

# PROTECT PROMOTE PREVENT

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SPEARHEADING SOCIAL PROTECTION INITIATIVES FOR ALL

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## THE PERSPECTIVE

### Financial Literacy: A Critical Survival Skill

Malaysia is fast becoming a high-income economy. Yet, at the same time, the high cost of living has become an intense topic in society. The average hard-working Malaysians have expressed their discontentment at what they are going through as they struggle to make a living.

Many alleged that the high prices of goods are the main factor. Obviously, they should not be blamed should their incomes failed to keep pace with the spiralling prices of goods. The lack of empirical findings to explain this issue makes it even more aggravating.

The high cost of living reflects many other underlying problems in the economy. Undeniably, these problems need to be addressed to resolve all the issues altogether. Some problems are structural and require more time to be solved. Still, the high cost of living issue is a day-to-day matter that requires utmost deliberation.

While the working people have to bear with the high cost of living, the outlook is not very promising at all for the retirees. According to the 2019 DOSM Household Income Survey, 49.2 per cent of senior citizens do not have any income at all. Therefore, it seems only logical that as people struggle to make ends meet, there is barely anything left to keep aside for retirement!

Households provide a vital link in the circular flow of economic activities. They receive incomes by providing factors of production, either in the form of capital or labour. In return, they spend their incomes buying what are being produced in the economy.

In a simplistic analysis, the more factors of production are provided, the more incomes households will receive, and the more money they will spend consuming these products and services. Hence, what could have possibly gone wrong? There are three possible reasons. Either they are underpaid, they could have overspent, they are being overcharged, or a combination of all three.

It is crucial that we diagnose these issues to understand their actual causes. A direct approach that can be taken is to address the problem at the individual level, that is, on people's spending behaviour, which is something within their control. The other two root causes - whether they are being underpaid or overcharged - are structural issues that are more complicated and may not be within their control. Still, these structural issues have to be addressed. Nevertheless, addressing the issue of an individual's spending behaviour does not tantamount to denying the other two root causes.

The most important thing is that people should live within their means. However, we should not assume

## MORE GREAT READS INSIDE

⇒ **Financial Literacy:  
A Critical Survival Skill**

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Approach to Financial  
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that everyone is perfectly financially literate. The subject of financial literacy has been widely quoted as one of the main reasons for disastrous financial outcomes among the citizens, albeit unfairly. Therefore, financial literacy is a significant subject that requires greater consideration.

Credit Counselling and Debt Management Agency (AKPK) revealed that one-third of Malaysians surveyed in 2018 are not comfortable with their financial knowledge.<sup>1</sup> The findings indicated that financial illiteracy is not just about the overspending issue among people that affect their current wellbeing. It is also the main cause to the problem of insufficient retirement funds for them.

EPF recently reported that only three per cent of its members can afford a sustainable retirement based on the minimum target of RM240,000 one should have in their savings upon reaching the age of 55.<sup>2</sup> EPF also reported that a total of RM101 bil was disbursed to over 7.4 million members under the special EPF COVID-19 facilities, namely i-Lestari, i-Sinar and i-Citra. The withdrawals under these facilities caused 46 per cent of its members below the age of 45 having savings of less than RM10,000.

Financial illiteracy is a real issue. It will undermine our socioeconomic development achievement if left unchecked. Therefore, what constitutes financial literacy? According to the Australian Securities and Investments Commission, “financial literacy is a combination of financial knowledge, skills, attitudes and behaviours necessary to make sound financial decisions, based on personal circumstances, to improve financial wellbeing”.

Financially literate people should have the cognitive knowledge and skills to make informed financial decisions. Knowledge and skills in budgeting, investing, borrowing, taxation and personal financial management are crucial for making sound financial decision by every individual.

Having financial knowledge is the first step towards financial literacy. Fortunately, or unfortunately, society is overwhelmed with financial information during this digital era. More people are relying on financial information from the internet to acquire financial knowledge.

For instance, a survey by the Institute for Capital Market Research (ICMR) revealed that the internet is the main source of information for millennials and Gen Z Malaysians seeking financial information in making financial decisions.<sup>3</sup> The ease in acquiring

information this way comes with higher risks. Financially illiterate people could be obtaining inaccurate information from the internet that could potentially lead to disastrous financial decisions. In this case, getting information from the internet fails to add up one’s financial knowledge.

The issue of inadequate financial knowledge for good financial behaviour is not isolated to Malaysians only. It is faced by many people across the globe, including those from the developed countries. Financial knowledge has evolved to become one of the crucial life skills for everyone. A skill that could have been ignored by many in the past.

Fortunately, many Malaysians have recognized the importance of improving one’s financial literacy. Probably there are enough financial education products in the market to suit all kinds of demand. Nevertheless, it is essential to ensure the effectiveness of financial education in shaping the right behaviours for any financial decision.

