

Exploring Malaysians' Financial Well-Being in the Wake of the Covid-19 Pandemic's First Movement Control Order

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Abstract

Purpose: Financial wellbeing (FWB) has been gaining growing interests among researchers in financial management. Hence, there is an urgency to investigate the FWB of Malaysians during the Movement Control Order (MCO) period following the spread of Covid-19. The objective of this study is the measure the FWB of households during the MCO period.

Design/methodology/approach: Data for this study were collected from 399 respondents through an online survey two weeks after the MCO implementation.

Findings: The findings revealed that the FWB scores of Malaysian households during the MCO were above the median, indicating satisfactory levels.

Research limitations/implications: Implications of this study include providing empirical support for the economic stimulus and relief programme announced by the government due to the criticality to lessen the financial burdens of households during this health and economic crisis.

Originality/value: Since this is one among few studies, if any, that investigate the FWB of people during the MCO period due to the Covid-19 pandemic, this study provides an important path for future research to investigate the issue from a different theoretical perspective or methodological approach.

Keywords: Financial wellbeing, Covid-19 Pandemic, Malaysia, Movement Control Order

Introduction

Covid-19 is a global pandemic that bears economic impacts on almost all walks of life. Since the first positive diagnosis of a patient in Wuhan, China in December 2019, the outbreak has caused more than 370,000 human deaths in at least 216 countries by early June 2020 (PAHO, 2020). The virus is believed to transmit from person to person through respiratory droplets and aerosolised and surface transmission. As a measure to curb the spread of the virus, strategies that have been implemented across the globe include social distancing, health screen test, and personal hygiene. Social distancing dictates the need to avert crowded areas and includes restricting social and business activities to prevent people from gathering at public or commercial places. In Malaysia, the government has enforced the Movement Control Order (MCO) effective from 18 March 2020, resulting in lockdown or closure of public and business premises. This move has markedly shrunken economic activities almost to a halt, thus directly and indirectly causing financial distress to most people. The first phase of the MCO has been

consecutively followed by several phases until August 2020. The Malaysian government has even tightened the control order through the Enforced Movement Control Order (EMCO) for areas with a very high number of Covid-19 cases due to the considerably high risk for other people to be infected.

As has been widely discussed globally, the Covid-19 pandemic has affected the wellbeing of most people, both socially and financially. Even though there is evidence of people losing their jobs and accepting pay cuts with the increasing prevalence of unemployment as well as business slowdown and closure, the financial wellbeing of people during the Covid-19 pandemic still requires further investigation. Given the unprecedented nature of the outbreak, human issues arising from the Covid-19 pandemic, including FWB, deserve urgent attention from researchers. While research on the FWB of households is of interest to many researchers, empirical studies in this area during the Covid-19 health crisis are still scarce. This issue is critical to be investigated, as financial distress in a time of crisis has been reported to negatively affect the happiness of people (Dew & Xiao, 2013). The said finding was reported in a study on the impact of financial conditions on happiness during the recession period of 2007–2009. In addition, the MCO implementation by the Malaysian government as a measure to curb the spread of Covid-19 has changed the spending behaviour and affected the FWB of people (CentGPS, 2020). A study in the UK revealed that the FWB of people was at the lowest point during the lockdown (CE Noticias Financieras, 2020).

The objective of this study is to assess the FWB of Malaysians during the MCO period. In doing this, four elements of FWB were evaluated. These four elements are the ability to have financial control on short-term needs, the ability to absorb unplanned financial needs, the ability to maintain one's financial position during a crisis, and the ability to have financial freedom in making decisions (Collins & Urban, 2020). FWB is attained when a person could achieve satisfactory levels on these four elements.

This study is expected to make a substantial contribution to the financial management literature, policymakers, and governments. Since this is one among few studies, if any, that investigate the FWB of people during the MCO period due to the Covid-19 pandemic, this study provides an important path for future research to investigate the issue from a different theoretical perspective or methodological approach. Policymakers have introduced initiatives to cushion the economic and social impact of the Covid-19 pandemic on the people. Therefore, empirical evidence on the FWB of people during the MCO period arising from the Covid-19 pandemic is useful for retrospective analysis on the effectiveness of the initiatives implemented.

Problem Statement

In 2018, The Malaysia's *Credit Counselling and Debt Management Agency*, or commonly known as *Agensi Kaunseling dan Pengurusan Kredit* (AKPK), conducted its survey titled *Financial Behaviour and State of Financial Well-being of Malaysian Working Adults* (AFBeS'18, 2018). The findings demonstrated that many Malaysian working adults (MWAs) are struggling to save money, and their situation is far from satisfactory. It is estimated that almost 2 out of every 10 persons (18 %) have been unable to save any money during the previous 6 months. A little more than half of the respondents (53 %) are only able to save between 1 % and 10 % of their income; 16% are only able to save between 11% and 20% of their income; and just 13% are able to save more than 20% of their income. In addition, 28% of the survey need to borrow to buy necessity. Accordingly, when it comes to financial well-being, the average score is 6.21 out of 10.0, which puts it on the bottom end of the surviving

category. A little more than a third (39 %) of MWAs fall into the surviving group, with a score ranging from 6.0 to 8.0. Among MWAs, just 10 % describe themselves as comfortable, and only 6% describe themselves as in the elated mode. Nearly half of them fall into the category of needing attention and being under strain. This report raised a great concern as an unexpected event, such as COVID-19 pandemic hits the social and economic. As such Malaysians are more worried about their financial well-being in the midst of the absolute lockdown that is being implemented to bring Covid-19 infections under control.

