Covid-19: Analysis on financial wellbeing during the implementation of Movement Control Order in Malaysia

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Abstract

The Malaysian people's well-being has suffered as a result of COVID-19 pandemic. The welfare of Malaysians has also been impacted by the pandemic, as the Malaysian government has decided to implement Movement Control Orders (MCO) to prevent the virus from spreading throughout the country. Many Malaysian households' financial well-being has suffered as well due to the crisis consequences. Therefore, this study concentrated on the subjective financial well-being analysis of Malaysians during the implementation of the Movement Control Order (MCO). This is a quantitative study with 293 respondents, 163 of whom were from the B40 group and 130 from the M40 group. The descriptive analysis and Structure Equation Modelling (SEM) technique were used in the data analysis (SEM). The study found that the impact of expenses on financial well-being is greater in the "B40 income group" than in the "M40 income group." To support the financial well-being of B40 and M40 income groups, the government should implement an effective targeted policies, programmes, and incentives. Following the implementation of MCO in Malaysia, future research should focus on Malaysian households' financial well-being aspect.

Keywords: COVID-19, financial well-being, Movement Control Order (MCO), Malaysia

Introduction

On 25 January 2020, the new SARS-COV-2 virus, which caused COVID-19 pandemic, was detected in Malaysia. The COVID-19 cases had increased in February 2020 with 22 positive cases and continued to increase to 212 new positive cases on 23 March 2020, with a total of 1518 cases and 14 deaths. On 11 March 2020, the World Health Organisation declared this virus

attack as a pandemic. The increasing number of positive COVID-19 cases has spread throughout Malaysia, with the Klang Valley area contributing to the most positive cases (40% overall), followed by Johor (158 cases) and Sabah (169 cases). In response, Malaysian authorities took an aggressive approach by implementing a two-week Movement Control Order (MCO) on 18 March 2020, which shut down all businesses and services that were not related to essential services, as well as cancelling all events and gatherings (Tang et al., 2020). According to Table 1, as of the 8th of April 2020, Malaysia was ranked fifth in the Western Pacific Region with 3963 cases, with China ranking first with 83,157 cases (WHO, 2020).

Table 1. Countries, territories, or areas with reported laboratory confirmed COVID-19 cases and death

Reporting Country/ Territory/Area[1]	Total confirmed [1] cases	Total confirmed new cases	Total deaths	Total new deaths	Transmission classification[1]	Days since last reported case
Western Pacific Region						
China	83157	86	3342	2	Local transmission	0
Republic of Korea	10384	53	200	8	Local transmission	0
Australia	5956	112	45	3	Local transmission	0
Japan	4257	351	81	1	Local transmission	0
Malaysia	3963	170	63	1	Local transmission	0
Philippines	3764	104	177	14	Local transmission	0
Singapore	1481	106	6	0	Local transmission	0
New Zealand	969	26	1	0	Local transmission	0
Viet Nam	249	4	0	0	Local transmission	0
Brunei Darussalam	135	0	1	0	Local transmission	3
Cambodia	115	0	0	0	Local transmission	1
Fiji	15	1	0	0	Local transmission	0
Mongolia	15	0	0	0	Imported cases only	1
Lao People's Democratic Republic	12	0	0	0	Local transmission	1
Papua New Guinea	1	0	0	0	Imported cases only	18

COVID-19 pandemic has impacted Malaysia's economic sector, including the macroeconomic sector and the people's welfare. The foreign economic sector and the domestic economic sector were both mostly affected by this pandemic. As the infection mutated throughout China, most businesses have imposed lockdowns and halted operations. Malaysia is one of many countries with export and import trade links with China, resulting in a global demand-supply shock. The COVID-19 outbreak has caused devastation on Malaysia's economy, notably the travel and tourism industry. Malaysia's government has suffered losses of up to RM3.37 billion in the first two months of the year 2020 (Ramli & Zawawi, 2021). The most visible effect of the outbreak was a decrease in inbound international travellers to Malaysia's most popular tourist attractions. The Malaysian government estimated that the country's GDP fell by 0.8 percent to 1.2 percent (Karim et al., 2020).