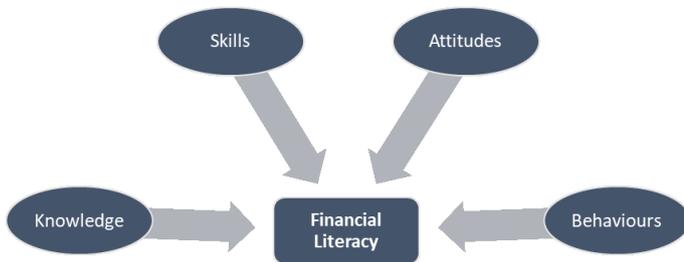
The cognitive behavioural theory recognizes that thoughts determine personal behaviours. The revealed behaviour of a person starts with attitude building. Therefore, financial literacy is not merely about addressing people’s financial behaviour.

Financial literacy begins with the accumulation of knowledge through financial education. Knowledge leads to attitude and skill-building and ends with personally revealed behaviour. Therefore, developing financial literacy has to start from an individual’s early age.

Having the right attitude is crucial for moulding the correct financial behaviour. Yong et al. (2018) found that attitude has a strong impact on an individual’s financial behaviour.<sup>4</sup> However, their findings indicated that the current financial education programmes in Malaysia do not have a significant impact on the financial attitude among Malaysian young working adults.

The US has introduced several policy initiatives, dating back to the 1950s and 1960s, to instil financial education from an early age with the objective to improve the quality of personal financial decision-making.<sup>5</sup> Following that, most of the states in the US have mandated the inclusion of personal finance, economics, and other consumer education topics in the K-12 educational curriculum. In other words, an individual’s formal learning process related to financial education starts from kindergarten.

Diagram 1: Components of Financial Literacy



Notes

1. Tan. R., (July 2019). Vital to strengthen financial literacy, say experts. *The Star*.
2. EPF savings: Half have less than RM10,000 | New Straits Times | Malaysia General Business Sports and Lifestyle News (nst.com.my)
3. Institute for Capital Market Research (ICMR) Malaysia: The Rise of Millennial & Gen Z Investors: Trends, Opportunities, and Challenges for Malaysia, 2021
4. Yong, C. C., S.Y.Yew and C.K.Wee; Financial Knowledge, Attitude, and Behaviour of Young Working Adults in Malaysia, Policy Brief Series 2018-1: Social Security Research Centre, UM.
5. Justine S. Hastings, J.S, B.C. Madrian & W.L. Skimmyhorn; Financial Literacy, Financial Education and Economic Outcomes. NBER Working Paper Series, 2012.

The Following Articles Can be Read in EPF’s Social Protection Insight Vol. 5 | 2021

## USE OF WITHDRAWALS FROM i-LESTARI AND i-SINAR DURING COVID-19 PANDEMIC

Social Wellbeing Research Centre, University of Malaysia

The Covid-19 pandemic has caused an unprecedented disruption to the Malaysian economy. The Government of Malaysia has implemented a series of Movement Control Order (MCO) since March 2020, to prevent the spread of virus which effectively shut down various sectors in the economy. This has caused widespread unemployment, where the employment rate reported in May 2020 was the highest since the 1997-98 Asian financial crisis, and the rate of economic contraction in 2020: Q2 of 17 per cent was amongst the worst in the world.

In its effort to alleviate the impact of this pandemic, the Government has introduced...

## MALAYSIAN INFORMAL SECTOR: HOW ARE THEY COVERED AGAINST MAIN CONTINGENCIES?

Tan Eu Chye, Kuppusamy Singaravelloo, Roza Hazli Zakaria & Sonia Kumari Selvarajan  
Faculty of Economics & Administration, University of Malaysia

### Background

The informal sector assumes an important influence in the Malaysian economy contributing 30.7 per cent of the GDP in 2014. The work of Schneider and Buehn (2018) suggests that from 1996 to 2014, the size of the Malaysian informal economy averaged to 31.1 per cent of GDP. Rapid urbanisation has led to massive migration to the urban areas causing increased employment in the informal sector. Most of these migrants neither have the skills nor the qualifications required by the urban economic sector. As a result, these migrants choose to be engaged in the informal sector causing the size...

## THE CASE FOR PARENTAL ACT IN MALAYSIA

Social Wellbeing Research Centre, University of Malaysia



## WOMEN IN THE LABOUR MARKET IN MALAYSIA

M. Niaz Asadullah, Sharifah Nabillah Syed Salleh & Norma Mansoor  
Faculty of Economics & Administration, University of Malaysia

### Introduction

Gender equality in labour force participation (LFP) is associated with higher economic growth and women’s improved status in the family and community. However, women’s participation in the labour force remains low in developing countries. Globally, the participation rate of women in the labour force was 26.5 per cent lower than that of men (ILO, 2018).

In Malaysia, almost one out of every two women of working age are not in the labour force. Despite sustained economic growth, declining poverty and fertility rates and a high level of female education, women’s LFP rate still falls short of the target set by the government (Asadullah, 2020). In the 11th Malaysia Plan, female labour force participation was aimed to reach 59 per cent for the year 2020 (EPU, 2016), yet as of the third quarter of 2020 it was only at 55.3 per cent (DOSM, 2020).

