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Article

Malaysian Financial Well-being during COVID-19 Pandemic: Does Income Classification Make a Difference?

Che Norhalila Che Mohamed*, Nur Izzati Ahmad Nasharuddin, Nur Aishah Mohamed Yussof & Nora Mohd Basir

College of Computing, Informatics and Mathematics, Universiti Teknologi MARA, 70300 Seremban, Negeri Sembilan, Malaysia

*Corresponding Author: cheno849@uitm.edu.my

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Abstract: The Covid-19 pandemic has affected emotions, health, and the community's well-being. It is even worse when the movement control order had to be carried out to curb the spread of this epidemic, which indirectly affected the financial well-being of individuals in Malaysia. Every person in society is affected by their income source for various reasons. Job losses, and a lack of adequate savings and emergency funds, accompanied by debt and loan management, will exacerbate the situation. An individual's or household's health and financial stability are important aspects of financial well-being for living a better daily life. It encompasses more than just a person's financial situation; it also includes their ability to meet financial goals and obligations, as well as their level of financial stress. As a result, this study aims to compare the financial well-being of Malaysian individuals between income classifications (B40, M40, and T20). Convenience sampling was used to get 265 respondents by using an online survey. A Kruskal Wallis test showed a statistically significant difference in financial well-being between income classifications, $\chi2 = 13.818$, p-value = 0.001. Financial well-being for B40 is the lowest, followed by M40 and T20. The implications of acute financial well-being will lead inability to meet basic needs such as housing, food, healthcare, and education. Employees were recommended to have retirement savings and an excellent financial attitude to have good financial well-being.

Keywords: Covid-19; financial well-being; income classification; Kruskal-Wallis test; Malaysia

Introduction

Coronavirus 2 (SARS-CoV-2) or Coronavirus disease (Covid-19) is a virus that causes severe acute respiratory syndrome. Covid-19 was discovered and has spread worldwide, including in Malaysia, since the end of 2019. The widespread COVID-19 epidemic worldwide has changed our lives in many aspects, especially in health, social, financial, and economic factors. Statistics show that about 200 countries are facing a downturn by Covid-19 (Azman et al., 2021).

Consequently, this situation led to the financial decline of most Malaysians. According to the Star newspaper, Human Resources Minister Datuk Seri M Saravanan, about 100,000 Malaysians lost their careers during the movement control order (Tan et al., 2020). Sabri et al. (2020) stated that financial problems always became an issue among Malaysians aged 18 to 44 years before the Covid-19 outbreak declared bankruptcy. This matter has become worse due to the pandemic. Lee (2021) stated that economists have mentioned that most workers risk losing their job because of the extended lockdown as the nation's infection rates remain high. This concern has moved to the forefront of personal loans, which are the biggest reason for bankruptcies in Malaysia. This statement can be proven by the Law Minister of Malaysia, Wan Junaidi Tuanku Jaafar, who mentioned that a sum of 11,207 Malaysians was declared bankrupt during the Covid-19 outbreak (Babulal & Yunus, 2021)

Frijters et al. (2003) indicated that financial well-being is part of personal division well-being which consists of the environment, housing, job, health, and leisure. Financial well-being, also known as financial wellness, is a substantial concept based on objectives and subjective measures. Furthermore, Gerrans et al. (2014) said researchers who approach financial well-being topics would usually conceptualise financial well-being as a subjective judgment. This pandemic significantly impacted the country's economy, leading to the decline of Malaysian finances. According to Haryanto (2020), most economists estimate that this pandemic outbreak will decrease global economic growth, including in Malaysia. The aftermath of the COVID-19 pandemic escalated the absolute poverty figure in Malaysia, increasing from 5.6% in 2019 to 8.4 % in 2020 (Department of Statistics Malaysia, 2021).

