

RinggitPlus

Special Covid-19 Report

**How Financially
Prepared Are
We In Times Of
Emergency?**



In January 2020

Malaysia reported its first ever case of Covid-19 through a Chinese citizen, arriving from Singapore.

Just 2 days later, on March 18, 2020

Government has declared restricted Movement Control Order Phase 1.

By March 16, 2020

All Malaysian states and territories have reported positive cases of Covid-19.



Covid-19 is Malaysia's
FIRST, LARGE-SCALE viral
pandemic since Nipah
outbreak in 1999.

**And it's catching Malaysians
off guard, at a very fast rate.**





Today, as Malaysians are now bracing MCO Phase 3, the **economy, businesses from big to small, across all industries have been affected.**

Since January 2020 to mid-April,

- KLCI has sunk to a 10-year low at **1,395**
- Ringgit has fallen vs. the USD to **4.37**
- Brent Crude has fallen to a 18 year low below **USD30**
- Malaysia's GDP is forecasted by the IMF to fall in 2020 by **-1.7%**

A man with dark hair, wearing a white long-sleeved shirt, is seen from the side, looking out of a window. The background outside the window shows a blurred view of a building and greenery.

And the effects ripple back towards Malaysians, who are employees of these affected industries.

- **98%** of businesses in Malaysia are **SMEs**

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- A circular logo featuring a stylized white 'R' on a blue background, with a yellow plus sign positioned to the right of the 'R'.
- And **70%** Malaysians make up the workforce for **SMEs**

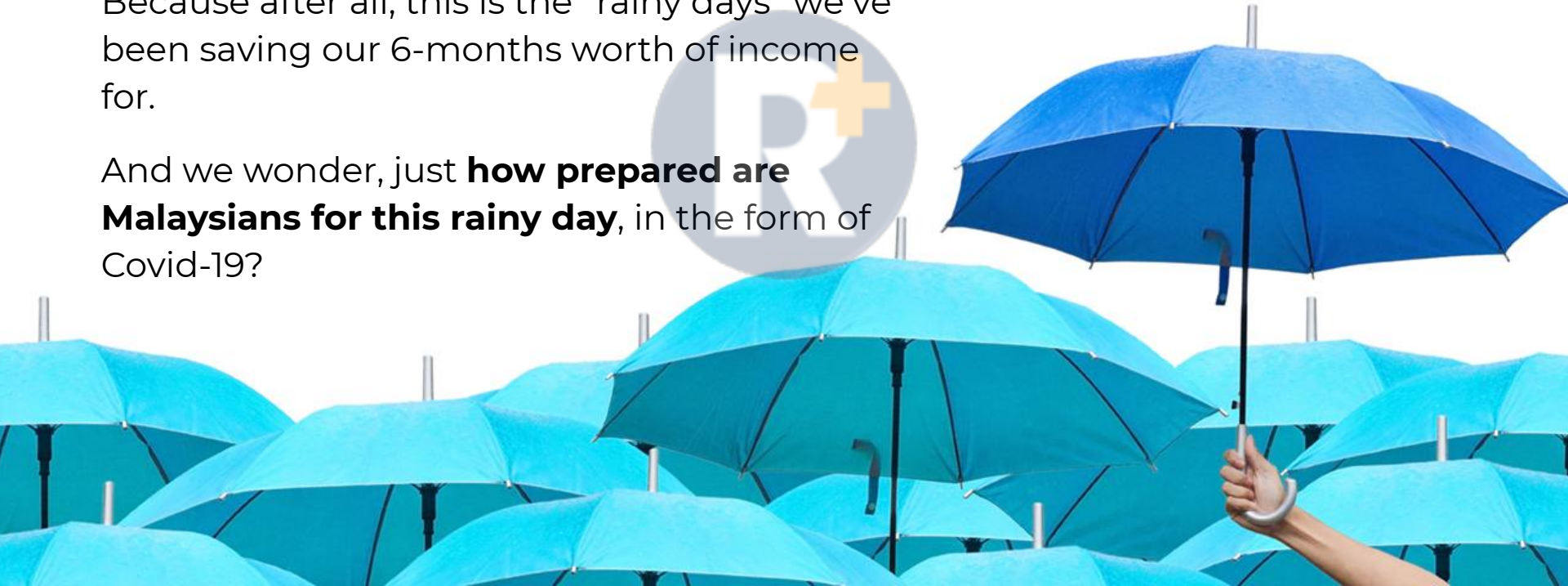
MALAYSIAN BUSINESSES ARE:

- **CAUGHT OFF GUARD**
- **LEFT UNCERTAIN**
- **WITH LITTLE TIME TO PREPARE**

Through financial lens, a financially healthy Malaysian should be prepared for times of emergency such as this.