Individuals, households, and businesses were experiencing immediate cash flow constraints as more companies and businesses were temporarily closed during the MCO (Cheng et al., 2020). The most affected income groups by the MCO were the B40 and M40 groups as most of these groups had lost their income and were unemployed. B40 is classified as household income earners below RM4849 and M40 is classified as household income earners between RM4850 to RM10959 (DOSM, 2020). This study aims to assess the impact of household

income, savings and expenses, and financial well-being during MCO, with a focus on Malaysian urban residents.

Literature review

Financial well-being is important in order to determine the household behaviours during any economic shocks. Financial well-being is defined as the perception of being able to maintain current and expected ideal living standards as well as financial freedom (Bruggen et al., 2017). Financial well-being also refers to the perceived satisfaction with one's current financial situation, confidence and ability to meet regular living expenses and emergency costs, and the ability to have the financial freedom to do the things one enjoys doing, as well as feeling secure about one's future retirement (Mahdzan, 2019). Previous studies have used income, savings, and expenses to examine the effect to the financial well-being (Hsu et al., 2015; Obucina, 2013; Guillen, 2008).

Brown et al. (2016) discovered that a positive relationship between the household income and overall life satisfaction in their study on household finance and well-being. This study supports the findings of a previous study, which discovered that household net wealth is positively related to life satisfaction and that financial variables can affect financial satisfaction (Headey & Wooden, 2004; Hansen et al., 2008; Plagnol, 2011). Dolan et al. (2008) argued on the findings because calculating gross income alone may provide an insufficient measure of actual discretionary income, whereby income was measured by items such as the individual and household annual net income, scholarships, and family financial assistance. Wealth is the best indicator of financial well-being in the study by Hsu et al. (2015), whereby the income and debt were found to be less important in financial well-being as individuals with greater wealth should be in a better position to cope with such adverse events in life than individuals who lacked wealth. Hanspal et al. (2020) found that the households that experienced significant income losses during the pandemic were more likely to report a decrease in total expenditure.

Another study by previous research examined the relationship between savings and financial well-being. According to a precautionary savings model - in the face of uncertainty, a panel of advanced economies finds that greater uncertainty about labour income is significantly correlated with higher household savings, and greater volatility is projected to increase the motivation for households to save as they attempt to shield themselves from the increased risk of adverse outcomes. Mody et al. (2012) found that the savings rates have significantly increased since the start of the Great Recession in mid-2007, resulting in lower consumption and GDP growth in the US market. O'neill (2012) examined financial behaviour before and after an economic downturn and as per the findings, budgeting, spending, and savings were significantly higher after the onset of the financial crisis. It can be concluded that the amount saved is largely determined by their income and financial needs. Savings increased the degree of life satisfaction, according to Howell et al. (2013) and Obucina (2013), who came to the same conclusion, separately.

Guillen (2008) investigated the link between consumption and subjective well-being in seven Peruvian communities. Data from a sample of Malaysian investors in another study by Ali et al. (2014) showed that financial literacy was a significant precedent variable in financial planning and that financial planning was an important determinant of financial satisfaction. According to Sahi (2013), investment tenure was related to financial satisfaction level. During the COVID-19 pandemic in 2020, households have begun to dramatically adjust their usual

spending across a wide range of major categories. Spending increased sharply at first, particularly in retail, credit card, and food products. This was accompanied by a significant decrease in total spending. Other study by Unnikrishnan & Figliozzi (2020) showed that a decreased in expenditure on products and services that have been significantly impacted or shut down by lockdown due to pandemic, whereby the results also indicated that higher income groups seem to have accumulated more savings during the crisis than in previous years. In contrast, between March 2020 and September 2020, the lowest income group had an average per month drop in their bank balances and caused them a lower in savings. In this case, the financial well-being of poorer groups was affected. With the pandemic particularly affecting households, the expenditure and financial well-being would surely have an impact.

Previous studies used different indicators to determine the level of financial well-being. Bruggen et al. (2017) identified essential components of financial well-being, including interventions or motivating consumers' sustainable behaviour, financial behaviour, consequences of financial well-being, environmental factors, and personal factors. Taft et al. (2013) mentioned that the recession has threatened financial well-being and caused economic concerns, including concerns about health, debts, income, and career advancement. These concerns have a negative impact on psychological and physical health, reduced workplace confidence and productivity, and increased absenteeism, tardiness, lack of concentration, and conservative behaviour. The sudden crisis would also cause financial anxiety, which can be defined as a person who feels unsure and is worried and anxious about money matters (Funfgeld & Wang, 2009). Therefore, individuals with low financial well-being would place a high value on financial anxiety and financial security (Barrafrem et al., 2020).