Many discourses have been held on the impacts of the Covid-19 pandemic on the social and economic situations of people. Although the impacts are expected to be huge, the exact magnitude and extent of the global impacts would be difficult, if not impossible, to quantify. This is because, even six months after the first Covid-19 case was confirmed, a vaccine has yet to be found and it is still not clear how long it would take for the whole world to recover. While many expert opinions have been shared on public domains about the impact of the Covid-19 pandemic on the incomes of businesses and households, research on this phenomenon is still sparse.

The Covid-19 pandemic has affected households economically, especially for the people working in sectors that are badly hit by the pandemic or sectors that have been instructed to limit or close their operation during the MCO period. To ease the financial burden of affected businesses and people, the Malaysian government has assisted qualified households by providing an economic stimulus package. The relevancy of this economic stimulus package in helping people out of financial distress during the MCO period is demonstrated in a study by Cent-GPS (2000).

The survey by Cent-GPS (2020) evaluated the financial status of Malaysians during the MCO period. The study reported that 30% of the respondents did not receive any income during this period. Concerning financial security, 30% of the respondents reported that their savings could last for only 1 month and another 44% had savings for only 1 to 3 months. However, this survey did not ask the respondents on their level of subjective FWB during the MCO period. Instead of measuring savings and income levels, the FWB of people reflects their financial capacity to fulfil their short- and long-term needs, their plan to ease financial challenges, and their ability to maintain their financial goals as planned and maintain a quality of life (Collins & Urban, 2020).

As such, discussions on how the FWB of people has been affected by the Covid-19 pandemic are necessary. Income level and financial wellbeing, although generally thought as being highly correlated, do not always prove to be the case. For instance, people with high incomes may not be able to settle their debt obligations, whereas those with low incomes may have sound financial management practices. Due to the limited discussions on this issue, little is known on how the FWB of people has been affected during the MCO period.

Literature Review

This section consists of two parts. The first section elaborates the impact of the Covid-19 pandemic on household income and the second section discusses the FWB of people.

The impact of the Covid19 pandemic on household income

The Covid-19 pandemic is a global pandemic that has affected the global economy. The International Monetary Funds or IMF (2020) expects that this pandemic would cause the global economy to contract by 3% and economic recovery would only be possible with policy support. The Malaysian economy is also seriously affected by the pandemic. With the high integration of economies at the regional level, Malaysia, Singapore, and Thailand are expected to be more severely hit by the pandemic compared to other countries in the Association of Southeast Asian

Nations or ASEAN (Menon, 2020). This scenario has been confirmed by the central bank of Malaysia, Bank Negara Malaysia (BNM) in their announcement on the economic growth of Malaysia for the first quarter of 2020, which at 0.7% is far below the economic growth in the last quarter of 2019 of 3.6% (Mohd Yunus, 2020). The BNM Governor associated this economic slowdown to the global pandemic of Covid-19. The impact of the pandemic on macro-economic fundamentals has caused economic challenges to households in the nation. While the pandemic has affected all nations, each country has country-specific circumstances that require unique economic relief actions for each of them. Therefore, investigations on how people in each country have been affected economically and financially by the Covid-19 pandemic are crucial in enriching the literature with multi-situational evidence.

Most of the countries affected by this pandemic use social distancing strategy in combating the virus. As a result, these countries have implemented full or partial lockdown to limit the movement of people, as the virus is said to spread from person to person. In Malaysia, the MCO has been enforced throughout the country, leading to a temporary cessation of economic activities, particularly during the early phases of the MCO. This situation has caused financial burdens to many people, such as daily-wage workers, micro-business operators, and small and medium enterprises.

The MCO implementation in Malaysia was announced by the Prime Minister on 16 March 2020, with the first two-week phase taking place throughout 18–31 March 2020. It was followed by several consecutive phases, each on a two-week basis, until August 2020. The MCO is enforced under the Control and Prevention of Infectious Disease Act 1988 and the Police Act 1967. Among the important points of the MCO implementation in Malaysia, as stated in the Prime Minister's special message delivered to the public on 16 March 2020, are:

- a. the restriction of movement and assembly, including the closure of non-essential economies activities, applies across the nation
- b. Malaysians are restricted from travelling abroad
- c. Foreigners are not allowed to enter Malaysia
- d. Closure of all educational institutions from kindergartens to higher education institutions
- e. Closure of all public and government premises

With the operation of the economic sector limited to essential activities, the MCO implementation has adversely affected household incomes. The most affected groups are those who receive no salary or a salary reduction, as well as businesses that make no income or a lower income. People tend to spend more on food and beverages and utility bills during the MCO period, which further worsens their financial position (Department of Statistics Malaysia [DOSM], 2020). The Malaysia Employment Insurance System under the Social Security Organisation (SOCO) or "Pertubuhan Keselamatan Sosial" (PERKESO) reported approximately 100,000 Malaysians have lost their jobs since the implementation of the MCO in 2020 (The Star, 2020). According to the survey by DOSM, during the MCO period, household expenses on food and beverages has increased by 27% and on utilities has increased by 50% compared to before the MCO implementation. Recognising the severe impact of the MCO on households, especially the M40 and B40 income groups, the government has allocated RM128 billion to the household sector out of the total RM250 billion allocation provided in the economic stimulus package (DOSM, 2020).

