

The GEMMA Pulse Survey on Household Money Management – May 2020



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MINISTRY FOR THE FAMILY,
CHILDREN'S RIGHTS AND SOCIAL SOLIDARITY

Executive Summary

Brief

- This report presents the findings of the 2nd research exercise conducted among the local population to attain an understanding of their attitudes, views and perceptions in relation to their finances.
- The research study was carried out between Friday 29th May and Friday 5th June 2020.

The following factors were tackled in this study:

- Individuals' perceptions as to whether or not they plan and are in control of their finances
- The current state of individual's financial situation and future expectations
- Individuals' expenditure habits and attitudes
- Individuals' attitudes towards their pension plan
- Individuals' knowledge on money matters and propensity to read about financial matters
- Individuals' knowledge of GEMMA and usage patterns
- Whether COVID-19 has altered individuals' attitude towards saving.



Executive Summary

The research has evidenced that:

- With 83% responses (previously 82%), overall the general public feels that it is in control of their financial situation. Such figure is in line with the previous study.
- 69% tend to plan out monthly expenditures by making budgets (41% always and 28% sometimes) with females and 'separated/single parents' being more inclined to plan.
- 44% of those interviewed (previously 47%) have funds to last 3 or more months in the event of an emergency.
- 18% (previously 21%) indicated having funds to last less than 1 month. Those aged under 24 had least funds.
- The Southern Harbour had the highest percentage of individuals indicating 'less than 1 month' (30%). Conversely, the Northern region had the lowest percentage of individuals claiming to have both 'less than 1 month' (6%) and 'more than 3 months' (also 6%). One month ago the Western region had the highest % indicating 'less than 1 month' (36%)..
- For 59% of the population (previously 53%), their financial situation has not altered over the past three months . On the other hand, 32% indicated that it had deteriorated.
- When asked about their perception on their financial situation over the coming 3 months, a similar trend was observed albeit a higher percentage among the 'don't know'.

Executive Summary

- When asked about their daily living expenditure, responses varied with an equal split among those that felt it increased, remained the same and decreased. No noticeable variances were observed when analysing data with that of the previous study.
- When asked whether they think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc 50% answered in the negative. Previously 68% did not think so, indicating that people's outlook had improved over the past month.
- 50% (previously 54%) of respondents indicated that they have not been able to save over the past three months. Those aged 34 and under and Gozitans were the clusters that indicated managing to save more than others.
- 55% of the population tends to worry about their financial future (with 22% indicating to worry very much). Results indicate no variance from the previous study.
- Females are more inclined to worry (63% of females worry as opposed to 45% of males). Conversely, with 48%, the Southern Harbour district attained the lowest score in terms of worry (16% indicated that they worry a lot and 32% indicated that worry quite a bit). There were variances in responses with the previous study, then Gozitans indicated being the least to worry.
- 76% (previously 75%) of respondents do not have a retirement pension plan over and above that provided by government.