Rational and hypotheses for this study

In Malaysia, the COVID-19 outbreak is affecting households in the B40 and M40 income categories, as both are primarily low paid and low-skilled employees or single-income households that work every day. The purpose of this study is to investigate the impact of the COVID-19 pandemic on household income, savings, and expenditure, as well as the effect on financial well-being. This study also used income level categories B40 and M40 as moderators to examine the different effects of household income, savings, and expenditure on household financial well-being. Several hypotheses were tested in modelling this relationship:

H1: There is a positive relationship between income and financial well-being.
H2: There is a positive relationship between savings and financial well-being.
H3: There is a positive relationship between expenses and financial well-being.
H4: Level of income moderates the relationship between income and financial well-being.
H5: Level of income moderates the relationship between savings and financial well-being.
H6: Level of income moderates the relationship between expenses and financial well-being.

Conceptual framework and hypotheses formulation

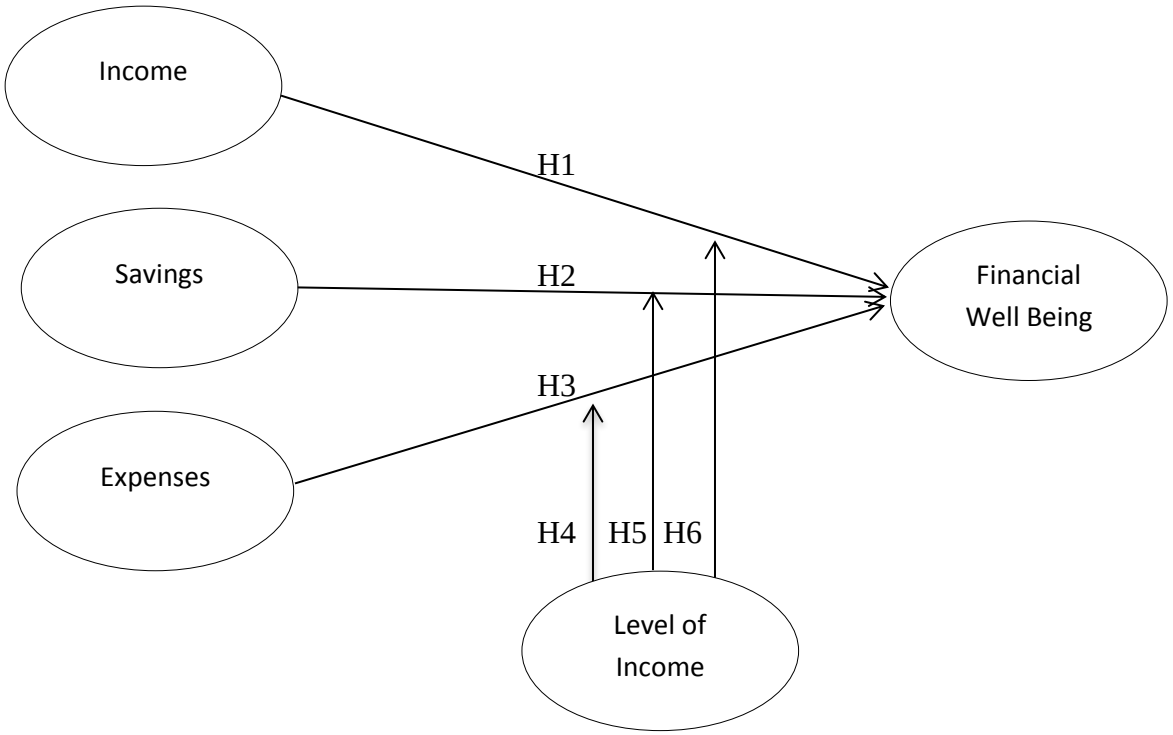

Figure 1. Conceptual framework

Income determinant towards financial well-being
H1: There is a positive relationship between income and financial well-being.

Savings determinant towards financial well-being
H2: There is a positive relationship between savings and financial well-being.