In Malaysia, the income classification segregates the population's income into three classes: B40, M40 and T20. Based on the Household Income and Basic Amenities (HIS/BA) survey report 2019, B40, M40 and T20 represent the percentage of the country's population of the Bottom 40%, Middle 40% and Top 20%, respectively (Department of Statistics Malaysia, 2020). Consequent to the COVID-19 pandemic, the B40s are among the groups most impacted by the pandemic in terms of household income. This is a result of the issue of being expelled to minimise the expenses that employers must incur for operations and services. The B40 group has to endure the risk of giving up half a month's salary or being forced to lay off employees. This is one of the short-term and drastic actions that the impacted employer must implement. Farmers, fishermen, tourism industry employees, the hospitality industry, and small business owners are among those in the private and self-employed sectors who are impacted. This contrasts with individuals who work in public services and have a fixed income, like teachers and nurses. For the sake of survival, this group had to find other alternatives as a source of income apart from financial aid and initiatives from the government (Ammituh & Abdullah, 2020).

The government provides the B40 group with an assortment of initiatives and support. The economic climate and household income, however, also have an impact on the M40 group. In 2020, Malaysia's poverty rate rose from 5.6 to 8.4% in comparison to 2019. More than 600,000 middle-income (M40) families now fall into the B40 low-income group because of the Covid-19 crisis, which has a negative impact on Malaysians' income levels (Ismail et al., 2021). According to Sabri (2020), despite the M40 group's higher household income than the B40 group's, these two groups' financial well-being are similar. Additionally, financial management and money storage strategies need to be improved along with income. For instance, maintaining a healthy financial situation requires reducing credit card use and the monthly practice of saving money.

Regardless of income, whether in the city or the countryside, the issue of the rising cost of living is frequently discussed in the community. The T20 group is also impacted by the rising cost of living, in addition to those in the lower social classes. In fact, even though their incomes are generally good, the majority of the T20 income group expressed concern about the rise in living expenses (Sulaiman et al., 2020). According to Rashid et al. (2018), the three basic monthly needs that require high monthly expenses are food, drink, house payments, water, electricity, gas, fuel, and even transportation. The T20 group, in contrast to the B40 and M40 groups, has a different preference for spending. Transport and loan repayment acquire the largest allocations of T20.

Therefore, this study attempted to compare the financial well-being of individuals in Malaysia between income classification (B40, M40, and T20) with a preliminary analysis of respondent demographic profiles. The results will encourage Malaysians to understand their financial well-being better and have a high financial literacy to manage money better.

Literature Review

Financial well-being is defined as one’s financial situation based on emotions such as happiness and free from worry about financial problems (Joo, 2008). The denotation of financial well-being has evolved from a simple level of happiness or satisfaction in an individual’s financial state to a complex measurement that includes quantitative and qualitative materials (Delafrooz & Paim, 2011). This can be said that the real concept of financial well-being is faded and unclear, which can lead to its definition and measurement inconsistency (Brüggen et al., 2017). However, considering the previous measurement, adding a qualitative factor may be more suitable because only the respondents can express their true feelings about their financial wellness.

Gender differences may create a gap in financial knowledge resulting in a distinct interest in financial issues (Bettina & Maria, 2018). The prior study indicated that females' interest in finance is approximately 10 % lower than males' financial interest (Winter et al., 2013). However, females have lower financial literacy, and recovering from the sudden financial shock is hard. In addition, females outshine males in financial behaviour and attitudes while having less financial education than males (Bettina & Maria, 2018). Sabri et al. (2020) add that despite females scoring higher than males, there is no significant difference between the gender in terms of financial well-being.

Regarding marital status, financial decisions made by the husband did affect the financial stability of the dual-income family. Previous results revealed that at each level of financial literacy, the possibility of the husband's contribution was higher than the wife's. The monthly income of married employees in dual-income families impacts the percentage variation of their financial literacy levels. Therefore, married employees with higher incomes have better financial well-being than those with lower monthly incomes (Zaimah, 2019). Financial well-being varies significantly depending on marital status. It was discovered that single employees have better financial health than married employees (Sabri et al., 2020).

Husniyah et al. (2012) found dissimilarities in financial literacy among various ethnicities in Malaysia. Chinese tend to have higher financial well-being than Malay and Indian. However, the Chinese tend to have lower financial well-being than Malay and Indian regarding solvency and consumer debt ratios. The consumer debt ratio is the ratio of gross annual debt payment to discretionary income, and the solvency ratio is the ratio of assets to liabilities (DeVaney, 1994). Looking into the education level in Malaysia, the minimum education qualification to get employed is a Sijil Pelajaran Malaysia (SPM) certificate. Mahdzan et al. (2020) found significant differences between education levels in financial well-being. The outcomes portray that people with the highest formal education at the postgraduate level have the highest financial well-being followed by the undergraduate level. Vosloo (2014) also suggests that education is related to financial well-being.