Women’s labour market participation is also lower than men. Throughout 1985 to 2018, men’s labour force participation rate fluctuated between 85.6 per cent to 80.4 per cent, whereas for women, it ranged between 45.9 per cent to 55.2 per cent (DOSM, 2019). The rate is also considerably lower compared to other ASEAN countries. In 2018, Malaysia was ranked at 84th place in terms of economic participation and opportunity in the global gender gap index with an index score of 0.656 (WEF, 2018).

## RETIREMENT PLANNING BY CIVIL SERVANTS

Kuppusamy Singaravelloo, Muzawana Abdul Talib, Nurul Liyana Mohd Kamil, Yong Sook Lu, Nurhidayah Abdullah & Norma Mansoor, with Rashid Ating  
Faculty of Economics & Administration, University of Malaysia

### Background

As Malaysia prepares itself to be an ageing society, many of its citizens are entering into life after retirement. Malaysians aged 60 and above comprised only 4.6 per cent in 1957 and after over six decades, this has increased to 10.6 per cent. With increasing life expectancy from 58 years in 1957 to 75 in 2018, the older generation is now living longer. The increase in retirement age, unfortunately, does not commensurate the rise in life expectancy. While life after retirement on average was only about two years in 1957, this gap has

increased to 15 years by 2018 give years being the current retirement. This leaves a long period of time where useful manpower goes untapped and put to optimal use. In this phase of the retirees from both public and private sectors alike risk deterioration of health and their maintenance, which they require more social supports, adequate healthcare. Dependency keeps rising, partly due to the increasing proportion of those who are over 65 years in age.

## SUGGESTING MEASURES TO REAP MALAYSIA’S SILVER DEMOGRAPHIC DIVIDEND

Debashree Ghosh & Diana Abdul Wahab  
Faculty of Economics and Administration, University of Malaysia

Malaysia is still considered a relatively young country as compared to its neighbours Singapore and Thailand whose ageing population was recorded to be more than 12 per cent in 2019. However, Malaysia’s current old age population ratio is exponentially growing as compared to the working age population of the country which is stagnant at 69 per cent for the past couple of years (Figure 1).

## The Need for Lifelong Approach to Financial Education

Lifelong learning is defined as “acquiring new knowledge and skills throughout one’s life.” The same approach should be applied to financial education. Often found as taboo, the subject of money is scarcely discussed with children in our culture. Regretfully, this leads to generations that are lax in managing their finances due to lack of knowledge and the right attitude towards money management.

It is not an overstatement to say financial knowledge is almost as important as knowing how to read, write, and count in this day and age. However, we seem to be unaware of the importance of equipping our children with these fundamentals. Children should learn the basics of financial management from an early age to develop the right attitude towards money.

From primary school or even younger, they should at least be taught to control instant but short-lived gratification towards unnecessary things. The right school curriculum coupled with parental education will help lay the foundation for financial literacy, especially in developing the right financial attitude.

The word “prudent” is often mentioned whenever the subject of financial literacy is being discussed. Ironically, words like improvident, impulsive, reckless,

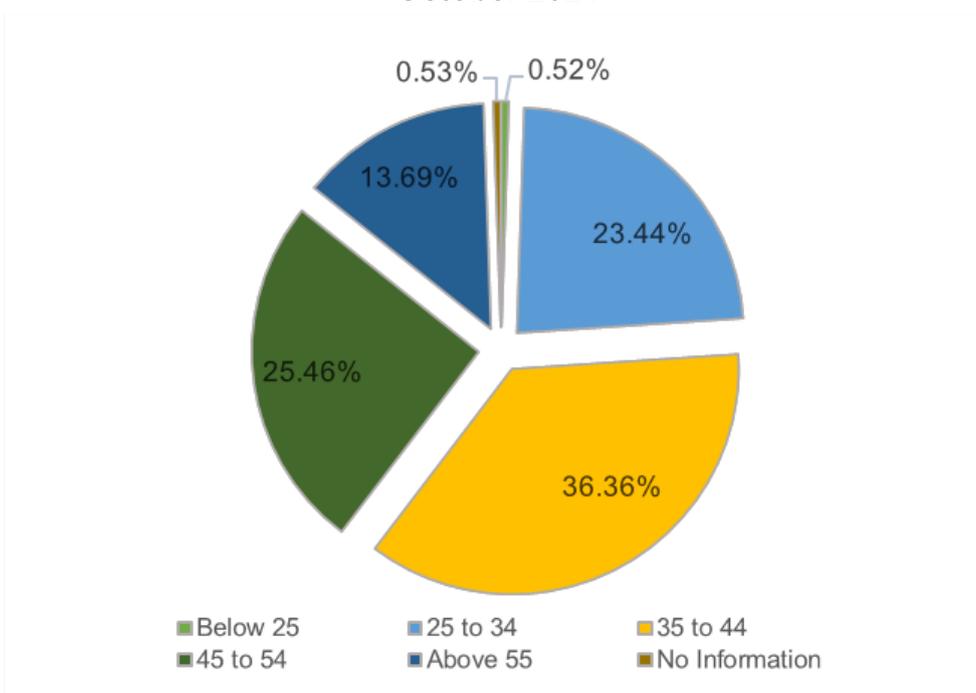
and excessive realistically depict today’s society’s spending habits, especially among our youth.