Expenses determinant towards financial well-being
H3: There is a positive relationship between expenses and financial well-being.

Moderation effect of level of income
H4: Level of income moderates the relationship between income and financial well-being.
H5: Level of income moderates the relationship between savings and financial well-being.
H6: Level of income moderates the relationship between expenses and financial well-being.

Methodology

The respondents for this study comprised the B40 and M40 income groups. Earners with incomes of less than RM4,316 were classified as B40, while those with incomes ranging from RM4,317 to RM9,616 were classified as M40. There were 163 respondents in the B40 group and 130 in the M40 group, with a total of 293 respondents. A closed-ended questionnaire was created

by adopting and adapting from previous research studies to obtain measurable and quantitative information. Two screening questions were posed to the respondents in order to prompt them to provide more information on their financial well-being during the period of MCO for COVID-19. The information was gathered from the family's head, and their monthly earnings must be less than RM9,620. To avoid non-sampling error, all questionnaire items were translated from Bahasa Malaysia to English and validated by domain and language experts from a university and industry who has strong prior knowledge of developing questionnaire, language and familiar with the targeted respondents. To evaluate the data, two primary statistical methods were used. The general information about the respondents was obtained using descriptive statistics, and structural equation modelling (SEM) was used to evaluate the fit of the proposed model to investigate the financial well-being during the COVID-19 period. SPSS version 22 (Statistical Package for Social Science) was used to record the data, and AMOS 22 (Analysis of Moment Structure) was used for SEM.

Results and analysis

Demographic profile of respondents

A sample size of 200 was gathered and analysed, with a response rate of 100%. Amongst the 200 respondents, 31.5% were female and 68.5% were male. With 92% of respondents belonging to the Malay community, 3.5% from Bumiputra Sabah and Sarawak, and the remaining 4% shared equally by the Chinese and Indian races, only a very small proportion belongs to other categories. Selangor has the highest proportion of respondents (45%), followed by Melaka (14%), Negeri Sembilan (7%), Putrajaya (6%), and the remaining balanced states of Kuala Lumpur, Perlis, Pulau Pinang, Perak, Kedah, Johor, Pahang, Kelantan, Terengganu, Sabah, and Sarawak (5%). 63.5% of residents live in cities, while 36.5% live in rural areas. Furthermore, only 2% of respondents were under the age of 25, 3.5% were over the age of 60, 18% were between the ages of 26 and 30 years, 23.5% and 24.5% were between the ages of 51 and 60 years, and the greatest number of respondents were between the ages of 31 and 40 years (28%). For the employment sector, the proportions were as follows: 42%, 30%, 14.5%, and 13.5% for private, government, self-employed, and unemployed workers, respectively. The education level of the students ranges from PhD to Ujian Pencapaian Sekolah Rendah (UPSR), with the highest number being 28% for Bachelor level, 19% for Sijil Pelajaran Malaysia (SPM), 16% for Master's and Diploma, and 7.5%, 5%, 5%, 3%, and 0.5% for STPM (Sijil Tinggi Pelajaran Malaysia), PhD, Sijil Rendah Pelajaran (SRP), UPSR, and none. There were 31 singles (15.5%), 155 married (77.5%), and 14 divorced (7%) respondents. Finally, the total sample size was made up of salary groups B40 at 116 (58%) and M40 at 84 (42%).

Structural Equation Model (SEM)

The reliability of all items and constructs was tested against a threshold limit not less than 0.7 for Cronbach alpha value (Hair et al., 2014), which met the criterion for further analysis. Three latent constructs, each of which was measured by multiple items, were used to measure the construct of financial well-being. The proposed framework was tested for overall data and separately for two levels of income group as B40 with income below RM4,316 and M40 with

income ranging from RM4,616 to RM9,616. The level of acceptance for a goodness of fit Incremental Fit are CFI (Comparative Fit Index) and TLI (Tucker-Lewis Index) is not less than 0.90; for Absolute fit RMSEA (Root Mean Square Error Approximation) is not greater than 0.08 indicating a good fit. For model Parsimony Chisq/df , value should not be greater than 5.00. The moderation effect was assessed using a multi-group assessment in this study.

