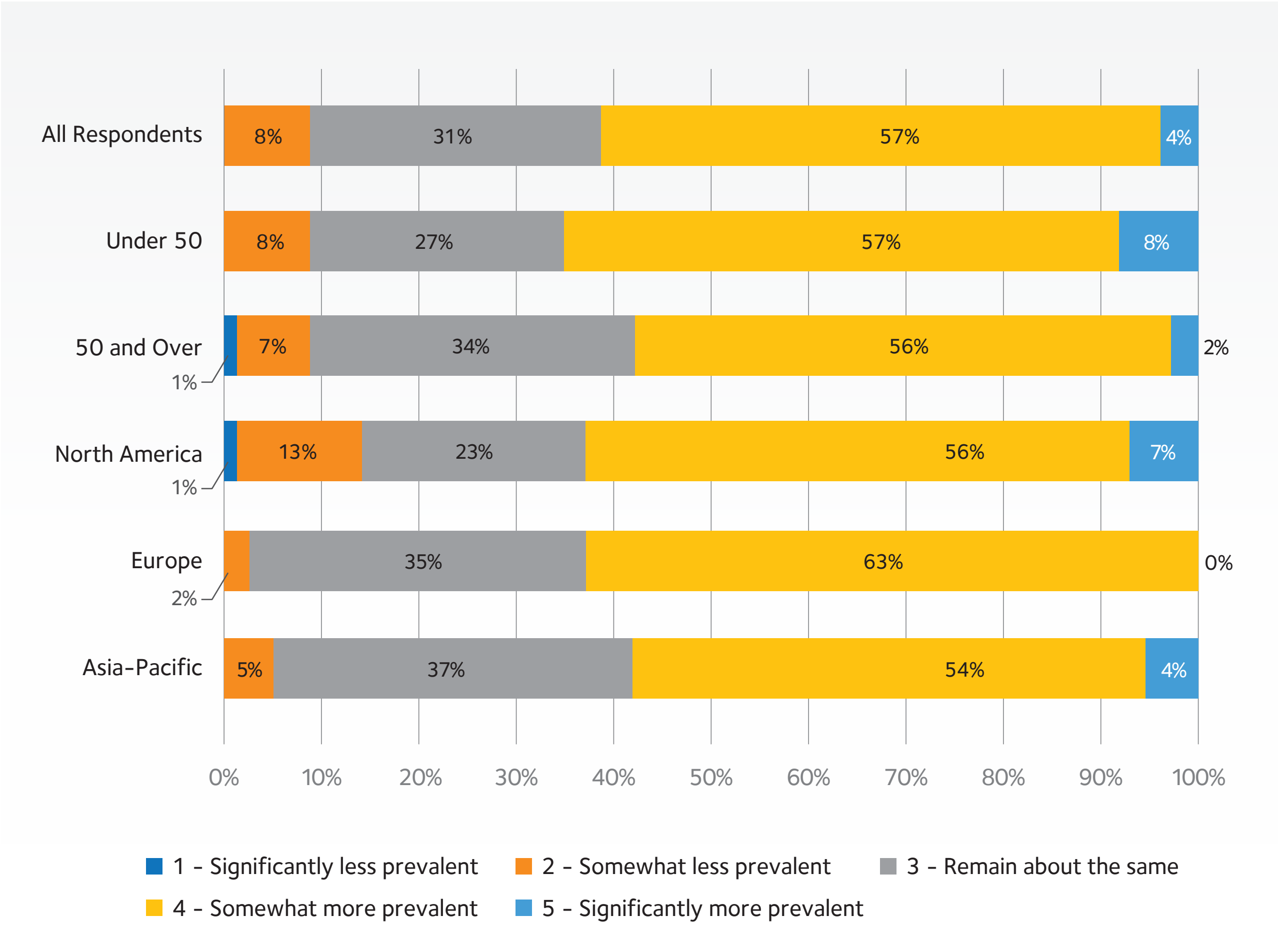
A more digitised financial future comes with more threats. Security — personal and corporate — emerges as one of the main alarms from the survey's findings: 89 per cent of business leaders say they are concerned about their ability to protect customer and client data in a digital currency future (Figure 17). A geographical glance shows that these anxieties are consistent: for Asia-Pacific, 94 per cent; Europe, 92 per cent; North America, 83 per cent. Amongst the younger C-suite executives and financial services industry leaders, the number of those concerned about data protection during digital currency transactions reaches 93 per cent. Once again, geography and age play a part in the perception of our monetary futures.

Figure 17: When it comes to digitised currencies, how concerned, if at all, are with your company's ability to protect customer and client data?



At a consistently grounded and clear level, 61 per cent of executives expect that crime, fraud, and corruption will be more prevalent in financial transactions over the next ten years (Figure 18). The survey further indicates that younger business leaders and those in North America and Europe are among the most concerned. Security remains ever a concern over the passage of money, whether from the highwayman's flintlock of old, or via the hacker's keyboard today. Just under a third of leaders register security concerns as unchanging over the next decade, while only 8 per cent suspect such crimes will be less prevalent in the future.

Figure 18: Do you think fraud, crime, corruption and theft will be more prevalent or less prevalent in financial transactions over the next ten years?



Some experts have suggested that emerging technologies, such as blockchain and non-fungible tokens (NFT) — the identifiers within this process — could help secure digital systems, and actually decrease fraud and crime. This remains to be seen as technologies and the human use of these monetary tools evolve. Global business leaders, however, do not feel comfortable about having to use exclusively virtual, unregulated, and privately issued currencies: only 43 per cent of those surveyed are content about such a future scenario (Figure 19). A larger proportion of C-suite executives is concerned about the unsustainable environmental impact of the rising energy consumption associated with Bitcoin mining (Figure 20). As environmental, social and governance (ESG) processes emerge with more transparent means of assessment, sustainable forms of finance will increasingly be central to business models regardless of monetary form.