It is high time that we introduce a formal high school curriculum that covers personal financial management. We are currently leaving our teens to step into adulthood without the necessary knowledge of personal financial management, leaving them vulnerable in the case of unexpected financial shock. This is evident by the absence of the “concept of living within one’s means” as availability of credit facilities allows individuals to spend money that they have not yet received.

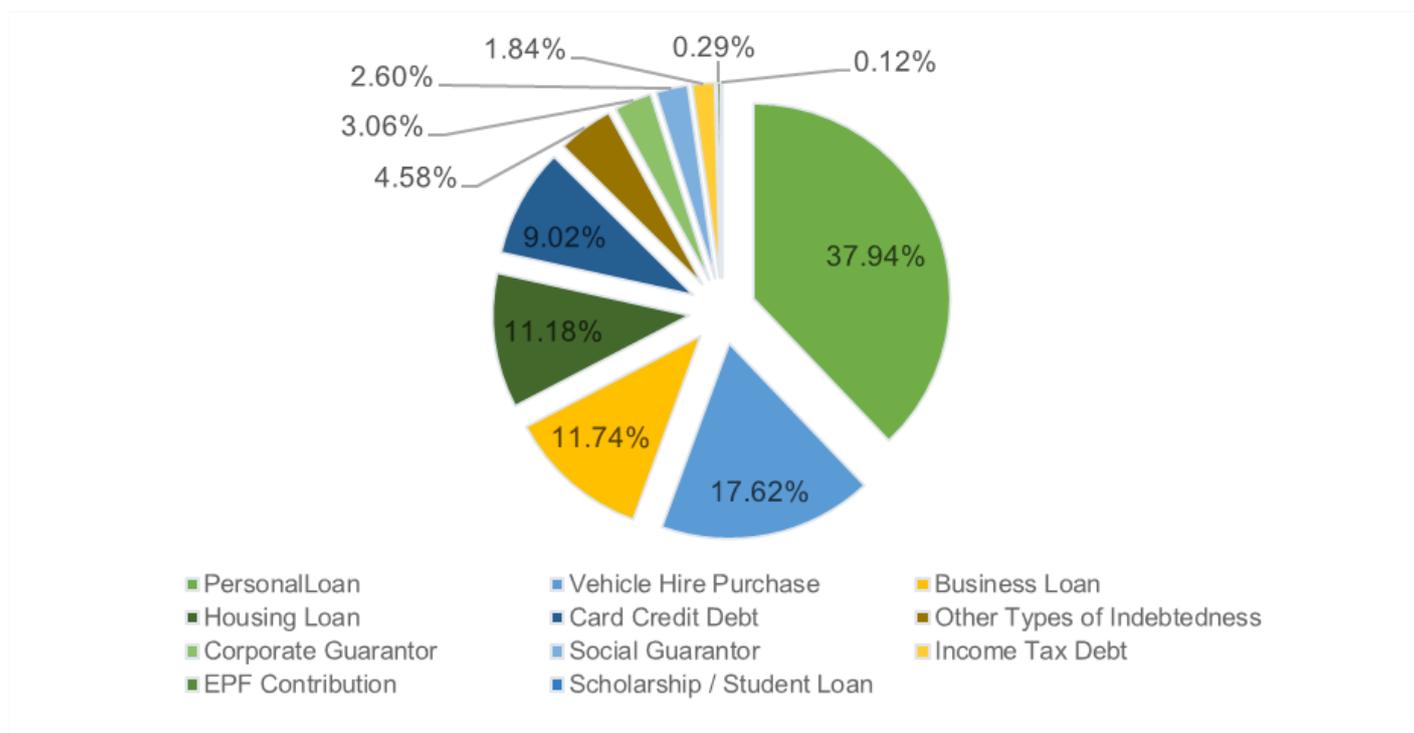
Poor financial management has been cited as one of the reasons for over-indebtedness and bankruptcy among youth. **Figure 1**, shows that over 60 per cent of bankruptcy cases involved those who are below the age of 45. Hence, it is important to educate our adolescents on the concept of debit and credit and how to use them responsibly.