Next, it is worth looking into the job sector. Public workers are confident that their statutory savings will provide them with complete financial security when they retire (Kamakia et al., 2017). However, Mokhtar et al. (2015) reveal that public workers' overall financial well-being is average. On the other hand, people in business, farmers, professionals, and traders tend to achieve good financial well-being and financial literacy (Worthington & Whittaker, 2006). Osman et al. (2018) study suggests that retired people from government bodies do not have security in aspects of finance after their retirement compared to other job sectors such as private and entrepreneurs.

Income classification in Malaysia segregates the population into three groups. B40, M40 and T20 represent the percentage of the country's population of the Bottom 40%, Middle 40% and Top 20%, respectively, which represent the proportion of the total income households in Malaysia (Mahdzan et al., 2020). The income group is based on the country's GDP; the value is not fixed and may increase or decrease year-buy-year. The threshold value for the income classification based on the Household Income and Basic Amenities (HIS/BA) survey report 2019 are (1) less than RM4,850 for B40, (2) between RM4,850 to RM10,959 for M40 and (3) more than RM10,959 for T20 (Department of Statistics Malaysia, 2020).

The Financial Well-Being Index (FWBI) was calculated to provide a better scenario of the financial well-being of Malaysian households and to address the discrepancy in the current MWI (objective measure) and MFWBI (subjective measure) (Prawitz et al., 2006). Mahdzan et al. (2020) have discovered that B40 households held the lowest value of FWBI, which is 37.37. Next, M40 households reported an FWBI of 46.11; lastly, T20 households have the highest score of FWBI, which is 58.67. The value of FWBI for the three groups respectively displayed that the B40 group has low financial well-being levels that can lead to financial instability. Furthermore, the M40 group holds a decent FWBI value. Shockingly, T20 groups are in a moderately higher place than the M40 households, where individuals with high income also have an average level of financial well-being and average financial distress. A similar finding from Sabri et al. (2020) is that there is a significant difference between these three groups in terms of financial well-being. The financial well-being of the B40 and M20 groups differed significantly from the T20 groups. While the B40 group was not significantly different from M40 even though the score was lower than M40.

This study holds significant importance for Malaysians, particularly employees. It encourages the employee to gain a better understanding of their financial well-being, which can be crucial for emergency financial planning and effective expense management, including their future financial goals. By improving financial literacy and planning, individuals can potentially help prevent economic downturns caused by events like pandemics and natural disasters. Collaboration between the community, leaders, and the government is essential to ensure Malaysia's economic stability. Thus, the government plays an important role in managing national assets and financial resources to foster positive economic development and each Malaysian employee should strive to enhance their financial knowledge to make better decisions about their money.

Methodology

1. Sample, Sampling Technique and Research Design

Due to the COVID-19 pandemic, distributing the questionnaire to the respondents in person is hard as Standard Operation Procedure (SOP) must be practiced daily. Thus, convenience sampling was applied to gain a sample representing the captive audience. In addition, 265 respondents across Malaysia successfully answered the questionnaire distributed within a month. This study uses a cross-sectional design, where the sample information was collected using an online survey.

2. Research Instrument

The demographic profile question for the research instrument is primarily based on the article by Mokhtar and Abd Rahim (2016), and the financial well-being question is taken from Bureau of Consumer Financial Protection (2015). A sophisticated process was used to choose these questions, consisting of three steps: first, a series of rational interviews to make sure respondents understood the instrument and the questions they were being asked; second, factor analysis to choose the instrument that best calculated the basic concept of interest; and third, three rounds of psychometric analysis to determine the questions with the highest level of adult reliability. Ten items with two dimensions are included in this section. Six items comprise the first dimension, and four items on a 5-Likert scale comprise the second. The next step after data entry is data scoring. Data scoring for the dependent variable (financial well-being) was referred from the Bureau of Consumer Financial Protection (2015). The scoring process includes two steps. First, the analyst calculated the total response value by adding the scores from all 10 items. Second, the analyst converted the score to a CFPB Financial Well-Being Scale score. Individuals will have a better degree of measurable financial well-being if their score is high and vice versa, although there is no cut-off for “excellent” or “poor” financial well-being scores. In addition, three questions were asked regarding their financial situation such as savings plan, personal loan status, and adequacy of current income.