Theoretical discussion on financial wellbeing

Financial wellbeing (FWB) is a recent topic of literature that has various definitions. It is a subjective measure of the financial status of an individual. FWB is a personal view of four elements concerning one's financial conditions, namely the ability to control their daily and monthly financial needs, to absorb any abrupt financial demands, to ensure their financial condition goes according to plan, and to achieve financial freedom that gives an individual the capacity to decide and choose what they want in life (Collins & Urban, 2020). How are these four FWB elements related to the MCO situation during the Covid-19 pandemic? The ability to control daily and monthly financial needs refers to the situation in which an individual still has sufficient funds to pay for their needs such as house rental, loan instalments, groceries expenses, and utility bills. The ability to absorb abrupt financial demands means the individual has adequate financial preparation to face a crisis, such as having enough emergency funds or access to financial assistance from others. A person has the ability to ensure their financial condition goes according to plan if their financial goals, such as the financial target to buy a property or to further their studies, are not affected or are manageable during a crisis. Lastly, financial freedom allows an individual to make choices that satisfy their basic needs as a result of having adequate financial resources. FWB is achievable by individuals from both high-income and low-income groups if they can fulfil these conditions.

The objective of this study was achieved by comparing the mean FWB scores of respondents against the median score of 2.5/5.00. A simple calculation was done by dividing the score into two levels, namely below the mid-point of theoretical range and above the mid-point of theoretical range. The theoretical range of the scale used in this study is from one to five. The scale of one means strongly disagree, the scale of two means disagree, the scale of three means neutral, the scale of four means agree and the scale of five means strongly agree. If the mean FWB score of a respondent is above the median score of 2.5, then it can be concluded that the respondent has achieved a satisfactory FWB level. For future research, a more refined approach is necessary to strengthen the discussion.

Methodology

Data for this study were collected using a Google Form during the first phase of the MCO period. At the time of data collection, the respondents of this study had gone through two weeks of the MCO. The research instrument was disseminated to a group of part-time students working in various sectors for a living. Due to their financial commitment to both living and studying expenses, this group was postulated to be vulnerable to any significant changes to their financial status.

A total of 399 respondents participated voluntarily in the survey. The focus of the research instrument is measuring the FWB of the respondents. The instrument was adopted and adapted from Collins and Urban (2020). Ten items, as shown in Table 1, were used to measure their FWB on a scale of one to five (1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree).

Items 1 to 3 measured the FWB of respondents on their ability to meet their short- and long-term financial needs. Their ability to absorb financial shocks caused by an unprecedented crisis was measured by items 4 and 5. Items 6 and 7 measured the FWB of respondents on the ability to assure their financial plan is on track. Lastly, their financial freedom to make decisions in life was measured by items 8 to 10.

Table 1: Measures on FWB

| Item | Respondents were asked to provide a response on... |
|------|--|
| 1. | Able to handle major unexpected expenses |
| 2. | Able to secure their financial future |
| 3. | In the current financial condition, able to have the things wanted in life |
| 4. | Able to enjoy life due to practising good money management |
| 5. | The financial status is in good condition |
| 6. | Confident that their savings are adequate for future needs |
| 7. | I am not behind with my finance |
| 8. | Not having financial problem in buying gifts for special events |
| 9. | At the end of the month, there is still money left over |
| 10. | My life is not controlled by my finance |

In addition to the ten items on FWB measures, the respondents were asked to provide information on their demographic profile. Their feedback is explained in the Analysis section.

Analysis

This section reports the descriptive statistics of the respondents, as well as the mean and standard deviation (S.D) of each item.

Table 2 shows a summary of the profile of the respondents. Out of the total number of respondents of 399, 227 (56.90%) respondents were male and 172 (43.11%) respondents were female. The majority of the respondents or 204 (51.10%) respondents belonged to the 21–30 years old age group, while the 51–60 years old age group had the least representation with 4 respondents (1.00%).

Most of the respondents worked in the public sector, with 247 respondents (61.9%). A total of 124 (31.1%) respondents worked in the private sector. Additionally, 10 respondents had their own business and were employers, while 6 respondents were self-employed and had no employees. The remaining 12 respondents were unemployed.

The data also show that the majority of the respondents earned less than RM4000 per month, with 223 respondents (55.9%). Next, 156 respondents or 39.1% earned between RM4001 and RM8000 per month. Only 20 respondents (5.0%) earned a monthly income of more than RM8000.

Table 2: Profile of Respondents

| Items | Num. | % |
|--------------------------|------|-------|
| Gender | | |
| Male | 227 | 56.90 |
| Female | 172 | 43.11 |
| Age | | |
| 21–30 | 204 | 51.10 |
| 31–40 | 172 | 43.10 |
| 41–50 | 19 | 4.80 |
| 51–60 | 4 | 1.00 |
| Employment Sector | | |
| Public Sector | 247 | 61.9 |
| Private Sector | 124 | 31.1 |
| Employer | 10 | 2.5 |
| Self-employed | 6 | 1.5 |
| Unemployed | 12 | 3 |

| Monthly Income Group | | |
|----------------------|-----|------|
| Below RM4000 | 223 | 55.9 |
| RM4000 to RM8000 | 156 | 39.1 |
| Above RM8000 | 20 | 5 |

Table 3 reports the mean values of the items used in this study to measure the FWB of the respondents. Based on the results, it could be concluded that among the FWB elements, the respondents fared the poorest on the ability to have financial freedom. As shown in Table 3, the mean score of the life was not controlled by finance is 2.45/5.00 (S.D = 1.05). The mean score of leftover money at the end of the month is also below 3, which is 2.96/5.00 (S.D= 1.10). All other measures scored above 3.00/5.00, indicating satisfactory FWB levels of the respondents during the MCO period. The respondents also indicated they would need to use their savings to support their financial needs (mean= 3.61, S.D = 1.06).