Figure 19: How comfortable would your company be using exclusively virtual currencies (unregulated from the private sector) in the future?

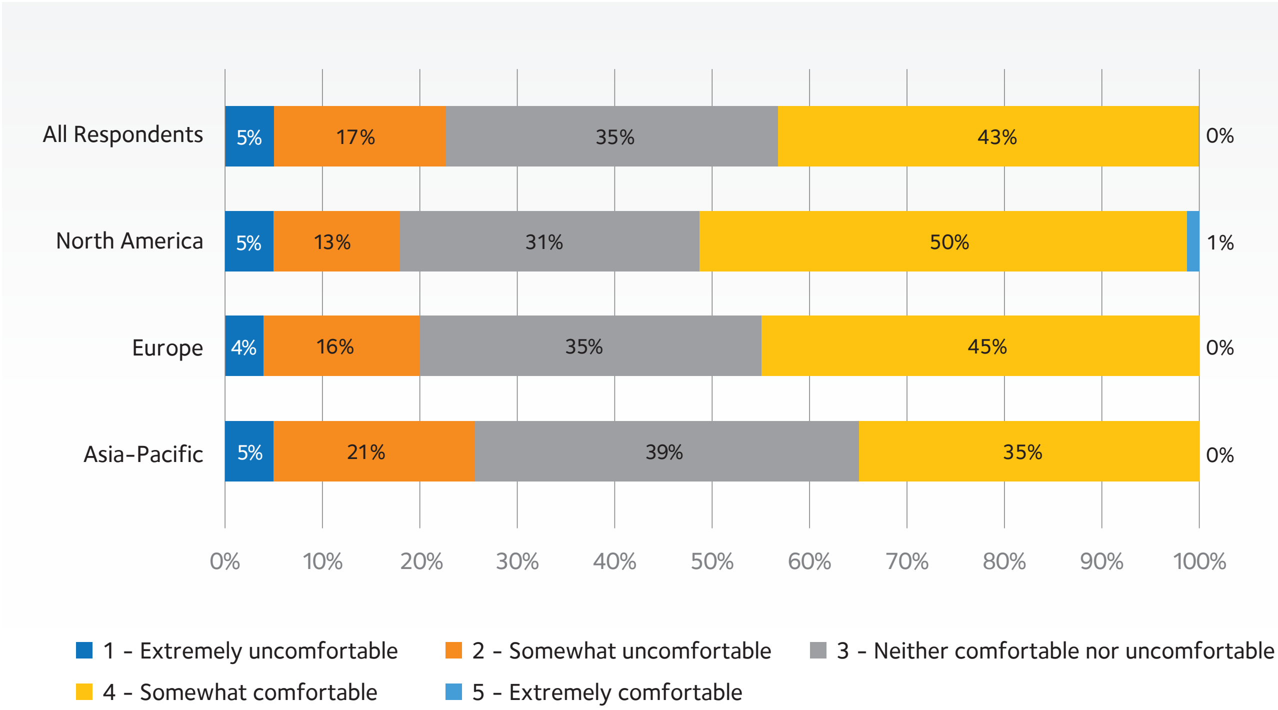
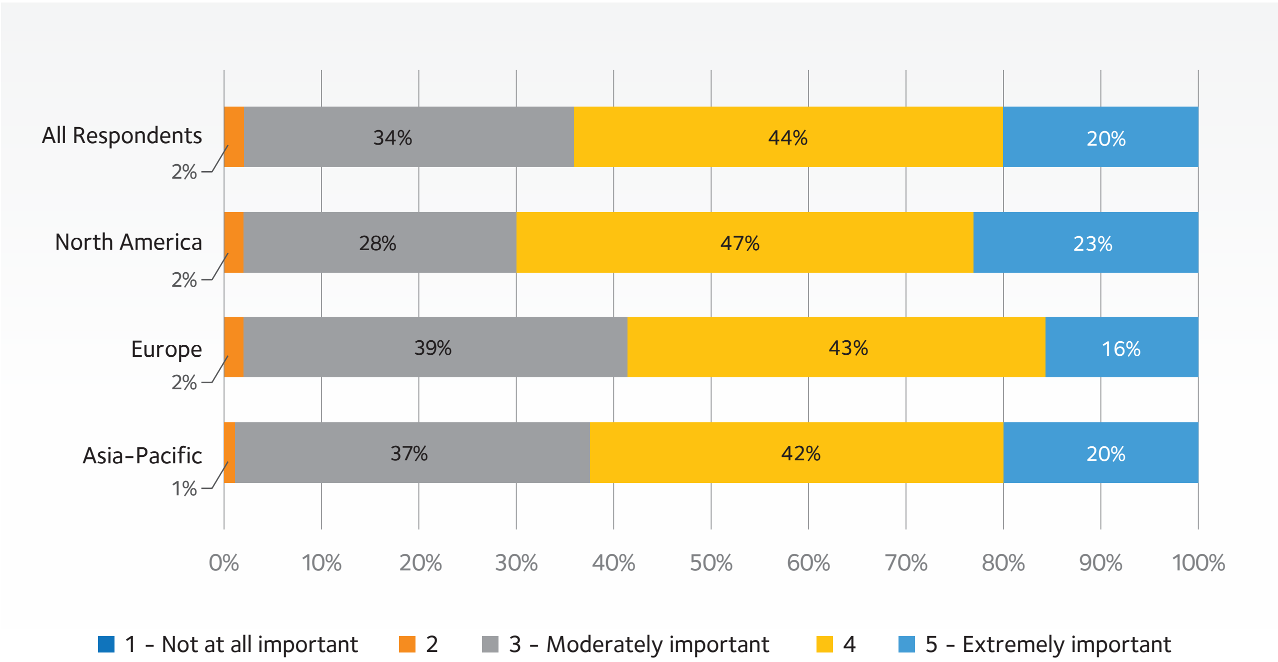


Figure 20: With the growing energy consumption associated with digital currencies like Bitcoin, how important or unimportant is it for a company like yours to ensure that future monetary systems are sustainable and environmentally friendly?