3. Data Analysis

The chi-square independence test was performed to examine the association between two categorical variables, demographic variables, and income classification. Pandis (2016) provided standards for test validity, which state that chi-square can be done if fewer than 20% of predicted results are less than or equal to 5. The values should not be less than one, indicating that the cells are empty. If the criteria are not met, a Fisher Exact must be performed.

Analysis of Variance (ANOVA) compares individual financial well-being in Malaysia between income classifications. As Alexopoulos (2010) stated, an ANOVA table can describe the significance of survey or experiment findings. Three assumptions must be fulfilled before the ANOVA test, namely, (1) the population must be normally distributed, (2) populations have equal variances, and (3) the samples are independent.

However, if the assumption is not fulfilled, the Kruskal-Wallis test is an alternative to ANOVA. According to Ostertagova et al. (2014), the Kruskal-Wallis test can be used to compare more than two independent samples and is an adequate substitute for a one-way analysis of variance. Non-parametric

ANOVA makes no assumptions about the normality of random error, but it does require random error independence. In addition, further analysis is needed to see if there is a significant difference between the group. For example, the Post Hoc Pairwise Comparison test was one of the most recommended tests to identify which group significantly differed from the other group.

The Findings and Discussion

Descriptive statistics were used to determine the respondent distribution by demographic profile, as shown in Table 1. Over 65% of respondents were female, while 52.5% reported being married. Malay respondents made up the majority of the sample (94%), followed by Bumiputera respondents (3.8 %). For the highest level of education, more than 60% of respondents had bachelor's degrees or more. The private sector employed more than half (55.1%) of the respondents, followed by the public sector (34.3 %). Regarding the distribution of respondents by income class, B40 made up 48.3% of the total, followed by M40 and T20, which made up 30.9% and 20.8% of the total.

Table 1. Respondent distribution by income classification and demographic profile

Variables	Income Classification						Total	
	B40		M40		T20			
	Frequency	**%**	**Frequency**	**%**	**Frequency**	**%**	**Frequency**	**%**
Gender								
Male	42	15.8	20	7.5	23	8.7	85	32.1
Female	86	32.5	62	23.4	32	12.1	180	67.9
Marital Status								
Married	33	12.5	59	22.3	47	17.7	139	52.5
Single	95	35.8	23	8.7	8	3.0	126	47.5
Ethnicity								
Malay	122	46.0	76	28.7	51	19.2	249	94
Chinese	2	0.8	1	0.4	1	0.4	4	1.5
Indian	0	0.0	2	0.8	0	0.0	2	0.8
Bumiputera	4	1.5	3	1.1	3	1.1	10	3.8
Highest Education Level								
Master/PhD	4	1.5	14	5.3	25	9.4	43	16.2
Bachelor’s degree	59	22.3	43	16.2	26	9.8	128	48.3
Diploma level	27	10.2	14	5.3	4	1.5	45	17
Certificate level	7	2.6	3	1.1	0	0.0	10	3.8
Secondary level	31	11.7	8	3.0	0	0.0	39	14.7
Job Sector								
Self-employed	16	6.0	5	1.9	4	1.5	25	9.4
Government	30	11.3	29	10.9	32	12.1	91	34.3
Private	82	30.9	48	18.1	19	7.2	149	56.2
Total	**128**	**48.3**	**82**	**30.9**	**55**	**20.8**	**265**	**100**

Examining the association between demographic variables and income classification, the findings are given in Table 2. With a p-value of less than 0.05, a Chi-square test reveals that marital status and educational background were related to the distribution of income classification. The relationship between gender and social class, however, is insignificant.