Going into retirement with inadequate savings, or worse still, without any is a scary thought. However, this is the hard truth haunting many individuals approaching retirement age. According to the Finance Minister, 6.1 million EPF members have less than

**Figure 1: Bankruptcy Cases According to Age Group, 2017 to October 2021**



Source: Department of Insolvency Malaysia

**Figure 2: Bankruptcy Cases According to Cause, 2017 to October 2021**

Source: Department of Insolvency Malaysia

RM 10,000 in their saving account following a total of RM 101 billion in withdrawals through i-Lestari, i-Sinar, and i-Citra. Even more worrying, 29.6 percent of those aged 45 to 59 have less than RM 50,000 in their savings.

Although low level of financial literacy is not solely to blame for this catastrophic state of Malaysian households' finances, it is certainly one of the contributing factors. Many Malaysians seem to be unaware of the importance of an early retirement plan, with "living for today" attitude plaguing the state of their personal finances.

Consequently, working Malaysians need to be educated on the "what, why, and how" of retirement planning. Early financial planning is vital for a secured retired life. Hence, they need to be made aware of how much they should save for retirement, factoring in the inflation as well. Increase in life expectancy demands a better management of personal retirement funds.

Therefore, those approaching retirement should be educated on how to make the most of their retirement savings. For example, conventional practice of lump

sum withdrawal of the whole EPF savings as soon as they reach the eligibility age should not be encouraged as retirees should leave part of their savings to act as a buffer, or to take advantage of the benefits of the annuity program.

In addition, retirees should be reminded to be mindful of their expenses and not to spend or invest based on impulse using their precious retirement savings. Every risk, cost, and benefit should be weighed before making any decision that requires long-term commitment, considering that they are no longer receiving consistent income. Retirees should also be mindful of financial scams that are often targeted towards seniors.

Lastly, with the ever changing global economy becoming a threat to an individual's finance causing abrupt changes in condensed timescale, Malaysians have to start stepping up their level of financial literacy. We must be equipped with adequate and right financial knowledge to navigate through every stage of life. Hence, the lifelong approach to financial literacy is crucial to mitigate any financial shock that they might experience throughout their life cycles.

## Belanjawanku: Reference Budget for Malaysians

## OUR FLAGSHIP

As a tool for personal financial management, EPF Malaysia in collaboration with SWRC, introduced a guide to prudent spending called “Belanjawanku” in 2019. Belanjawanku is essentially a reference budget for Malaysians that provides monthly estimates of goods and services an individual or a family would require and how much it might cost, to attain a reasonable and acceptable standard of living in Malaysia. The standard of living was defined as “having adequate financial resources to afford not just the minimum basics but also the ability to participate in a society for a decent and dignified living”.

The motivation behind Belanjawanku is derived from the need to address ongoing financial issues and challenges such as rising cost of living, over-indebtedness, and low level of financial literacy among Malaysians. The first phase of Belanjawanku began with Klang Valley in 2019, and the study is currently being extended to other cities in Malaysia.

To develop realistic budget estimates, Belanjawanku was constructed based on actual spending patterns of Malaysians and the expenses required based on inputs from the public as well as from price surveys on items deemed necessary for people to use. The items include food, housing, transport, utility, personal and healthcare, childcare, social participation

discretionary expenses and savings. As an expenditure guide, Belanjawanku is as inclusive as it is comprehensive, covering nine different types of households, from single persons to married couples with children, the seniors as well as single parents.

In essence, Belanjawanku allows people to make informed financial decision. This is especially useful before a person decides to make big purchases such as buying a car or a house, before starting a family, or as purchasing power comparison before relocating to another city. The application of Belanjawanku extends beyond personal and family use. Banks and financial institutions may use Belanjawanku for credit scores, while policymakers can use it as a tool for policy interventions and a guide for distributing targeted social assistance as well as for minimum wage indication.

In conclusion, Belanjawanku intends to aid Malaysians in managing their finances. It provides guide for prudent spending that extends beyond the basic needs, with some extras but without luxury or wastage. With uncertainties still shrouding our economy in this post-pandemic phase, extra attention to personal finance management will go a long way in ensuring our wellbeing.



# BELANJAWANKU

## SUGGESTED READINGS

### Financial Knowledge, Attitude, and Behavior of Young Working Adults in Malaysia

*Chen Chen, Y., Yong, Y.S., & Kok, W.C. (2018, January).*

#### Executive Summary

The purpose of this study was to explore the relationship between financial knowledge, attitude and behaviour among young working adults in Malaysia. The sample consisted 1915 young working adults from Klang Valley in Malaysia. A conceptual model was developed based on the theory of planned behaviour which included two alternative paths to assess the financial literacy of an individual. Structural equation modeling was used to analyze the data.

The results revealed that the financial knowledge is a significant predictor of financial attitude and financial attitude fully mediates the relationship between knowledge and behaviour among Malaysians. The financial knowledge scores significantly differ among ethnic groups where Chinese possess the highest financial knowledge and working adults at the age of 26-30 possess the highest score.

Therefore, immediate actions must be taken to mitigate the financial knowledge differences among ethnic groups. Surprisingly it can be found that the financial behaviour is not a strong predictor of financial literacy of young working adults in Malaysia, suggesting future studies to investigate on other intervening variables. It can be highlighted the importance of developing correct financial attitude among Malaysian young working adults as it is the financial attitude that has behaved significantly in the study.