Table 3: Mean and Standard Deviation

| Item | | Mean | S.D |
|---|--|------|------|
| Capability to meet short-term and long-term needs | | | |
| 1. | Able to handle major unexpected expenses | 3.27 | 1.00 |
| 2. | Able to secure the financial future | 3.06 | 1.07 |
| 3. | In the current financial condition, able to have the things wanted in life | 3.35 | 1.02 |
| Capability to absorb financial shocks due to unprecedented events | | | |
| 4. | Able to enjoy life due to practising good money management | 3.38 | 0.99 |
| 5. | The financial status is in good condition | 3.71 | 0.90 |
| Capability to assure the financial plan is on track | | | |
| 6. | Need to use savings for the future needs (-ve statement) | 3.63 | 1.06 |
| 7. | I am able to meet financial needs | 2.48 | 1.03 |
| Having financial freedom | | | |
| 8. | Not having financial problem in buying gifts for special events | 3.19 | 1.20 |
| 9. | At the end of the month, there is still money left over | 2.96 | 1.10 |
| 10. | My life is not controlled by my finance | 2.45 | 1.05 |

Based on the rank of mean values, it can be concluded that the most satisfied FWB condition is the financial status is still in good condition (3.71), whereas the least satisfied FWB condition is the ability to have financial freedom (2.45). Since the data collection was done only two weeks after the MCO implementation, the impact on their overall financial condition might not have been well identified by the respondents. They were unsure of the extent of the impact of the MCO implementation on their financial condition.

A discussion on each item is presented in the ensuing paragraphs.

Figure 1 shows the responses for item 1, “ability to handle major unexpected events”. The largest number of respondents or 158 respondents (39.6%) answered that they were unsure of their ability to handle their financial needs arising from major unexpected events. A total of 40 respondents (10.0%) strongly agreed that they were able to handle major unexpected events financially. Only 23 respondents (5.8%) reported that they were in the least position of financial ability to handle major expected events.

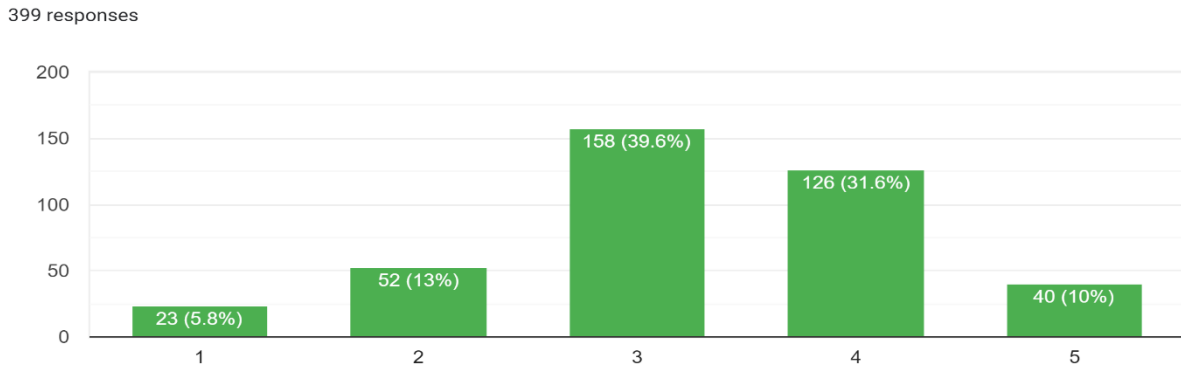


Figure 1. Responses to item 1: ability to handle major unexpected events.

Figure 2 reports that the largest number of respondents, represented by 143 respondents (35.8%), were unsure of whether they were still able to meet their long-term financial needs. A total of 109 respondents (27.3%) agreed that they were still able to meet their long-term financial needs and 32 respondents (8%) reported that their ability to meet their long-term financial needs was not affected at all. However, 34 respondents (8.5%) strongly disagree that they were able to meet their long-term financial needs.