More broadly, when it comes to the biggest threat to corporate financial stability over the next 10 years, global business leaders were asked to assess nine possible dangers: hyperinflation and interest rate rises, fraud or financial crime, geopolitical uncertainty, lack of trust in financial institutions, income inequality, global digital inequity, the rise of digitised currencies, the decline of the US dollar, and other threats (Figure 21). The majority of C-suite executives across all three regions agree that hyperinflation and financial fraud will be the next decade's biggest threats to their business's financial strength, with the financial services industry executives being most worried about fraud and financial crime. Financial services executives, however, are far less concerned about hyperinflation and interest rates than their peers in other industries (20 percentage points lower), and far more concerned about the lack of trust in financial institutions (22 percentage points higher) (Figure 22). As noted at the outset, all forms of monetary exchange balance trust with risk and opportunity. Those closest to the emerging technologies refer back to the basics of secure transactions: trust in the commodity, and the raw matrix of trade itself.

Figure 21: What would you say are the two biggest threats to your company's financial stability over the next decade?

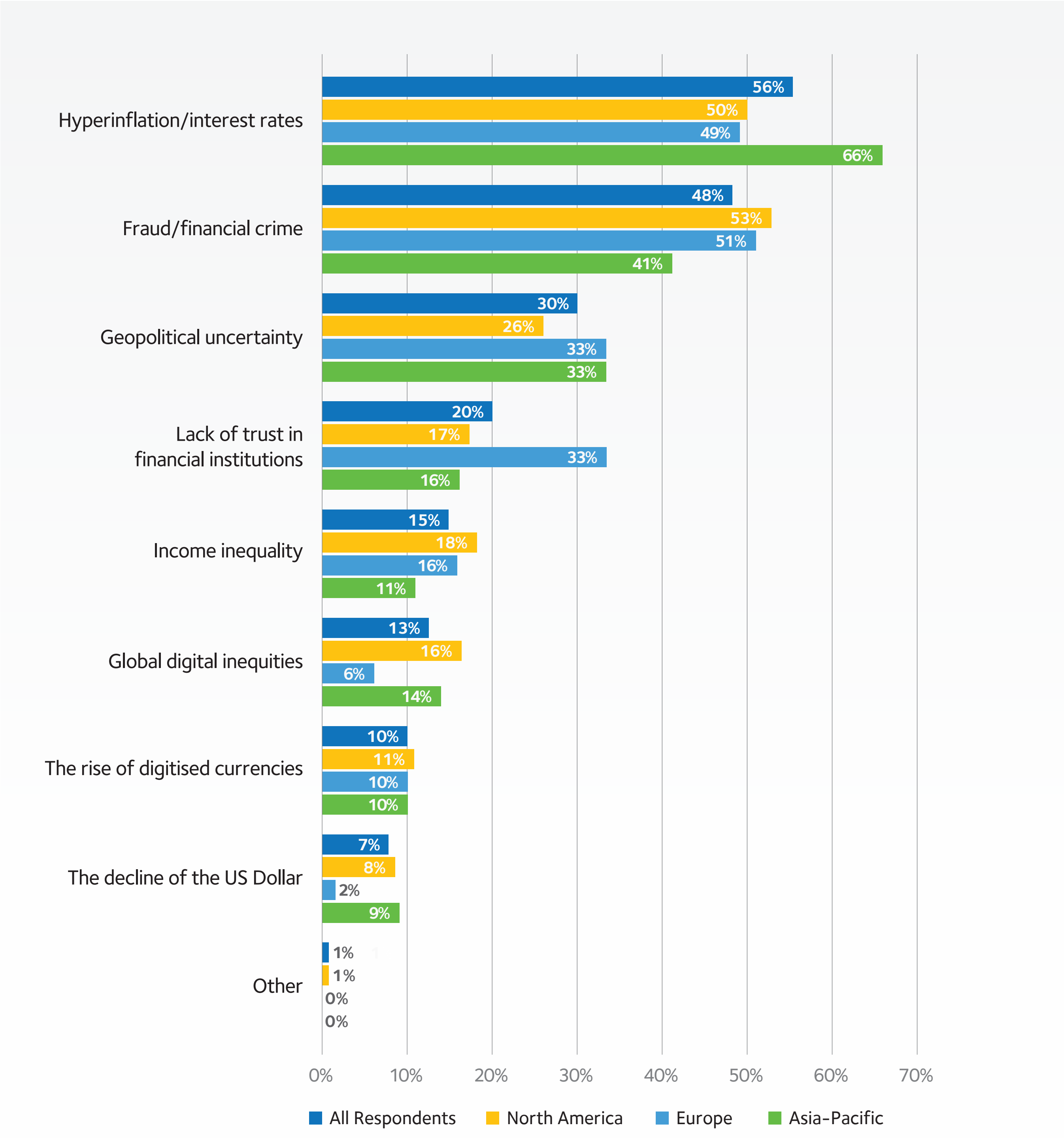
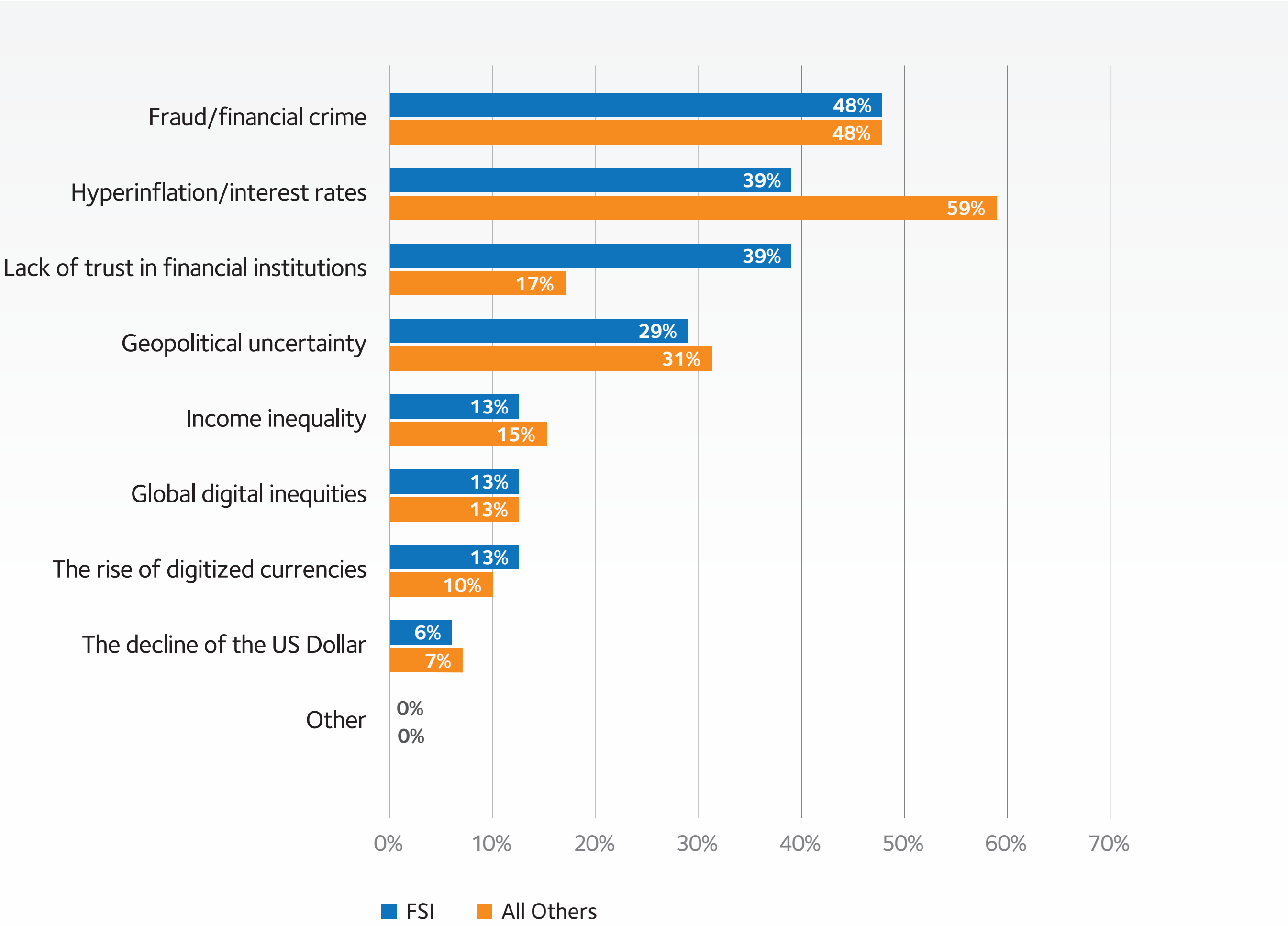