Path analysis of the structural model

In a pooled Confirmatory Factor Analysis (CFA), each item for each construct was validated with a threshold limit of factor loadings not less than 0.6. All of the fitness indexes for the pooled constructs, as well as each item's weight, had met the condition. Therefore, all of the proposed items and constructs were retained for structural model hypothesis testing. The theoretical model presented in Figure 1 was evaluated using a whole sample. In the path structural shown in Figure 2, the structural model specified three relationships. There is a path from each exogenous variable of income, savings, and expenses to the endogenous variable of financial well-being.

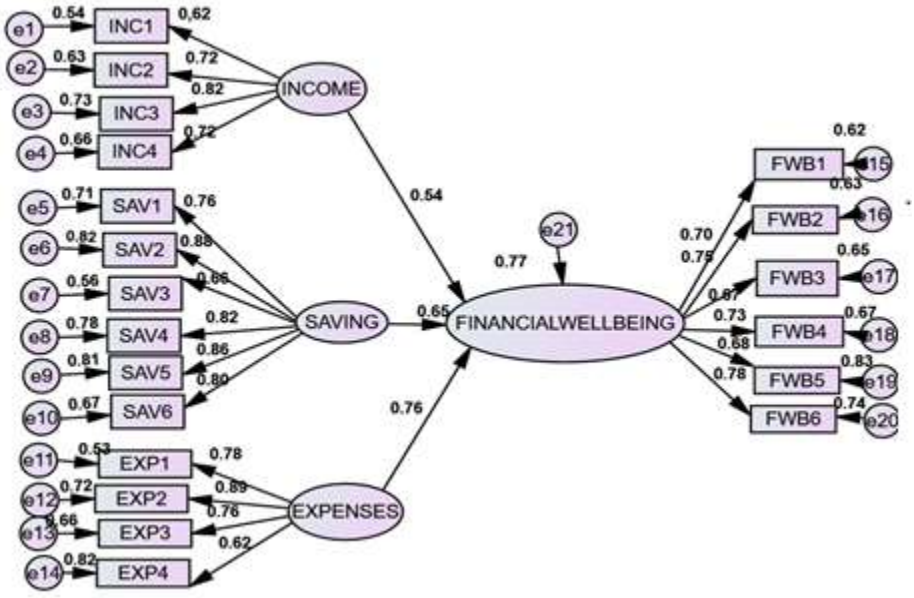

Figure 2. The Standardised Path Coefficients between Constructs in the Model

Figure 2 depicts the structural model with standardised path estimates calculated using the structural equation modelling method. Figure 2 shows that the coefficient of determination (R^2) is 0.77, implying that the exogenous construct of income, savings, and expenses explains 77% of the variations in financial well-being.

Table 1. The regression path coefficients and its significance.

Construct - Path			Estimate	S.E.	C.R.	P	Result
Financial Well Being	<---	Income	0.536	0.136	3.941	0.001	Significant
Financial Well Being	<---	Saving	0.651	0.068	9.574	0.003	Significant
Financial Well Being	<---	Expense	0.758	0.119	6.361	0.020	Significant

All of the paths presented through H1, H2, and H3 are statistically significant at $p<0.05$ and ($\beta = 0.54$, $\beta = 0.66$, and $\beta = 0.76$, respectively). The regression coefficient in Table 1 shows that when income rises by 1 unit, the financial well-being rises by 0.54 unit. Also, when savings rise by 1 unit, the financial well-being rises by 0.65 unit, and when expenses rise by 1 unit, the financial well-being rises by 0.758 unit. The (CR) critical ratio is the ratio estimated by S.E. (standard error). The CR value indicates how many units the estimate is standard error above zero. As a result, the regression coefficients for income, savings, and expenses in estimating financial well-being were significantly different from zero at 0.05 level (two-tail). Hypotheses H1, H2, and H3 were thus supported.

Table 2. Assessment of fitness for structural model.

Name of Group	Index name	Index value	Remark
Absolute fit	RMSEA	0.093	Not in the acceptable range
Incremental fit	CFI	0.862	Not in the acceptable range
	TLI	0.842	Not in the acceptable range
Parsimonious fit	χ^2 /df	5.005	Not in the acceptable range

H4, H5, and H6 were tested for multi group to confirm the moderating effect of income level.