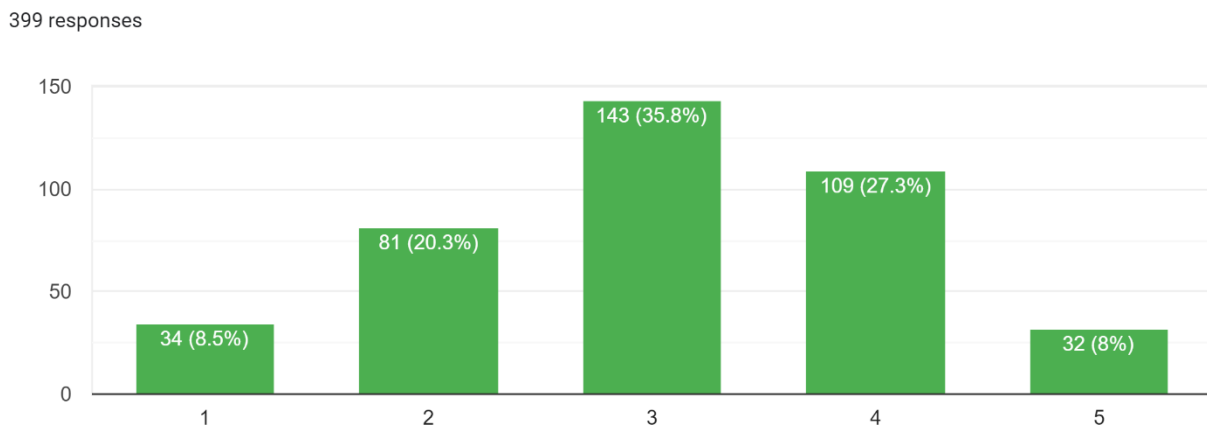


Figure 2. Responses on item 2: ability to secure future financial needs.

Figure 3 reports the responses on item 3, “In the current financial condition, I am still able to have the things I want in life”. Only 48 respondents (12%) and 138 respondents (34.6%) strongly agreed and agreed, respectively, to this statement. Meanwhile, 52 respondents (13%) and 21 respondents (5.3%) disagreed and strongly disagreed, respectively, to this statement. The disagreement indicates that their current financial situation might impair their ability to meet their short- and long-term financial needs.

399 responses

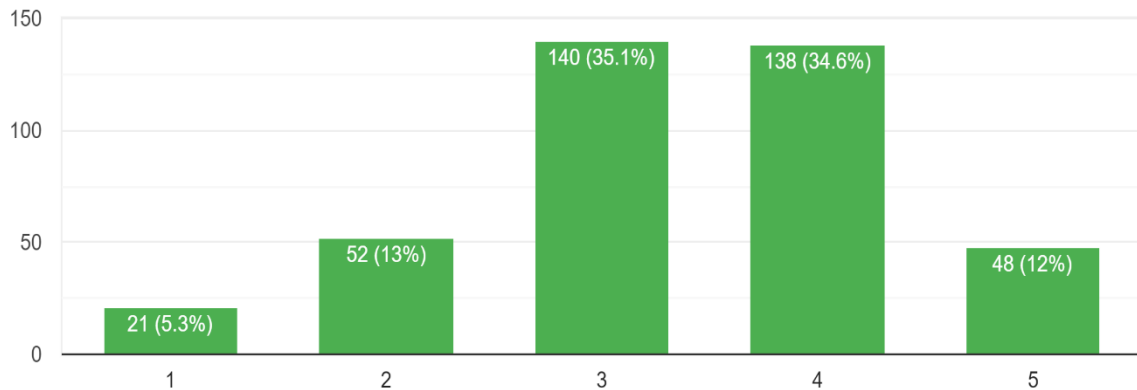


Figure 3. Responses on item 3: ability to have the things wanted in life.

Figures 4 reports the ability of the respondents to absorb financial pressure arising from unprecedented events like the Covid-19 pandemic. The figure indicates that 136 respondents (34.1%) and 49 (12.3%) agreed and strongly agreed, respectively, that their effective financial management had contributed to their current financial condition.

399 responses

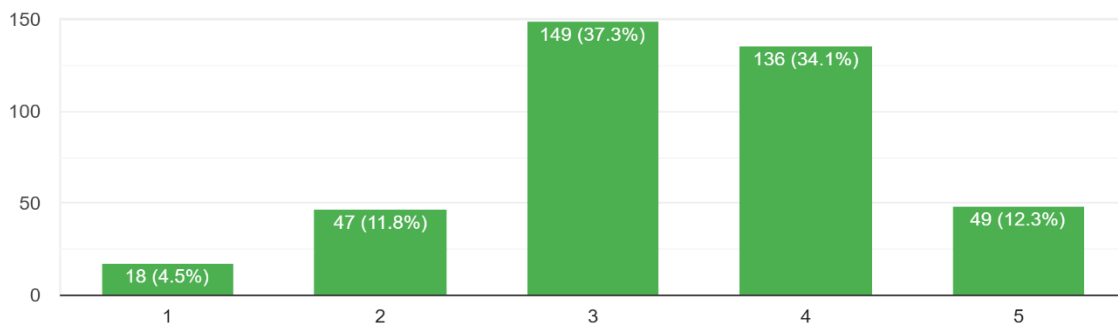


Figure 4. Response on item 4: ability to absorb financial pressure due to unprecedented events.

Figure 5 depicts that the majority of the respondents were able to meet their basic life needs financially. A total of 171 respondents (42.9%) and 76 respondents (19%) responded agreed and strongly agreed, respectively, that they were still capable of meeting their needs in life. Only 4 respondents (1%) found it very difficult to meet their needs in life.