The attitude towards the future and non-impulsiveness have to be improved and young working adults must be trained to be achievement oriented. Relevant authorities have to take initiatives to create effective financial education programs including increasing the opportunities and ensure easy access which will generate a comprehensive financial knowledge to individuals.

This can be achieved through formally arranged financial seminars, workshops, etc. and making financial expert and counselor services more



accessible to young adults in the country. Mean time initiatives must be taken to communicate such counselors the importance of changing the overall financial attitude among working adults in Malaysia.

#### Introduction

Complex and dynamic business and economic world demand individuals to possess strong knowledge on financial matter. This resulted on a continuous discussion on the importance of financial literacy to a country. Studies prove that individuals with higher financial literacy is always at an advantage and are more empowered compared to others. Further, studies reveal that if a nation is provided with strong financial literacy, the inequality between ethnic groups can be minimized.

Hence the importance of financial literacy is undoubted to any country. Fulfilling the paucity of empirical studies in Malaysia, an emerging economy, the current study intended to explore the relationship between financial knowledge, attitude and behaviour among young working adults. Standing as a behavioural model on the basis of theory of planned behaviour, the proposed conceptual model has investigated two alternative paths. Data were

analyzed using structural equation modelling (SEM) with SPSS and Smart PLS software packages. Mediating effect was investigated using bootstrapping technique.

### Approaches and Results

The sample included 1915 respondents from Klang Valley in Malaysia which was selected based on simple random sampling. It comprised 57.2% of Malays followed by 31.5% of Chinese and 9.2% of Indians which is proportionately consistent with the national population statistics.

The gender composition was 58% of female and 42% of male. Serving the scope of young working adults, more than 55% of the respondents belonged to the age of 21-30. Questionnaires were distributed among respondents who are working as managers, professionals, technician etc. Majority of them (22.1%) were either managers or professionals. The research instrument had separate sections for each construct.

Financial education scale items were adapted from Bank, A. N. Z. (2015) and few were self-developed. The scale items for financial knowledge were adapted from Zottel et al. (2013). Financial attitude had two perspective as “future, non-impulsiveness” and “achievement orientation” which were adapted from Bank, A. N. Z. (2015) and self- developed based on Bolaji-Adio et al. (2013), Atkinson and Messy (2012), Zottel et al. (2013).

Financial behaviour had four perspectives as how much the expenses are monitored, saving behaviour, planning for old age and unexpected expenses, budgeting and behaviour of not over spending, living within means which were self-developed based on Kempson et al. (2013, World Bank (2013), Yoong et al. (2013). Scale items to measure financial literacy were also self-developed based on Kempson et al., (2013), World Bank (2013), Yoong et al.(2013).

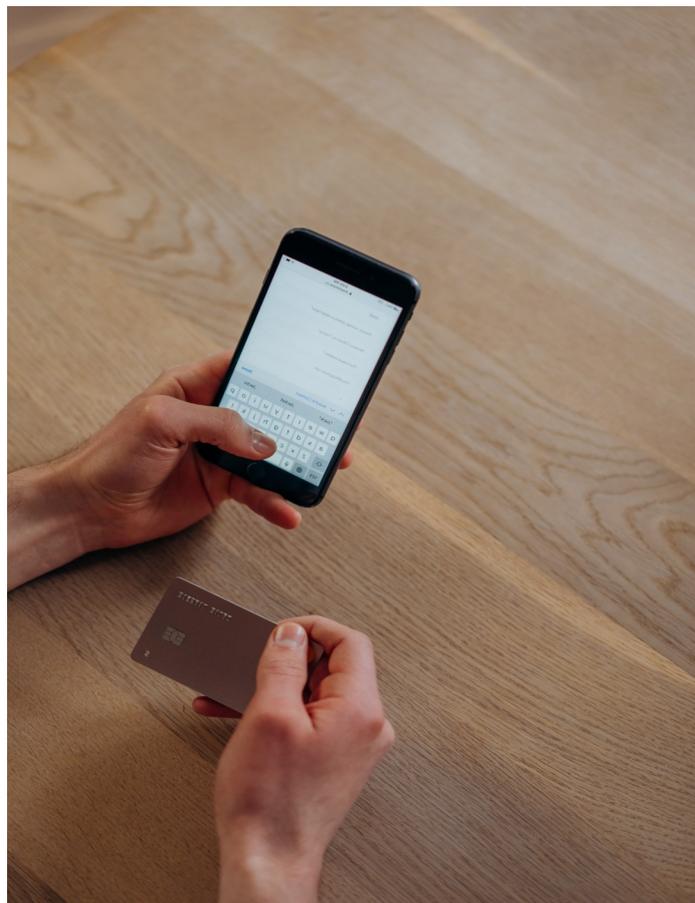
Unlike the general assumption on the contribution that financial education can make on financial knowledge, the results revealed that financial education has contributed only 9% of change in financial knowledge in Malaysia. However it can be found that financial knowledge is a significant predictor of financial attitude among young working adults in Malaysia.