Table 2: Association between demographic variables and income classification

Variables	Chi-Square Test	Fisher Exact Test
Gender	0.098	-
Marital Status	0.000	-
Educational Background	0.000	-
Ethnicity	-	0.613
Job Sector	-	0.000

Moreover, based on the distribution of the ethnic and job sector, the assumption of the expected value of the cell was not satisfied; thus, the ethnic and job sectors were examined using the Fisher Exact test. Results indicate that there are associations between the job sector and income classification. However, ethnicity is not one of them. In conclusion, three out of five demographic variables were associated with income classification: marital status, educational background, and job sector. The findings are in line with studies conducted by Zaimah (2019), Bettina & Maria's (2018), Mokhtar et al. (2016) and Mahdzan et al. (2020).

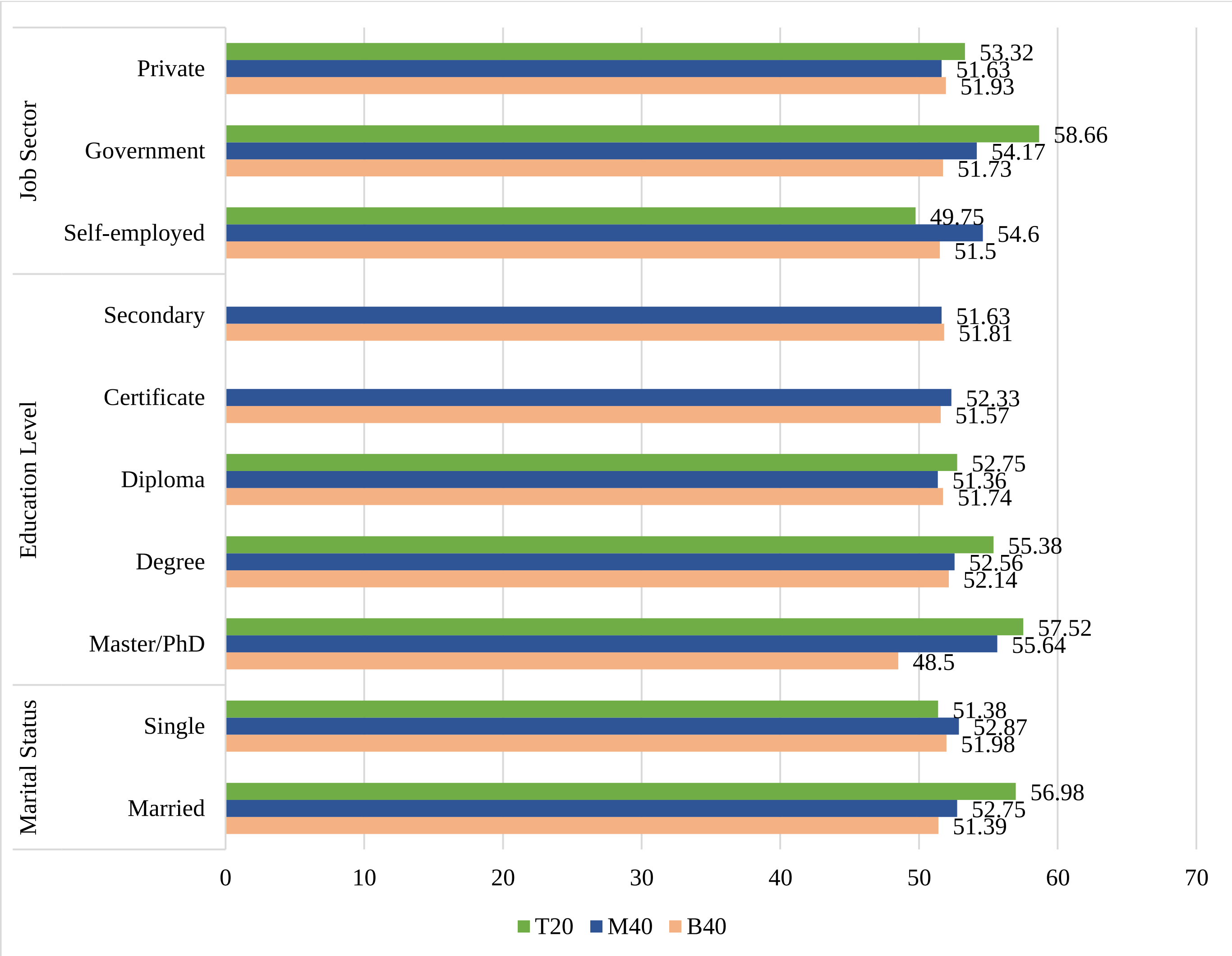

Figure 1. Financial well-being score between demographic variables and income classification