Testing moderation effect

To test the moderation effect of income level, the data were divided into two groups and renamed B40 for respondents with income less than RM4,316 and M40 for respondents with income ranging from RM4,317 to RM9,616. The moderation effect was tested for the respective income groups using the multiple group analysis option for the two separated groups. The unconstrained method, which is the baseline model in which all parameters between groups were freely estimated, was used to test the moderating effect of income level on the relationship of exogenous and endogenous constructs. The fit statistics for each model in testing moderation effect were shown in the model fit tables below (Table 3a).

Table 3a. The moderation test for B40 group on income to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference
Chi-Square	1574.001	1550.091	23.91
DF	958	950	8

From Table 3a, the moderating test of income on financial well-being for the B40 group revealed a difference in Chi-Square value of 23.91 (1574.001 – 1550.091), but a difference in Degree of Freedom of 958 – 950 = 8. For the test to be significant, the difference in Chi-Square values must be greater than 15.507, which is the value of Chi-Square with 8 degrees of freedom. As a result, income level moderates the relationship between income and financial well-being.

Table 3b. The moderation test for M40 group on income to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference
Chi-Square	2106.943	2053.407	53.536
DF	958	953	5

Table 3b, the moderating test for the effect of income level on financial well-being in the M40 group revealed a difference in Chi-Square value of 53.54 (2106.943 – 2053.407), while the difference in Degree of Freedom is 958 – 953 = 5. The difference in Chi-Square values must be greater than the value of Chi-Square with 5 degrees of freedom, which is 11.070, for the test to be significant. Therefore, the relationship between income and financial well-being is moderated by the level of income. According to Table 3b, the fitness indices for the unconstrained model are significantly better with smaller Chi-square than the constrained model, indicating that the coefficients of the two groups were different. Since the B40 and M40 groups' moderation analyses were both significant and established, it is equally important to determine which group's effect is more pronounced in moderating the relationship between income and financial well-being. The unconstrained model was evaluated once more for each income level group (B40 and M40). The standardised coefficient estimates for B40 and M40 income groups in the path income to financial well-being were evaluated using the parametric test and were shown in Table 4a and Table 4b.

Table 4a. For the B40 income group, income has no effect on financial well-being.

			Estimate	P	Result
Financial Well Being	<---	Income	0.23	0.001	Significant

Table 4b. For the M40 income group, income has no effect on financial well-being.

			Estimate	P	Result
Financial Well Being	<---	Income	0.12	0.101	Not Significant

Table 4a shows that the standardised parameter estimates for the "B40 income Group" is 0.23 (P =.001), while from Table 4b, the same estimate for the "M40 income Group" is 0.12 (P =.101). The findings indicated that the effect of income on financial well-being was more pronounced in the "M40 income Group" than in the "B40 income Group." Since the standardised estimate for M40 is not significant and the standardised estimate for B40 group is significant, then the moderation type is a full moderation. In other words, hypothesis 4 is supported.

Table 5a. The moderation test for B40 group on savings to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference
Chi-Square	2570.001	2305.005	264.996
DF	1020	1012	8

Table 5a, presenting the moderating test of savings on financial well-being for the B40 group revealed that the difference in Chi-Square value is 264.996 (2570.001 – 2305.005), while the difference in Degree of Freedom is 1020 – 1012 = 8. For the test to be significant, the difference in Chi-Square values must be greater than the value of Chi-Square with 8 degrees of freedom, which is 15.507. Therefore, income levels moderate the relationship between savings and financial well-being.

Table 5b. The moderation test for M40 group on savings to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference	Result on moderation	Result of Hypothesis
Chi-Square	1053.165	976.720	76.445	Significant	Supported
DF	958	943	15		

From Table 5b, the difference in Chi-Square value for the moderating test for level of income on financial well-being for the M40 group is 76.45 (1053.165 – 976.720), the difference in Degree of Freedom is 958 – 943 = 15. The difference in Chi-Square values must be greater than the value of Chi-Square with 5 degrees of freedom, which is 24.996 for the test to be significant. As a result, the relationship between savings and financial well-being is moderated by the level of income. According to Table 5b, the fitness indices for the unconstrained model were significantly better with smaller Chi-square than the constrained model, indicating that the coefficients of the two groups were different. Because the moderation analysis for the B40 and M40 groups are both significant and well-established. Therefore, determining which group's effect is more pronounced in moderating the relationship between savings and financial well-being is equally important. The unconstrained model is evaluated once more for each income level group (B40 and M40). The standardised coefficient estimates for B40 and M40 income groups in the path income to financial well-being were evaluated using the parametric test and were shown in Table 6a and Table 6b.