Figure 22: What would you say are the two biggest threats to your company's financial stability over the next decade? (financial services industry versus other sectors)



8 Technology, partnerships, and intermediaries

More than half of survey respondents expect emerging technologies to have an impact on their business' financial transactions over the next 10 years, and 70 per cent say they are likely to identify and leverage strategic partnerships with fintech companies, payment processors, or blockchain providers over the next decade (Figures 23 and 24). In this context, financial services executives stand out, once again, as far more likely to form strategic partnerships with technology providers — 90 per cent, compared with 67 per cent for other sectors. While the survey has focused on the future of money as a means of financial exchange or transaction, the networks and technological context supporting this era of change will have evident externalities and knock-on effects as to how business is done, technology evolves, and labour markets are reshaped.

Figure 23: What impact, if any, do you think emerging technologies (such as quantum, artificial intelligence, metaverse, blockchain, NFT) will have on your business' financial transactions over the next ten years?

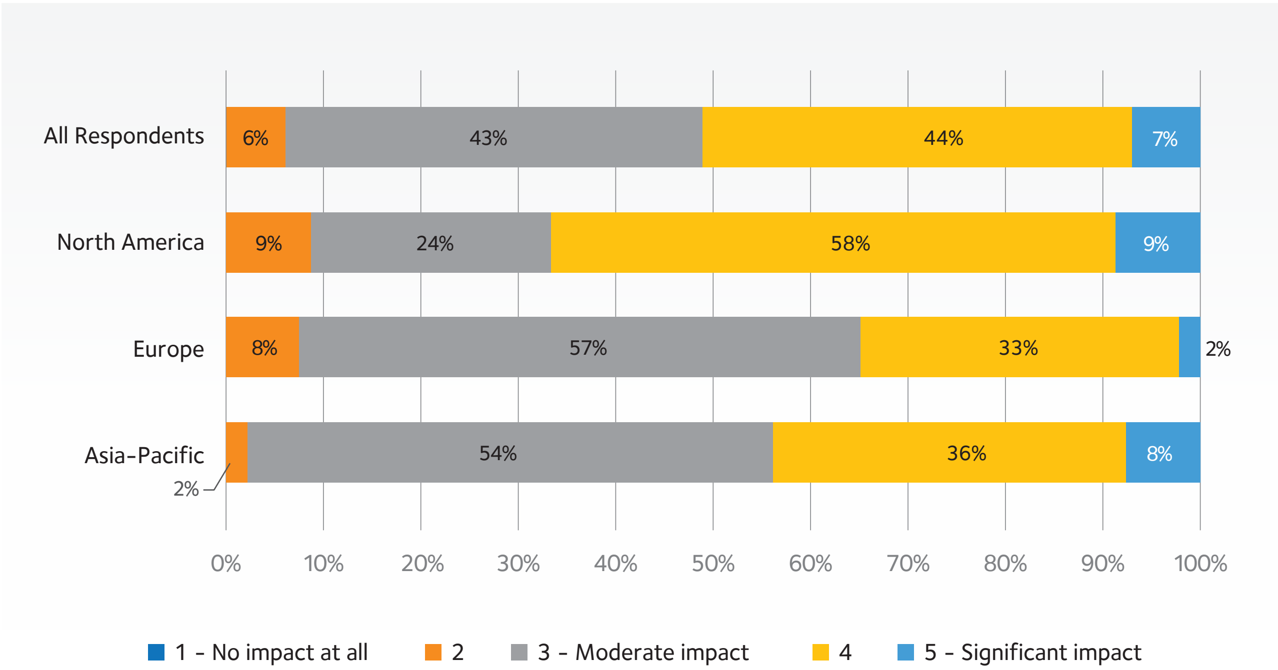
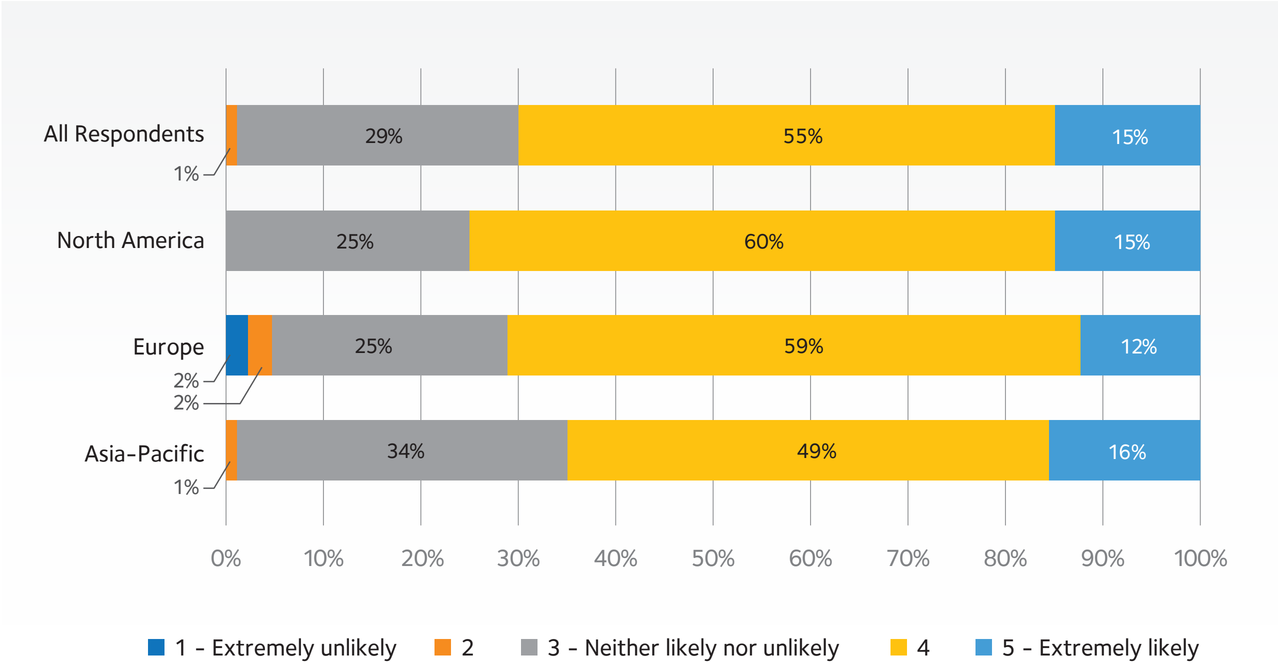
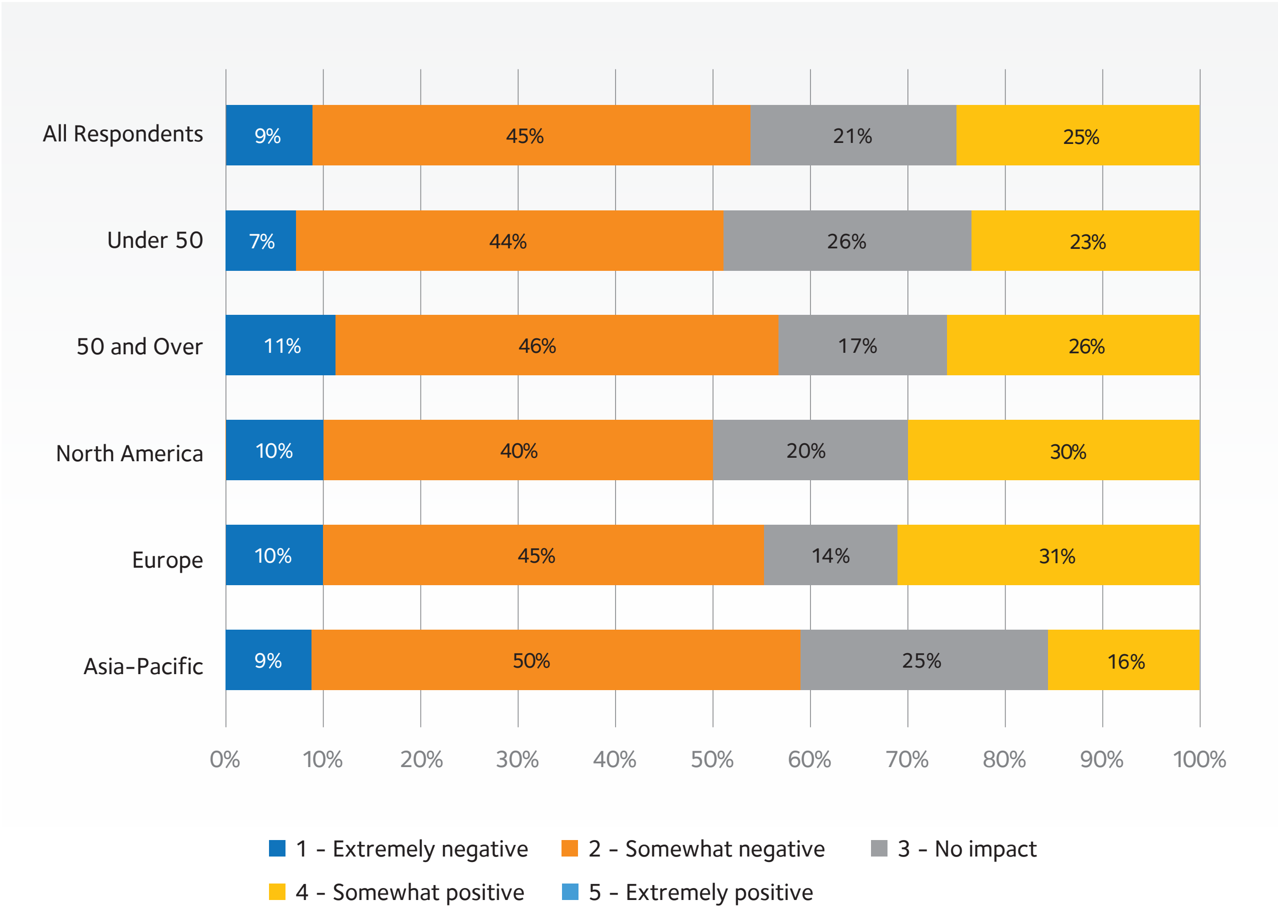