Within the financial attitude, the attitude towards

“future and non-impulsiveness” is significant. In simple terms, if an individual is having a positive attitude towards planning the future, be financially secured and be mindful on unplanned unnecessary buying, such individual possess the correct financial attitude. A full mediating effect of financial attitude was found on the relationship between financial knowledge and financial behaviour.

This emphasizes the importance of possessing correct attitude to demonstrate acceptable financial behaviour. Chinese are possessing the highest financial knowledge followed by Malays and Indians. Even though previous studies proved that there is no age difference in financial knowledge among working adults in Malaysia, the current study found that working adults at the age of 26-30 possess the highest financial knowledge with significant difference with other age groups.

Surprisingly it was found that financial behaviour is not a strong predictor of financial literacy among young working adults in Malaysia, resulting future studies to investigate on other possible intervening variables.



## Conclusion and Implications

The study results challenged the general assumptions on the relationships between financial education, knowledge, attitude, behaviour and financial literacy.

Current financial education programs and the knowledge created thereby are not influential enough to make a significant impact on the financial attitude among Malaysian young working adults. As the results revealed that attitude has a greater impact upon the financial behaviour of individuals, relevant stakeholders have to take initiatives to stimulate the financial attitude of young working adults of the country.

Further, the full mediating effect of financial attitude on the relationship between knowledge and behaviour emphasizes the importance of improving the attitude on financial matters, especially to prevent themselves from being impulsive and to have an achievement orientation in terms of finance. Since the relationship between knowledge and attitude is significant, financial education programs must generate sufficient financial knowledge for young adults for them to have correct attitude.

Since the indirect relationship between knowledge and behaviour through attitude is higher than the direct relationship, it should be understood the importance of attitude in building financial literacy among Malaysians. Families and educational

institutions should work hand in hand to up bring youngsters with correct attitude in that aspect.

Moreover, young working adults must be educated on the importance of setting long term financial goals, monitoring expenditure, planning for old age and be prepared for unexpected expenses. Further, relevant authorities have to take initiatives to make it freely accessible to financial advises and counseling services for young working adults when they seek so.

Meantime the finding on the importance and the influence of attitude on overall financial wellbeing of a country must be well communicated to the independent financial counselors and advisors for them to make their service fruitful. Meanwhile, the financial education programs should be designed in a way that those create a higher financial knowledge to individuals and thereby result in accepted financial behaviours.

Retrieved from: Chen Chen, Y., Yong, Y.S., & Kok, W.C., (2018, January). Financial Knowledge, Attitude, and Behavior of Young Working Adults in Malaysia. Policy Brief Series (2018-1). Social Security Research Centre.

## Practical guide to managing money.

*Norma, M. (2019, March 13).*

OUR financial wellbeing, which has been amplified in recent years because of poor personal financial management, the slow wage increase and rising cost of living, has impacted a large swathe of the Malaysian population.

The problem requires effective financial literacy tools to educate and enhance people's ability to handle financial matters and reduce the negative consequences of poor financial decisions

In this respect, Employees Provident Fund's Belanjawanku 2019 for Klang Valley, which was launched by Finance Minister Lim Guan Eng on March 4, is built on the basis of educating the public

and ensuring improved financial literacy among Malaysians.

Belanjawanku provides detailed personal budget information for individuals and families to know the requirements of their monthly expenses in order for them to make wiser financial decisions. The items and their costs included in Belanjawanku are the minimum that a person or family needs in order to attain a reasonable and acceptable standard of living. Belanjawanku is a project proposed by the EPF as part of its financial literacy programme and the detailed study was carried out by a team of researchers at Universiti Malaya's Social Wellbeing Research Centre (SWRC).

The research involved identifying the expenses of working adults under 40 years old and of senior

citizens through a questionnaire survey, as well as conducting focus group discussions with researchers from local universities, representatives from the EPF, Credit Counselling and Debt Management Agency (AKPK), Economic Planning Unit, the National Wage Council, non-governmental organisations, Bank Negara Malaysia and experts from industries, which include financial institutions, financial planners, nutritionist and reference persons of specific households living in Klang Valley.

**The premises on which Belanjawanku is constructed are:**

HOUSING for singles is based on room rental while for couples, it is based on monthly mortgage repayment or rental value;

COUPLES who own a car and a motorcycle;

THE AVERAGE travel distance to work within a 30km radius; and,

People are generally healthy and have access to universal healthcare and primary and secondary education.

**The target groups were:**

SINGLE-PERSON household (male/female);

COUPLES (without children);

COUPLES with one child;

COUPLES with two children; and,

SENIOR couples.

Additionally, the study included price surveys carried out between July 2017 and July 2018. Prices for food and groceries for home cooking were obtained from wet markets and popular supermarkets around Kuala Lumpur and Selangor.