399 responses

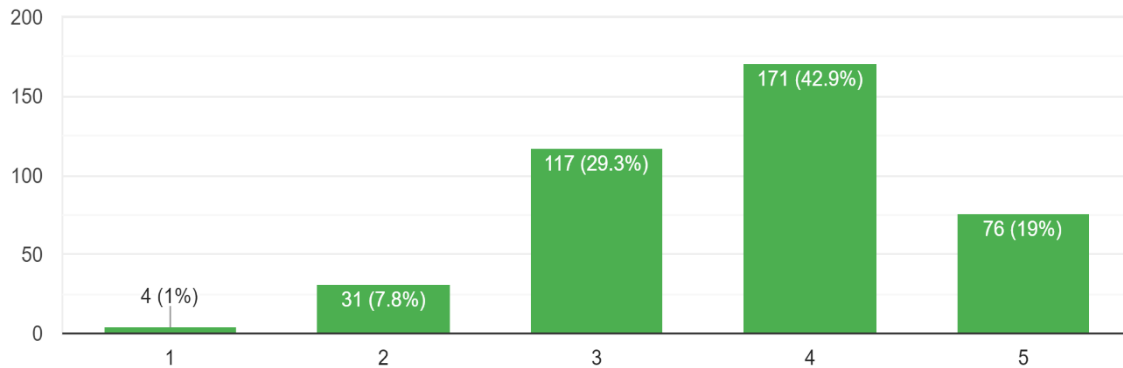


Figure 5. Response on item 5: ability to meet basic life needs financially.

Figure 6 reports that 123 respondents (30.8%) agreed and 97 respondents (24.3%) strongly agreed that they might need to use their savings to support their future financial needs. Meanwhile, 128 respondents (32.1%) were unsure of their ability to survive financially without using their savings. A total of 15 respondents (3.8%) reported that they were able to meet their future financial needs without withdrawing their savings.

399 responses

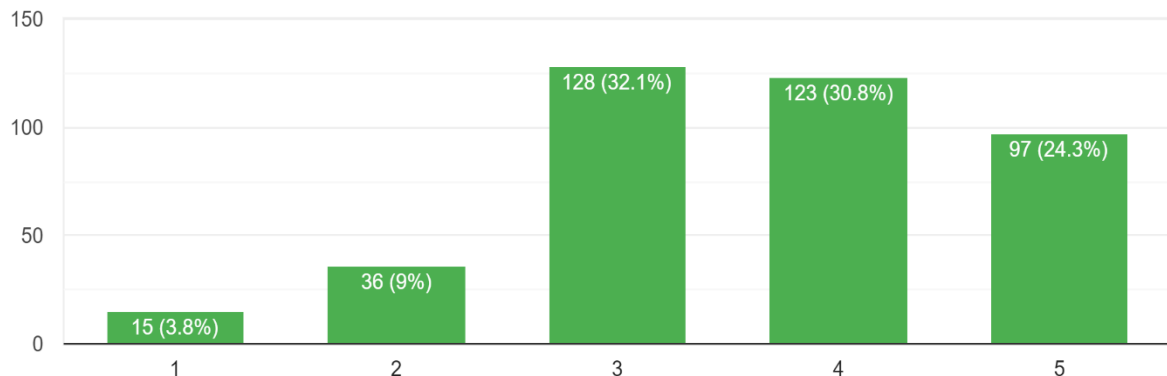


Figure 6. Responses on item 6: need to use savings to meet future financial needs.

Figure 7 shows that only 30 respondents (7.5%) and 99 respondents (24.8%) strongly agreed and agreed, respectively, that they were still able to meet their financial needs during the MCO period. Meanwhile, 141 respondents (35.3%), 84 respondents (21.1%), and 45 respondents (11.3) reported that they were unsure, disagreed, and strongly disagreed with the statement. In other words, they might face financial hardship in saving a portion of their income.

399 responses

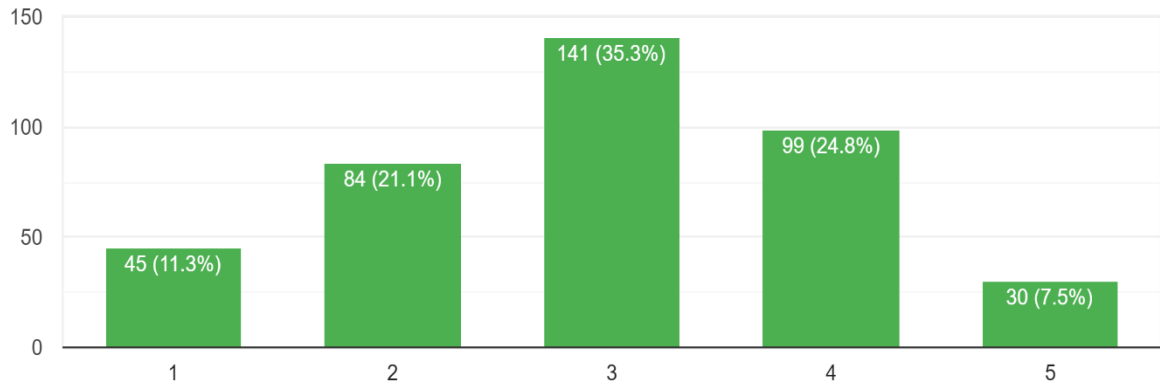


Figure 7. Response on item 7: able to meet financial needs

Figure 8 reports that 68 respondents (17%) and 88 respondents (22.1%) strongly agreed and agreed, respectively, that they were still able to buy gifts or presents to celebrate events like birthdays. Meanwhile, 130 respondents (32.6%) were unsure if their financial situation would allow them to spend on gifts or event celebrations. A total of 76 respondents (19%) and 37 respondents (9.3%) disagreed and strongly disagreed, respectively, with the statement, indicating their financial constraints to buy gifts or celebrate events due to their current financial situation.