Figure 24: How likely or unlikely is your company to identify and leverage strategic partnerships with fintech companies, payment processors, or blockchain providers over the next decade?



The survey also canvassed business leaders about the potential impact of direct payments, or the loss of intermediary institutions (such as banks, clearing systems, payment systems operators, card organisations, and electronic money institutions) as new monetary landscapes emerge (Figure 25). Unsurprisingly, more than half feared the worse, with 45 per cent expecting "somewhat negative," and 9 per cent presuming "extremely negative" impacts. Nevertheless, one-fifth of leaders surveyed indicate that the loss of such intermediaries will have "no impact," and a quarter even envisage a "somewhat positive" impact. Older, as well as Asian-Pacific C-suite executives appear the most concerned about a potentially negative impact, whilst the younger and North American business leaders were the least concerned. Again, age and geography seem to condition leadership perceptions about future monetary pathways. Perhaps grounded in the changing financial terrain, the majority of financial industry executives were more optimistic overall than their peers in other industries in terms of envisaging the positive impacts of future monetary scenarios.

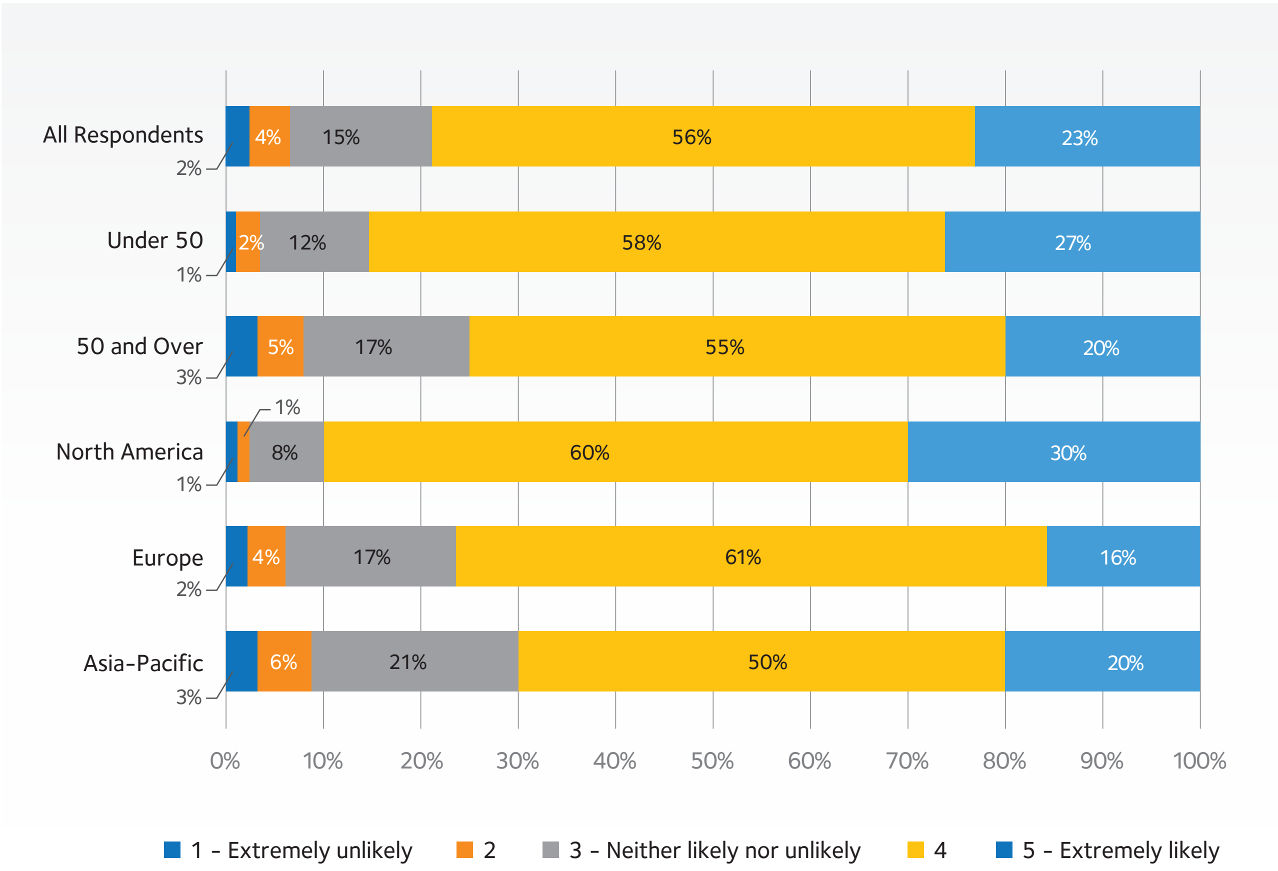
Figure 25: What impact, if any, would direct payments and/or loss of intermediary institutions (such as banks, clearing systems, payment systems operators, card organisations, and electronic money institutions) have on your business?