Because after all, this is the “rainy days” we’ve been saving our 6-months worth of income for.

And we wonder, just **how prepared are Malaysians for this rainy day**, in the form of Covid-19?



To find out, we decided to ask

19 financial-specific questions

based on these 5 dimensions:

- Savings & Budgeting
- Expenditure
- Moratorium Deferment
- EPF Savings
- Managing Financial Crisis



To a total of
1,019 Malaysians
via Social Media and eDM



Across Malaysia, from different demographics



MALE
36%



FEMALE
62%

*2% Prefer not to say



Age 19
& below

0.2%

Age
20 - 29

19.1%

Age
30 - 39

47.2%

Age
40 - 49

23.3%

Age
50 - 59

7.9%

Age
60 & above

2.3%

And all walks of life with various financial backgrounds,



Single
43%



Married
With Kids
42%



Married
Without
Kids
11%



Divorced
Single
Parents
4%



Less than
RM2,000
10%



RM2,000 -
RM4,000
25%



RM4,000 -
RM6,000
23%



RM6,001 -
RM8,000
14%



RM8,001 -
RM10,000
12%

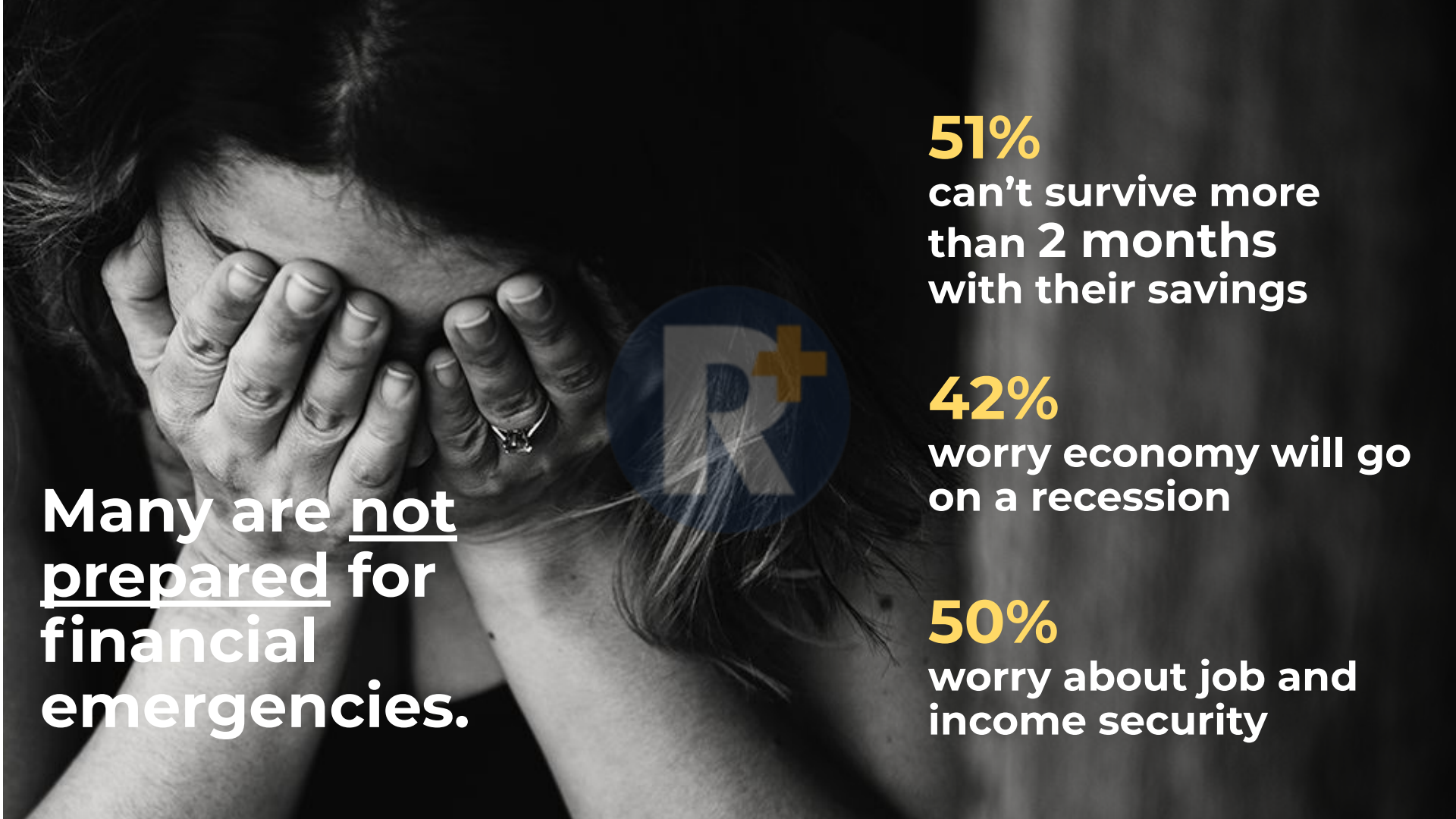


RM10,000
and above
16%

A torn piece of white paper with a dark blue background. The text "COVID-19" is written in orange. A large, faint, blue letter "R" is visible in the background of the blue area.

COVID-19

These, are their answers.



Many are not
prepared for
financial
emergencies.

51%

can't survive more