399 responses

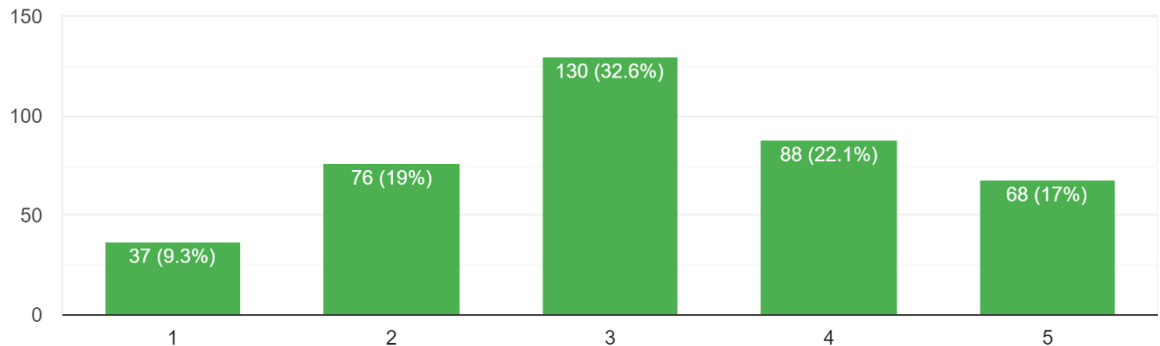


Figure 8. Response on item 8: ability to buy gifts or presents for special occasions.

Figure 9 reports that only 36 respondents (9%) and 16 respondents (4%) agreed and strongly agreed, respectively, that they did not have enough money to pay for their expenses. In contrast, 76 respondents (19%) and 124 respondents (31.1%) strongly disagreed and disagreed, respectively, with the statement. In other words, they still had enough money to pay for their expenses. Meanwhile, 147 respondents (36.8%) were unsure if they had enough money to pay for their expenses.

399 responses

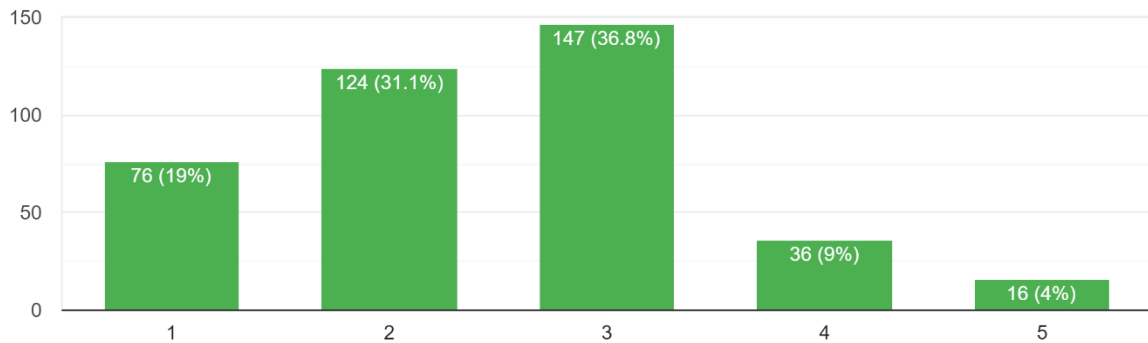


Figure 9. Response on item 9: Has money leftover at the end of the month

Figure 10 reports that most of the respondents stated that they were still able to control their lives financially. In other words, their lives were not controlled by their financial condition. A total of 80 respondents (20.1%) and 132 respondents (33.1%) strongly disagreed and disagreed, respectively, with the statement that their lives were controlled by their financial condition. Only 41 respondents (10.3%) agree and 16 respondents (4%) strongly agree that they were facing the issue of their lives being controlled by their financial condition. In other words, they were not able to fulfil parts or all of their life needs due to their financial condition.

399 responses

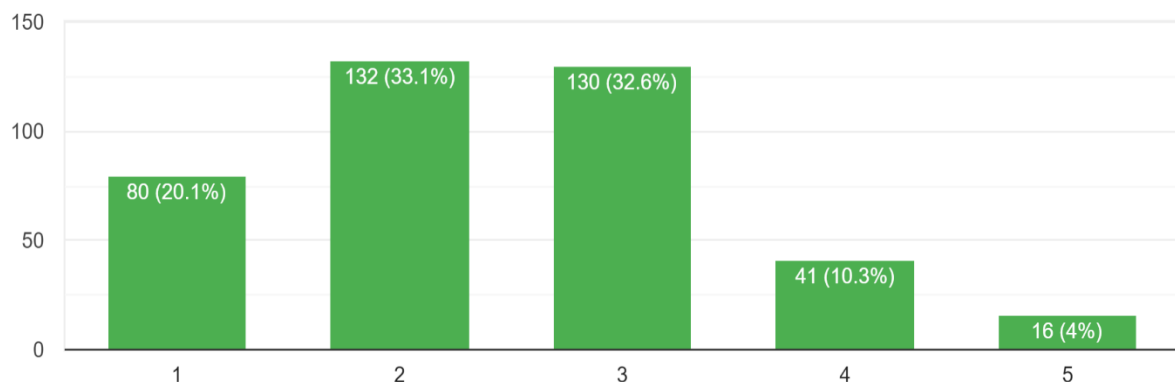


Figure 10. Response on item 10: life is controlled by financial situation.