9 Confidence in the US dollar

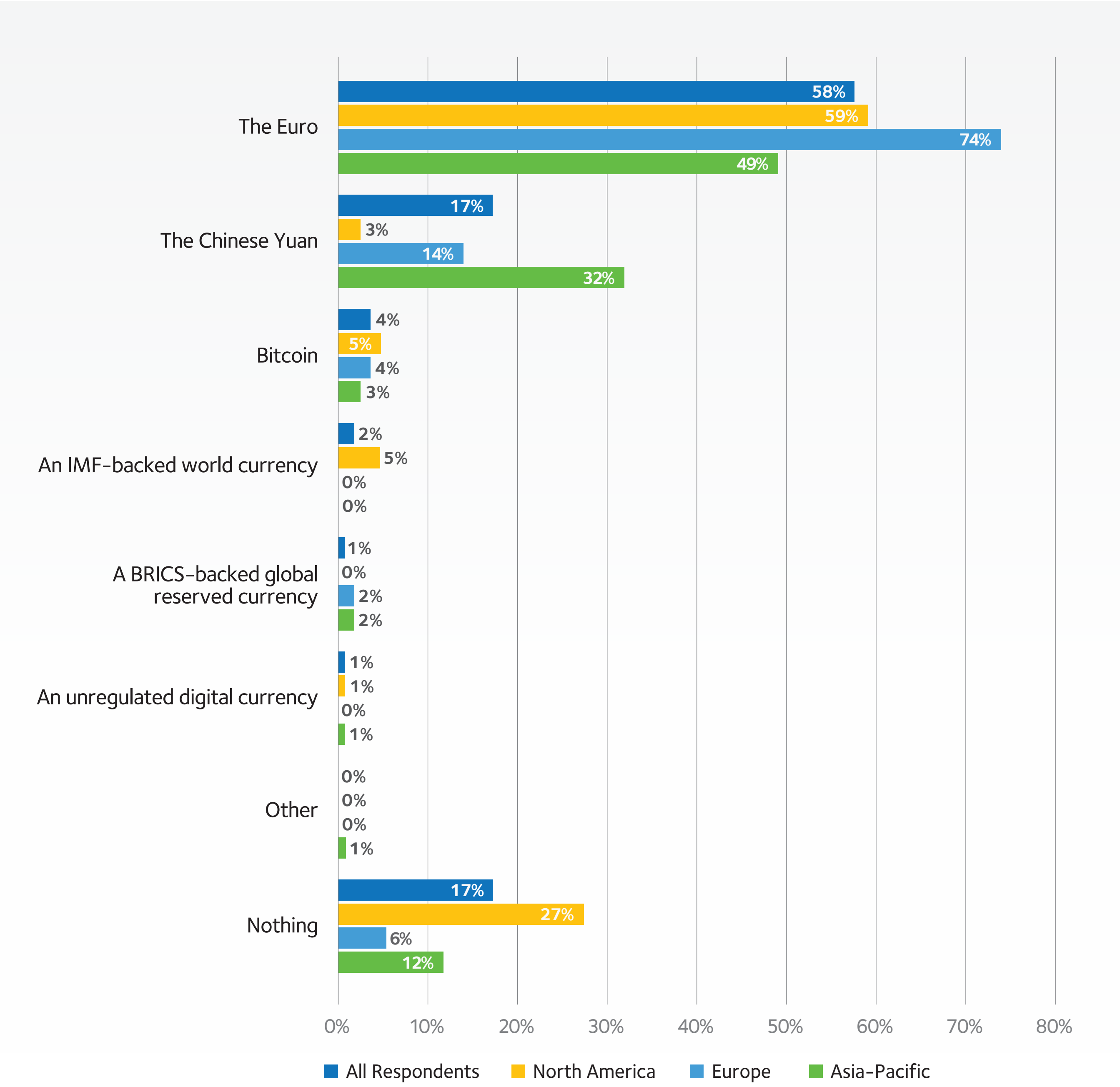
In terms of the threats over the future of money, the potential decline of the US dollar barely registers. As economies are about to undergo a seismic shift in the global monetary system and start or speed-up the transition from cash to digital currencies, one thing seems certain: business executives worldwide have confidence that the US dollar will remain as the world's reserve currency (Figure 26). Whether this confidence is based on dollar-centric hutzpah, or evidence-based assumption, it is clear that the US dollar carries perceived, pragmatic, and durable resilience while monetary tectonics shift globally. Business leaders are most likely focused on stability, which the US dollar provides amid growing currency chaos and geopolitical conflict. Nearly four in five respondents in this survey (78 per cent) believe the US dollar will still be the world's dominant currency in 10 years' time.

Figure 26: How likely is it that the US dollar will continue to be the dominant medium of account in ten years' time?



When executives were asked what could potentially replace the US dollar, executives overwhelmingly opted for another stable fiat currency, the Euro (58 per cent), with the Chinese yuan following at 17 per cent (Figure 27). None of the new or emerging currencies, such as Bitcoin, an IMF-backed world currency, a BRICS-backed global reserve currency, or an unregulated cryptocurrency — merited much support. State regulation of currency remains a constant and largely trusted, or at least accepted, background, as digital currencies expand.