than 2 months
with their savings

42%

worry economy will go
on a recession

50%

worry about job and
income security

Despite being **unable to survive more than 2 months** with their savings, many refuse to tap into their EPF funds*

**via i-Lestari withdrawals or EPF contribution reductions*

45%

refuse to reduce
EPF reduction from
11% to 7%

42%

refuse to withdraw
RM500
from their EPF

SAVIN

**47% of respondents
have outstanding
credit card debt.**



With **81%**
of them aware of
tools that could
help to restructure
debt.

To help ease Malaysians' financial burden, the Government has offered help through its

PRIHATIN Stimulus Package

Which includes:

- [Employee's EPF reduction to 7% \(voluntary\)](#)
- [Bantuan Prihatin Nasional \(BPN\) cash aids](#)
- [Salary Subsidy Programme](#)
- And [More.](#)



In response to
Government's
PRIHATIN
Stimulus
Package:

32% would withdraw **RM500** from their EPF to spend on essentials, loans and bills.

69% will opt-in for **loan deferment**.

31% would opt-in for **EPF reduction**.




50%

of respondents
who opt-in for EPF
withdrawal are
income earners
who earn between

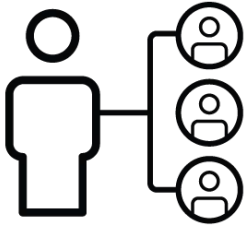
**less than
RM2,000 to
RM4,000**



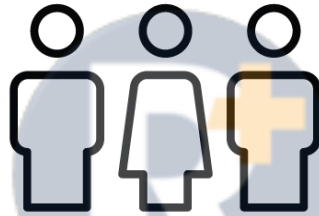


While
35% of the same
income group have
opted-in for loan
deferment.