While cost for dining out was obtained from the average price of food at food courts and mid-range restaurants selling mixed rice (nasi campur) and noodles, food prices at mamak and kopitiam outlets around Kuala Lumpur, Petaling Jaya, Subang Jaya, Shah Alam, Puchong, Bangi, Kajang, Ampang, Ulu Klang and Mutiara Damansara.

The product choices for all categories of items were taken mainly from 15 popular brands. In calculating the acceptable housing expenditure, comparisons were made between the monthly costs of room/house rental and housing mortgages.

Based on this, for rental rates, the average flat, house and room rental for several districts in Klang Valley were obtained from [www.mudah.my](http://www.mudah.my) and [www.ibilik.com](http://www.ibilik.com), as well as the Research Structure Plan for Selangor 2035 Report, published by the state government of Selangor, 2010.

Money is an essential component of the economy and Belanjawanku serves as a practical reference and foundation for money management.

As it is, since Belanjawanku was launched, there has already been numerous healthy, and sometimes, heated debates about the numbers that have been proposed in Belanjawanku as a guide for monthly living expenses. This is because people of varying backgrounds and income levels have their own interpretations of the required monthly expenditures.

Bearing in mind that Belanjawanku is not a prescription or a “standard” that one has to follow. It is a guide for basic expenditure and for those who can afford to spend more, there is nothing stopping them as long as their lifestyle can fit into their income.

What the active discussions indicate is that people are indeed aware of and keen to share ideas to improve the general level of financial literacy skills and improve the management of their finances.

Retrieved from: Norma, M. (2019, March 13). Practical guide to managing money. New Straits Times. ([nst.com.my](http://nst.com.my))



# GALLERY



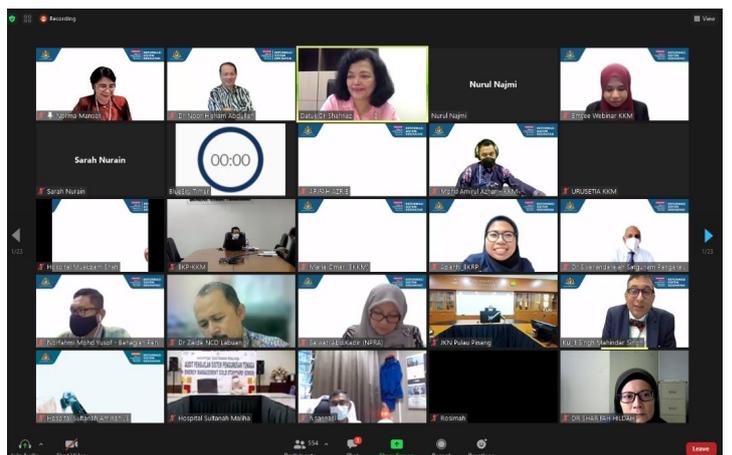
Prof Norma Mansor speaking at Fundamentals of Social Protection (FSP)



SWRC-ADB Capacity Building Workshop: Conducting a Large-Scale Survey on Older Persons – Experience from MARS



Malaysia Social Protection Council (MySPC) Meeting



Sesi Webinar Rancangan Malaysia Kedua Belas (RMKe-12) Peringkat Kementerian Kesihatan Malaysia



Majlis Graduasi 'Certified Disability Management' Professional' (CDMP), 2021



ADB Regional Conference on Health and Socioeconomic Well-Being of Older Persons

## ABOUT SOCIAL WELLBEING RESEARCH CENTRE (SWRC)

The Social Wellbeing Research Centre (SWRC) is an academic multi-disciplinary research entity, focusing on conceiving and implementing research in social security and old age financial protection.

SWRC has been providing evidence-based expertise and consulting in the aforesaid domains to elevate economic development on social cohesion in Malaysia.

The Centre supports research in social protection in general and old-age financial protection, in particular. The Employees Provident Fund (EPF) of Malaysia has graciously provided an endowment fund to create the nation's first endowed Chair in Old Age Financial Protection (OAFPC), now known as Social Wellbeing Chair (SWC) at Universiti Malaya.

### STRATEGIC PARTNERS

- Employees Provident Fund (EPF)
- Social Security Organisation (SOCSSO)
- University of Michigan
- Asian Development Bank (ADB)
- World Health Organization (WHO)



ASIAN DEVELOPMENT BANK

### FLAGSHIP PROJECTS

- Malaysia Ageing and Retirement Survey (MARS)
- Reference Budget for Malaysian (Belanjawanku)



MALAYSIA AGEING AND RETIREMENT SURVEY



### CONTACT US

Social Wellbeing Research Centre (SWRC),  
Office of Deputy Vice-Chancellor (Research & Innovation)



+603 7967 3615



swrc@um.edu.my



<https://swrc.um.edu.my>



SWRCUM



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Our location is at:

**Ground Floor**  
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**50603 Kuala Lumpur**

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