Table 6a. Savings has no effect on financial well-being for the B40 income group.

			Estimate	P	Result
Financial Well Being	<---	Saving	0.41	0.001	Significant

Table 6b. Savings has no effect on financial well-being in the M40 income group.

			Estimate	P	Result
Financial Well Being	<---	Saving	0.27	0.201	Not Significant

Table 6a shows that the standardised parameter estimates for "B40 income Group" is 0.41 (P = .001), while Table 6b shows the same estimate for "M40 income Group" is 0.27 (P = .201). According to the findings, the effect of savings on financial well-being is stronger in the "M40 income Group" than in the "B40 income Group." Because the standardised estimate for

M40 is not significant, but the standardised estimate for B40 group is significant, therefore, the moderation type is a full moderation. Hypothesis 5 is thus supported.

Table 7a, the expenses moderating test on financial well-being for the B40 group the difference in Chi-Square value is 144.512 (2250.217-2105.705), while the degree of freedom difference is 1250-1220 = 30. The difference in Chi-Square value must be greater than the value of Chi-Square with 30 degrees of freedom, which is 43.773, for the test to be significant. As a consequence, income level moderates the relationship between expenses and financial well-being. The moderating test for income level on financial well-being for the M40 group is presented. While from Table 7b, the difference in Chi-Square value is 144.902 (2350.217-2205.115), while the difference in Degree of Freedom is 1230-1220 = 10. For the test to be significant, the difference in Chi-Square values must be greater than the value of Chi-Square with 10 degrees of Freedom, which is 18.31. Therefore, income levels moderate the relationship between expenses and financial well-being. According to Table 7b, the fitness indices for the unconstrained model are significantly better with smaller Chi-square than the constrained model, indicating that the coefficients of the two groups differ. Since the moderation analysis for the B40 and M40 groups are both significant and established. Therefore, it is equally important to determine which group's effect is more pronounced in moderating the relationship between expenses and financial well-being. Individually, the unconstrained model is evaluated for both income levels (B40 and M40). Table 8a and Table 8b show the standardised coefficient estimates for the B40 and M40 income groups in the path income to financial well-being using the parametric test.

Table 7a. The moderation test for B40 group on expenses to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference	Result on moderation	Result of Hypothesis
Chi-Square	2250.217	2105.705	144.512	Significant	Supported
DF	1250	1220	30		

Table 7b. The moderation test for M40 group on expenses to financial well-being.

	Constrained model	Unconstrained	Chi-Square Difference	Result on moderation	Result of Hypothesis
Chi-Square	2350.017	2205.115	144.902	Significant	Supported
DF	1230	1220	10		

Table 8a. The effect of expense on financial well-being is insignificant for B40 income group.

			Estimate	P	Result
Financial Well Being	<---	Expense	0.15	0.101	Not Significant

Table 8b. The effect of expense on financial well-being is insignificant for M40 income group.

			Estimate	P	Result
Financial Well Being	<---	Expense	0.45	0.001	Significant

Table 8a shows that the standardised parameter estimates for the "B40 income Group" is 0.15 (P = .101), while Table 8b shows the same estimate for the "M40 income Group" is 0.45 (P = .201). According to the findings, the effect of expenses on financial well-being is more pronounced in the "B40 income Group" than in the "M40 income Group". Since the standardised estimate for B40 is not significant and the standardised estimate for M40 is significant, therefore, the type of moderation is a full moderation. In other words, hypothesis 6 is supported.

Discussion

The COVID-19 pandemic gives potential a long-term negative impact on people's health, well-being, socioeconomic status, and humanitarian crisis (Ismail et al., 2021). COVID-19 continuously has given a negative impact on many households across the nations, including Malaysia. According to the United Nations Children's Fund report, many low-income households in Malaysia were still worse off than before the COVID-19 pandemic and were in real danger of "backsliding" (UNICEF). Firms in all sectors had to reduce their workforces, and this had a negative impact on the workers' well-being due to job losses and loss of income. Meanwhile, the effect of increasing living costs is a burden on household's purchasing power and an increased in credit and debt utilisation.