Of our 1,019 respondents,



14.2%
are
Business
Owners



84.4%
are
Employees



1.4%
are
Unemployed/
Retired

Covid-19 proves to be a hard time for Business Owners:

57%

claimed that **they can't
survive more than 3 months**

51%

think **Government should expand
the Special Relief facility** to cover
more businesses





And Employees struggle to sustain their living, with:

44%

Wishing for **reduction in Employer EPF and NO change in basic salary** as a cost-cutting measurement for the company they work in

28%

Looking at **salary reduction but no change to employer EPF contribution**

24%

Would agree to **Voluntary Separation Scheme (VSS)** if the package is good

4%

Would prefer other cost-cutting measures such as **no increment and bonus, allowance & benefits cut, etc.**

Even with the current
PRIHATIN Stimulus Package
offered by the Government,

42%

Employees hope that Government
could reduce their tax rate

31%

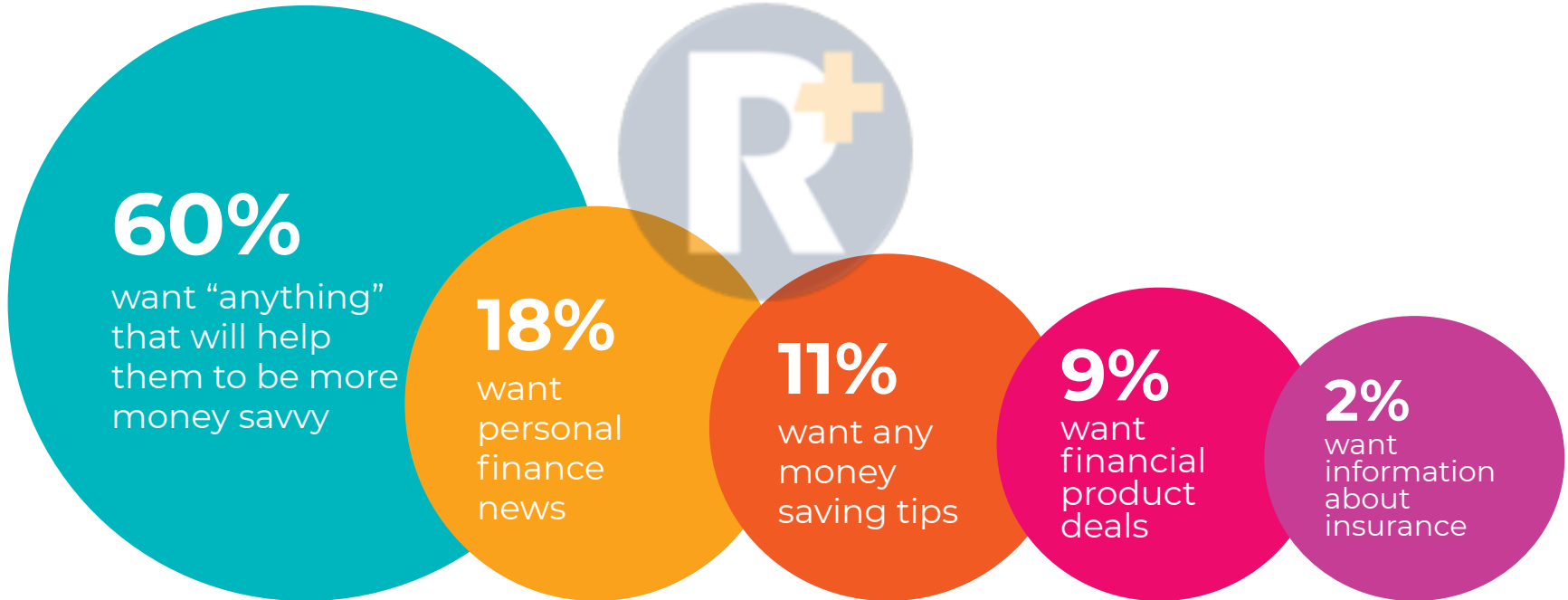
Wishing for subsidised salary so
they will not be layoff

27%

Would prefer monthly cash from
BSH/Household Living Aid



We've also asked them
***“How can RinggitPlus help you
during this testing times?”***



Through this report,
we now know that **we are**
NOT FINANCIALLY prepared
for an **EMERGENCY**.

At least, not yet.
And this, gives RinggitPlus more
purpose to continue
advocating financial literacy
among Malaysians.

Because together, we can pull
this through!



**Thank You
for your
interest in
reading this
report.**

For any initiatives that you would like to partner with RinggitPlus to drive financial literacy for Malaysians, please contact :

Leong Kuan Yew

Head of Business Development
Advertising Solutions

Mobile: +6012 3767 695

Email: adsolutions@ringgitplus.com