As mentioned before, only three variables were associated with income class; thus, further investigation was done to assess the differences in financial well-being (FWB) scores based on the variables. The average financial situation for each variable is displayed in Figure 1. The T20 group is more financially secure for married employees than the M40 and B40 groups. In contrast to the other two classifications, T20 singles have the lowest FWB score.

Next, the FWB score varies by education level, with scores ranging from 48.5% to 57.5%. T20s, as expected, have higher FWB scores than others at all levels of education. However, an interesting finding in respondents with a master's or a doctorate where the B40 group had the lowest FWB. This exhibits that respondent income really mattered to their financial well-being even though they had a good education level. Moreover, T20 groups seem to have a better FWB score when working with the Government rather than the private sector or self-employed. The stability of income and security of the job could be the main reasons for their better financial well-being. This finding contradicted Mokhtar et al. (2015), which stated that self-employed are good in finance. Nevertheless, the FWB score for B40 was almost the same, with around 51.5% to 51.93%. The results show that the majority of respondents' financial situation would not be very favorable if they earned a very low salary in any job sector.

In addition to demographic questions, current financial situation questions have been asked. Table 3 depicts a summary of respondents' financial situations according to income classes. Regardless of income level, current income is insufficient to meet basic needs by a small percentage. Most of the B40 and M40's current income is just enough to cover their basic needs per month. With a monthly income of less than RM4850, the B40 group has enough money to buy most things they want (9.4%), and 8.3% can save every month with good financial planning. As expected for the T20 class, the highest percentage is on "had enough income to buy everything they wished for" and "could save their money monthly".

Table 3. Distribution of financial situation between income classification

Financial Situation	Income Classification					
	B40		M40		T20	
	Frequency	%	Frequency	%	Frequency	%
Current Income Adequacy						
Not enough	12	4.5	6	2.3	3	1.1
Enough for basic needs	69	26.0	32	12.1	9	3.4
Enough for most things	25	9.4	18	6.8	20	7.5
Enough to buy all the things wished for and could save money	22	8.3	26	9.8	23	8.7
Main Savings Plan						
Pensions	10	3.8	14	5.3	15	5.7
EPF	90	34.0	44	16.6	23	8.7
Others	25	9.4	23	8.7	17	6.4
No savings	3	1.1	1	0.4	0	0.0
Personal Loan						
No	102	38.5	48	18.1	25	9.4
Yes	26	9.8	34	12.8	30	11.3
Total	**128**	**48.3**	**82**	**30.9**	**55**	**20.8**

Looking into the main savings plan, EPF is the primary source of financial savings for most respondents across all income classifications. Meanwhile, Other saving plans (gold, Tabung Haji, and ASB) and pensions are the second and third popular savings plans for each income class. Sadly, a small number of respondents in B40 and M40 do not even have a saving plan for the time being. Moreover, most of the B40 respondents do not have personal loans. Nevertheless, for the T20 groups, more than half of them have personal loans. The findings align with Rashid et al. (2018), which reveal that T20 has more allocations on loan repayment. The distribution demonstrates that respondents with higher incomes could fulfil their wishes and were not concerned about obtaining a personal loan because they believed they could do so.

1. Financial Well-being Between Income Classification

The mean for the entire sample and a summary of financial well-being means are shown in Table 4 below. Since the average throughout the entire sample is 53.02, the financial well-being of Malaysians is moderate. Additionally, T20 shows the highest individual average score compared to M40 and B40, similar to the finding of Mahdzan et al. (2020) and Sabri et al. (2020).