According to the findings of this study, the effect of expenses on financial well-being is more pronounced in the B40 income group than in the M40 income group in Malaysia. The B40's financial well-being is the lowest, indicating the group's financial difficulties, and suggested a high degree of financial distress reciprocally. According to the current literature, the financial well-being of Malaysian households varies according to socioeconomic context, including age, education, job, and marital status (Mahdzan, 2020; Falahati & Paim, 2011). Nonetheless, no significant differences in financial well-being were found amongst respondents based on faith, race, or residence. This indicated that all Malaysian households, regardless of nationality, race, or residence, perceived the negative effects of financial well-being. As a result, any targeted efforts to improve the general population's financial well-being must include the relevant socioeconomic circumstances and, most importantly, their existing financial status.

This is because the most subnational government anticipate the socioeconomic issues associated with COVID-19 which led to negative impact on their budgets during immediate and medium term, resulting in increasing expenditure and falling income (CoR-OECD, 2020). Besides, most Malaysian households have different financial well-being due to socioeconomic factors such as age, education, occupation, and marital status (Ross & Huber, 1985; Joo & Grable, 2004; Falahati & Pain, 2011). As a result, any focused attempts to improve financial well-being amongst the general population must include the socioeconomic background together with the current financial conditions (Mahdzan et al., 2020). A study based on Mahdzan et al. (2020) showed that the index developed can be used to calculate the financial well-being for all income groups as well as socio-economic factors. They identified that there were negative effects on Malaysians' financial well-being based on religion, ethnicity, and residence area. This is consistent with prior research, which found that higher levels of financial literacy can significantly cause higher levels of financial well-being (Falahati & Paim, 2011). The income status is crucial in order to anticipate the household's future financial situation.

The findings showed that individuals with a higher degree of education are more likely to be financially well-off. This is similar to previous research by Mahdzan et al. (2020), which

revealed that higher levels of financial literacy were linked to better levels of financial well-being. Thus, financial literacy issues should be instilled in children from young ages. Furthermore, the study's findings indicated that the government's focus should be on the household's income groups rather than any particular religion, ethnic group, or residential region.

Furthermore, the research revealed that Malaysian households were concerned about their personal finances and were frequently concerned about meeting their monthly expenses. Low-income households, referred to as the B40 group, appeared to be patiently waiting for their next paycheck, implying that they live on very tight monthly budgets. These results are aligned with findings of Ismail et al. (2021). Since Malaysian households appear to enjoy their lives, which obviously contributed to their perceived financial well-being, it would be mutually beneficial for both service providers and households of various revenue categories to segment the market according to price elasticity of demand. In order that their market share can increase and profit, service providers would also gain profit from market segmentation and demand elasticity pricing for goods and services.

Conclusion

Individuals, households, and businesses are experiencing immediate cash flow constraints as a result of the MCO's temporary closure of many companies and businesses. According to the findings of this study, the effect of savings on financial well-being is more pronounced in the M40 income group. Since this study is focused on financial well-being during the implementation of the Movement Control Order (MCO) in Malaysia, future study should focus on financial well-being after the MCO implementation. The study on the impact of financial well-being during the MCO would provide more information and would be useful for policymakers in developing action plans to assist the most impacted groups as a result of the MCO implementation. The policy suggestion should be unique - focusing on the impact of expenses on financial well-being. Based on the findings of this study, the government should place a greater emphasis on the M40 income group. The M40 group should not be excluded from homeownership incentives. With so much emphasis on the B40, the government should not overlook the needs of the M40.

Based on the report's estimate of household income and incidence of poverty, which was conducted by the Department of Statistics, as much as 20 percent or about 580,000 households from the M40 group have shifted below the B40 group income limit. The rising unemployment rate has contributed to the reduction of income for those in the M40 group. The government has launched a flurry of financial relief programmes last year, including Prihatin, Permerkasa, and Penjana, to help the hardest-hit groups cope with the economic repercussions from the COVID-19 pandemic's restricted business conditions. The B40 is frequently the focus of attention. The researcher is not arguing that the government should not assist Malaysians in the bottom 40% of the income distribution. They are deserving of the majority of the assistance. However, many people in the M40 are also in desperate need of help.

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