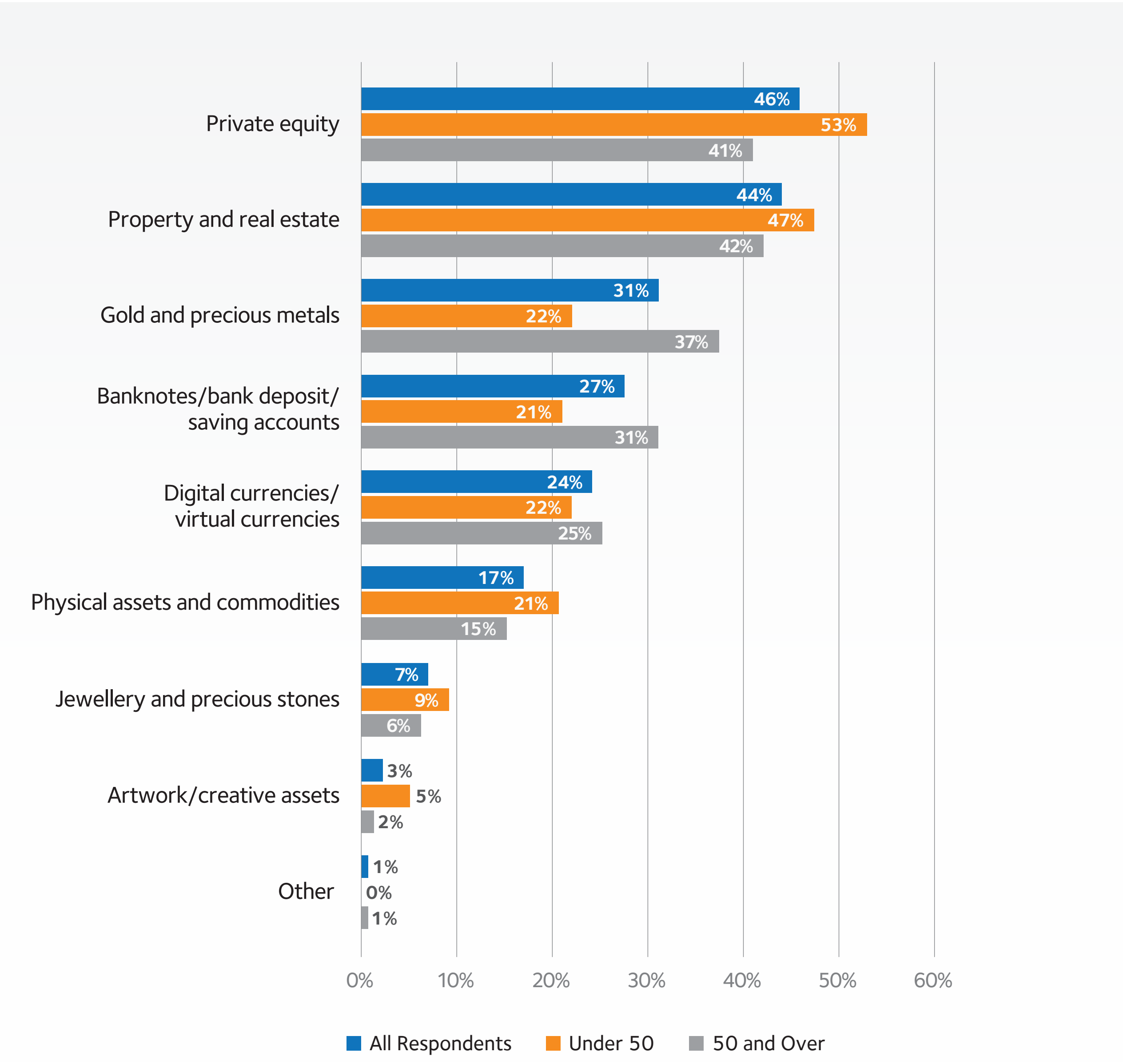
Figure 27: If the US dollar were to lose its place as the dominant medium of account, what do you think is most likely to replace it?



10 Storing value, accumulating wealth

Finally, the survey sought to explore what global executives considered would be the dominant investment pathway to store value and to accumulate wealth in ten years' time (Figure 28). Given a range of options, private equity and real estate were seen as the two most popular ways for wealth accumulation. Younger executives preferred private equity (53 per cent), followed by property and real estate investment (47%), then digital or virtual currencies and gold and precious metals (both at 22 per cent). By contrast, those over 50 years old most valued property and real estate (42 per cent), private equity (41 per cent), and then gold (37 per cent). The latter resonates succinctly in a survey that was minded to explore digital monetary futures: the tactile, perhaps trusted, physical commodities of gold, jewels, and art have their place, but they are on the wane as a means of wealth retention.

Figure 28: For investors, what will be the dominant way to store value and to accumulate wealth in ten years' time?



11 Conclusion

The survey shows that we are tumbling into a tumultuous time of new financial transactions. In many instances, we have already begun to feel the first wave of digital disruption as money goes mobile. This is yet an early phase. There remains a constant need to exchange value, invest capital, and trust the context of our monetary system. The decade ahead will be defined by emergent forms of money, and how these mutate rapidly over time. A cashless reality is now the norm for many citizens in many countries, pushed forward perhaps by the contactless era of a global pandemic. The world of money has shifted, whether this is investing in millions online, or tapping through the register at a corner store. Despite this leap, consistencies remain: infrastructure, security, and regulation carry forward as concerns. Are the means for exchange efficient, ensured, and effective, whatever the scale of transaction? This survey offers a glance at where we are today with money matters, but more importantly, where we are going. Global business leaders seem to be more than ready, willing, and able to take on these seismic changes ahead as new global monetary maps emerge, perhaps recognising the maxim of the market, that everything must change, so that nothing will change.

[2] Tomasi di Lampedusa, G. (1959). *Il gattopardo.* Milano: Feltrinelli.

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