Discussion

Based on the data analysis, it was found that the FWB of households in Malaysia during the MCO period was at a satisfactory level, with the mean scores ranging from 2.45/5.00 to 3.71/5.00. Since some respondents faced financial hardship during the MCO period, the financial assistance from the Malaysian government provided some relief in reducing their financial burden.

For the three items measuring the capability of the respondents to meet their short- and long-term financial needs, the highest response given by the respondents is “unsure”. Results show that 39.6% of the respondents were unsure of their financial capability to handle unexpected events (Figure 1). In addition, 35.8% of the respondents were unsure of their ability to meet their future needs (Figure 2). Further, 35.1% of the respondents were unsure if their current financial situation would still allow them to have the things they wanted in life (Figure 3). The high number of respondents who were unsure of their capability to meet their short- and long-

term financial needs may be related to the uncertainty surrounding the Covid-19 pandemic phenomenon, and consequentially, how long it would take for the economic sector to resume their full operations. The longer the MCO is in place, the bigger would be the impact of humans (Alon, 2020). This uncertain situation creates challenges for people to plan and predict their financial needs. Only a minority of the respondents strongly agreed that they were able to meet their short- and long-term financial needs.

On the ability of the respondents to absorb financial shocks caused by unprecedented incidents like the Covid-19 pandemic, the majority of them were unsure about the financial capability to do so. A total of 37.3% of the respondents were unsure whether they were able to absorb the financial pressure that might arise (Figure 3). However, the majority of the respondents were still able to meet their basic needs (Figure 4). This response was collected after the implementation of the first two-week phase of the MCO. How long the respondents could survive would depend on how long it takes for the economic sector to bounce back to normal, as during the survey, no one was sure how long the MCO would be implemented. It is expected that the Covid-19 pandemic will create a new norm in human lives over the long term (Collins, Florin, & Renn, 2020). The financial aid provided by the government through the Economic Stimulus Package would ease the burden of the people in meeting their basic needs during this difficult time.

To assess the FWB of the respondents, this study analysed the capability of the respondents to assure their financial plan was still on track. Results show that a high number of the respondents might need to use their savings to support their future needs, which might have negative consequences on their long-term financial planning. A total of 123 respondents agreed and 97 respondents strongly agreed that they might need to use their savings to support their future financial needs (Figure 6). However, 99 respondents (24.8%) and 30 respondents (7.5%) agreed and strongly agreed that they were still able to meet their financial needs during the MCO period. Thus, their responses show that the respondents were still able to handle their short-term financial needs, but they thought that they might need to use their savings for long-term financial needs. Therefore, the government should consider providing short- and long-term plans in the economic relief programme to help ease the financial burden of the people. The government's decision to allow people to withdraw their money from the pension fund, Employee Provident Fund, could help those who do not have adequate savings to pay for their expenses.

The fourth FWB element is financial freedom. For the analysis of the ability of respondents to buy gifts for special events, the highest response is unsure (130 respondents or 32.6%). A total 88 respondent (22.1%) agreed and 68 respondents (17%) strongly agreed that they were still able to buy gifts for special occasions. Concerning not having sufficient funds for expenses, only 16 respondents (4%) strongly agreed with this statement. Similarly, only 16 respondents (4%) strongly agreed that their lives were controlled by their financial condition. From the responses to these items, the majority of the respondents reported that they still had high levels of FWB in which they were still able to celebrate special occasions, had money to cover their expenses, and their lives were not controlled by their financial situation. These items are important indicators of their ability to handle the difficult situation imposed by the MCO implementation, as a good FWB level would allow them to stay at home rather than going out to work due to the desperation caused by financial hardship. FWB is crucial because it is part of the general wellbeing of people.

Limitations and Suggestions for Future Research

First, this study collected data based on voluntary participation, which explains the relatively small sample size. A bigger sample size would provide more conclusive findings. Nevertheless,

the findings of this study concur with the results of other surveys with bigger sample sizes and different samples that people are worried about the risk of having to use their savings to support their financial needs. Second, this study collected cross-sectional data using a questionnaire, which does not allow it to shed light on the long-term FWB of households. The Covid-19 pandemic is expected to cause financial shocks to households even after the MCO is lifted. Therefore, future research may consider conducting a longitudinal study to strengthen the literature on the FWB of households during the Covid-19 pandemic. Third, this study measured the FWB during the MCO period without pre- or post-tests after the MCO period is over. Therefore, future research may consider conducting a comparative study of the FWB of households between during the MCO period and after the MCO period.

Conclusion

The income level of households has been used as the main criterion in providing financial assistance to ease the financial burdens of people during crisis times such as the Covid-19 pandemic. This decision has been widely practised due to, among others, the availability of data and the objectivity of measures. However, income level may or may not reflect FWB, which is the paramount objective of any financial assistance programme. Although collecting data on FWB is a complicated and tedious process, the effort should be carried out to evaluate the FWB of households and how financial assistance has helped them to maintain or achieve FWB. Based on the findings of this study, the FWB of the respondents was still satisfactory during the MCO period, reflecting their preparedness to face the crisis financially. However, a more rigorous study is needed to reach conclusive findings on the FWB of Malaysians during the Covid-19 pandemic given the uncertainty over how long it would take for the pandemic to be over and the extent of the impact on the whole economic system, which at this stage is still a projected number.

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