Table 4. Descriptive statistics for financial well-being for each income classification

Income Classification	**Financial Well-being**			
	n	**Min**	**Mean**	**Max**
B40	128	41	51.83	63
M40	82	41	52.78	65
T20	55	44	56.16	78
Total	**265**	**41**	**53.02**	**78**

Figure 2 shows a boxplot graph scoring financial well-being against income classification. The graph shows no outliers in this dataset. There is greater variability in financial well-being for T20. However, for B40 and M40 individuals, they are almost the same.

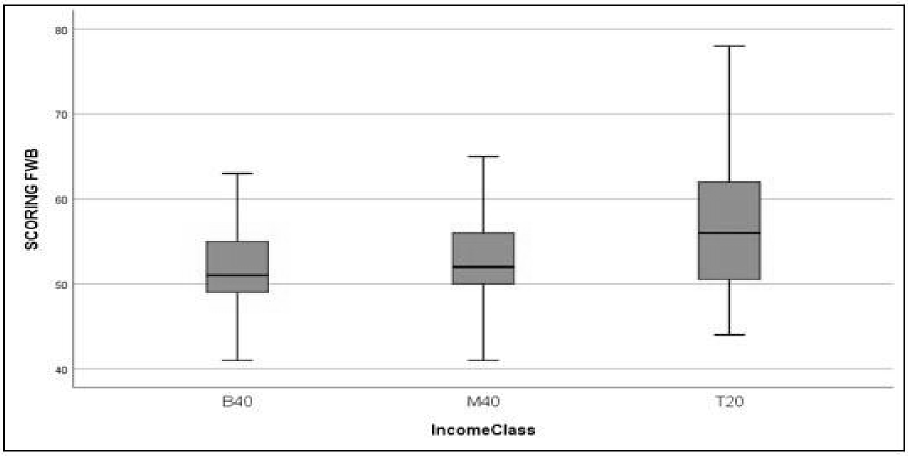

Figure 2. Boxplot of scores for financial well-being and income classification

2. ANOVA Test Assumption

In order to achieve the study objective, the assumption for the ANOVA needs to be fulfilled. Table 5 shows that the population in this research is normally distributed since the p-value of the Kolmogorov-Smirnov test is 0.000, which is less than 0.05. Hence, the first assumption (the population must be normal) was not fulfilled.

Table 5. Test for ANOVA assumption

	***p*-value**
Kolmogorov-Smirnov test	0.000
Levene Test	0.002

Next, Levene tests were performed to identify the homogeneity of variance for the population. The *p*-value is 0.002, which was less than 0.05; thus, the population has an unequal variance. Hence, the second assumption was not met. As the two assumptions for the ANOVA test were not fulfilled, the ANOVA test cannot be performed. Thus, Kruskal-Wallis's test should substitute the ANOVA test in comparing the financial well-being of individuals in Malaysia between income classifications.

3. Kruskal-Wallis Test

Table 6 below displays that the *p*-value for the Kruskal-Wallis was 0.001, which is less than the alpha value (0.05). This indicates that there is a significant difference in financial well-being between individual income classifications.

Table 6. Kruskal-Wallis's test

Chi-Square	***p*-value**
13.818	0.001

Looking into the mean ranks for the financial well-being score based on the income classification, T20 class suggest as the highest-scoring financial well-being with a mean rank of 165.48. However, M40 and B40 were followed as the second and lowest-scoring financial well-being with a mean rank of 131.96 and 119.71, respectively (Table 7).

Table 7. Mean ranks for financial well-being based on the income classification

Income Classification	**N**	**Mean Rank**
B40	128	119.71
M40	82	131.96
T20	55	165.48

4. Post Hoc Pairwise Comparison

As Kruskal-Wallis's test shows that there is a significant difference in financial well-being between individual income classifications, thus, post hoc pairwise comparison analysis was performed to identify which income class differed. Table 8 shows there is no significant difference between income classifications B40 and M40. However, there is a significant difference between B40 with T20, also M40 with T20. The finding parallels Mahdzan et al. (2020), which suggests B40 people have lower financial well-being than T20 people. The author also indicated that T20 households only have moderately higher financial well-being than the M40 people. The same author also stated a positive association between income classification and their level of satisfaction with finances.

Table 8. Pairwise Comparison Between Income Classification

Sample1 – Sample2	***p*-value**	**Significant**
B40 – M40	0.257	
B40 – T20	0.000	***
T20 – M40	0.012	***

Significant Code: 0 '***' 0.001 '**' 0.01 '*' 0.05 '.' 0.1 ' ' 1

Conclusion

It sort of motivates Malaysians to have strong financial literacy and a better understanding of their financial situation to handle their money better. This study revealed findings from the empirical data in comparing the financial well-being of individuals in Malaysia between income classification and their demographic profiles. From the analysis, only three demographic variables are associated with income class: marital status, education level, and job sector. The FWB score for government employees is higher for all income classifications than for private and self-working employees. A higher level of education, such as a master's or PhD holder, does not ensure better employment, a higher level of income, or overall financial security. This is so because employees with high levels of education can also fall under the B40 category for low income. As a result, they have the lowest financial well-being, with less than 50% of the FWB score. The same rule applies to self-employed individuals whose monthly incomes over RM10,959 (T20) recorded the FWB less than 50%. This might be because T20 only have EPF as their savings plan, and they must pay more personal loans as compared to M40 and B40 employees.

Overall, the average financial well-being of the three-income classes was moderate, ranging from 51% to 56% regardless of their marital status, education levels, and job sector. However, as expected, the average score of T20 is higher compared to M40 and B40. The Kruskal-Wallis test was used to compare the mean of income classification toward financial well-being to complete the objective. The Kruskal-Wallis test was used instead of the ANOVA test because there are 2 assumptions of the ANOVA test were violated: normality and equal variance. Thus, the Kruskal-Wallis test shows enough evidence to prove that income classification significantly affects financial well-being. Then, a Post Hoc test was conducted to identify which income classification has a significant difference. The results confirmed that M40 and T20 pair and B40 and T20 significantly differ in financial well-being. Although M40's income appears to be higher than B40's, their financial well-being is actually almost the same. Therefore, the most affected groups are B40 and M40 because of the financial downturn.

Therefore, each individual needs to ensure they have at least a small financial goal in place to be ready to confront another economic crisis, should one occur. Financial management would be very helpful in trying times. Employers, the government, and policymakers must move quickly to strengthen Malaysian employees' financial security to guarantee both their financial well-being and the finest possible state of mental health.

Recommendation

Seniors have serious concerns about their financial security in retirement, particularly as Malaysia's population ages. Employees Provident Fund (EPF) savings could ensure members' retirement well-being. According to Awang et al. (2022), Malaysians must save at least RM200,000 before retiring at 55 to cover requirements such as food and expenses. Despite that, Salim (2021) reported that RM101 billion had been spent by about half of EPF members to survive during the pandemic. To rebuild EPF savings, the members need to serve as employees for about 4 to 6 years. Thus, i-Saraan was recommended in this research. EPF has introduced the Voluntary Contribution with Retirement Incentive (i-Saraan), which enables freelance EPF members who do not generate regular earnings to make a self-voluntary contribution to their EPF savings while gaining additional government contributions. A few conditions need to be met for individuals to apply i-Saraan: the applicants need to be Malaysian citizens, registered EPF members, choose to contribute to i-Saraan, are below the age of 60, and be freelancers. One benefit for the members is that they will get an EPF death benefit of up to RM2500 (Kumpulan Wang Simpanan Pekerja, 2023). In Malaysia Budget 2022, it is stated that i-Saraan will give the members an additional special incentive of 15% up to a maximum of RM250 per year (Ministry of Finance, 2022, p. 17). However, EPF returns may not be sufficient to pay for living expenses and substantial medical expenditures in the incoming future economy. Thus, every employee needs to have a better financial savings plan and be able to save every month to cover daily basic needs, especially during an economic crisis. The practice of financial savings plans and expecting EPF and pension should be improved for each income class. To improve their financial well-being, those in the T20 group should consider and restructure their personal loan payments and lifestyle.

Moreover, this situation required full attention from multiple parties to protect the rights and needs of employees. By 2030, Malaysia will have an ageing population, necessitating the need for a comprehensive social security system. The system may raise employees' standards of living and lessen any financial shocks. The government and policymakers may use these insightful findings to enhance the current social security or pension system regulations to ensure a better living for Malaysian in the future, regardless of income class.

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