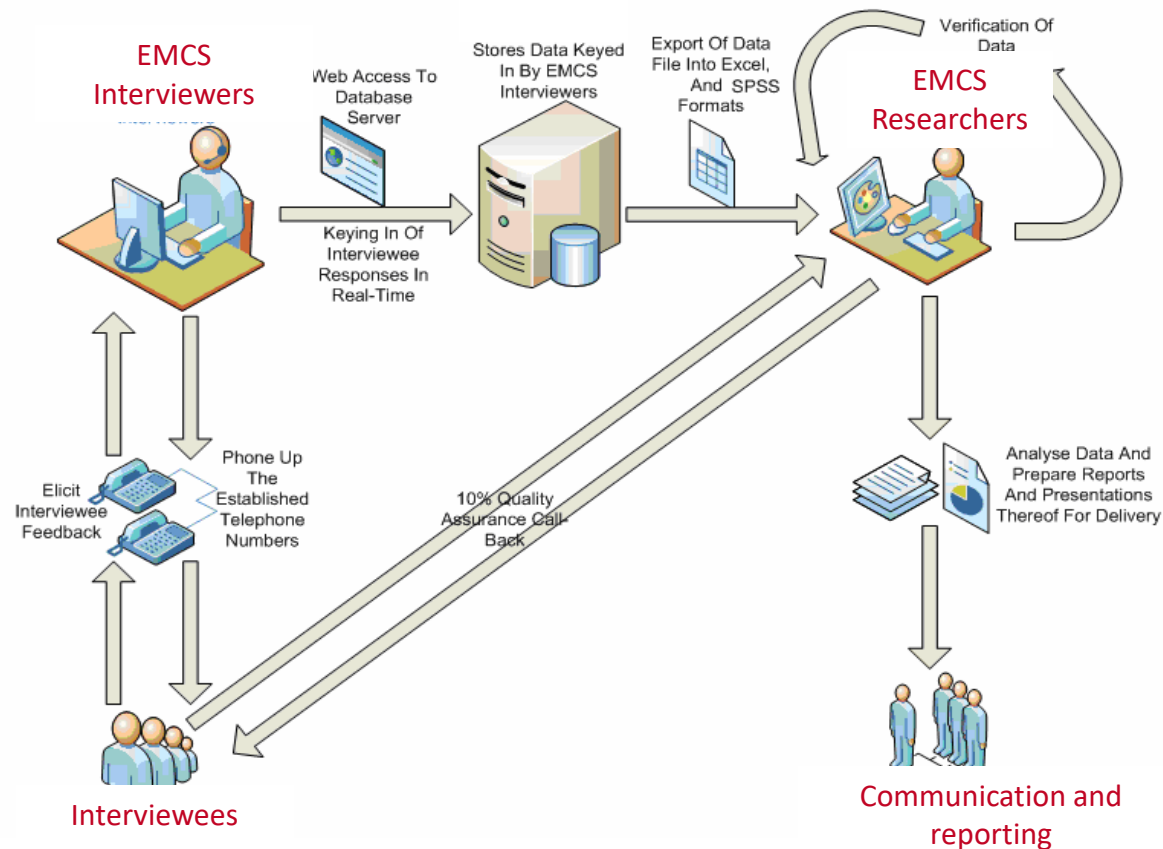
Executive Summary

- Among those that do have a retirement plan, 69% do not intend increasing their level of investment for their future retirement plan over the next 3 months. Conversely, 26% indicated that they were likely to increase it.
- As for those without a retirement plan, 86% indicated that it was unlikely of them to start a pension plan over the next 3 months.
- Overall, respondents consider themselves to be knowledgeable on money matters (20% 'highly knowledgeable' and 42% 'slightly/quite knowledgeable'. Such figures indicate a change from the previous study – then 42% indicated to be knowledgeable.
- 35% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 27% never do so. One month ago, 24% indicated reading regularly, while 43% indicated to never read on such topic
- 78% (previously 80%) of the target audience has not heard of GEMMA. Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (18% of those that had heard about GEMMA, or 4% of the total sample).
- Following their experience of the crisis brought about by the COVID-19 pandemic, 40% (previously 42%) of respondents are more inclined to save for a rainy day once things return to normal.

Methodology

Methodology

- The Computer Aided Telephone Interviews total of 405 surveys were collated and analysed.
- The sample is representative of Maltese population in terms of gender, age (18 and over) and location of residence in line with the latest National Statistics Office (NSO) data on the demographics of the local population (*Regional Statistics Malta, 2017 – page 27*).
- Interviews (CATI) method was utilised.
- Only one person per household was interviewed.
- Margin of error +/- 5% at 95% confidence interval

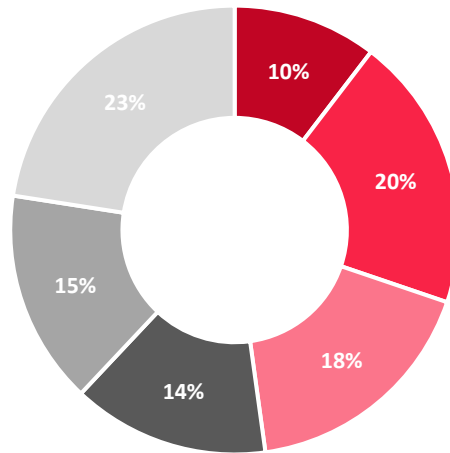




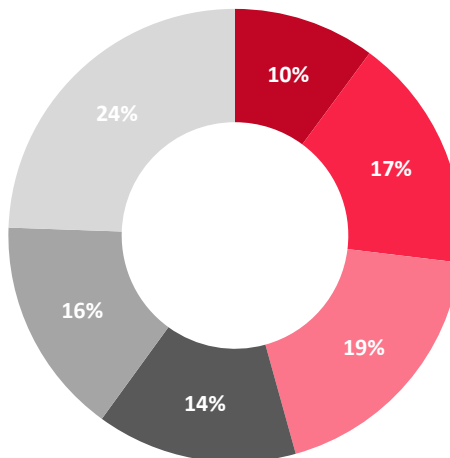
Sample size

Sample

Local Demographics
 Data extracted from
 NSO Publication:
 Trends in Malta 2016



**Sample
 Demographics**



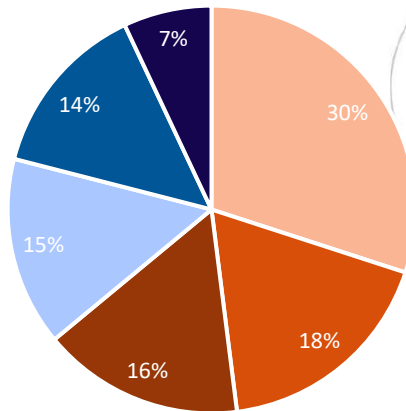
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+

Gender/ Age

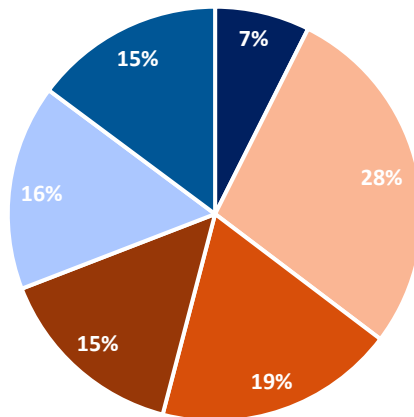
- A total of 405 surveys were collected between Friday 29th May and Friday 5th June 2020 through computer-aided-telephone-interviews (CATI).
- The sample represents a 95% confidence level and a confidence interval of 5%.
- The sample is equally split in terms of males and females (49% and 51% respectively).
- As illustrated here, the sample size is also representative of the local population in terms of age.

Sample

Local Demographics
 Data extracted from
 NSO Publication:
 Trends in Malta 2016

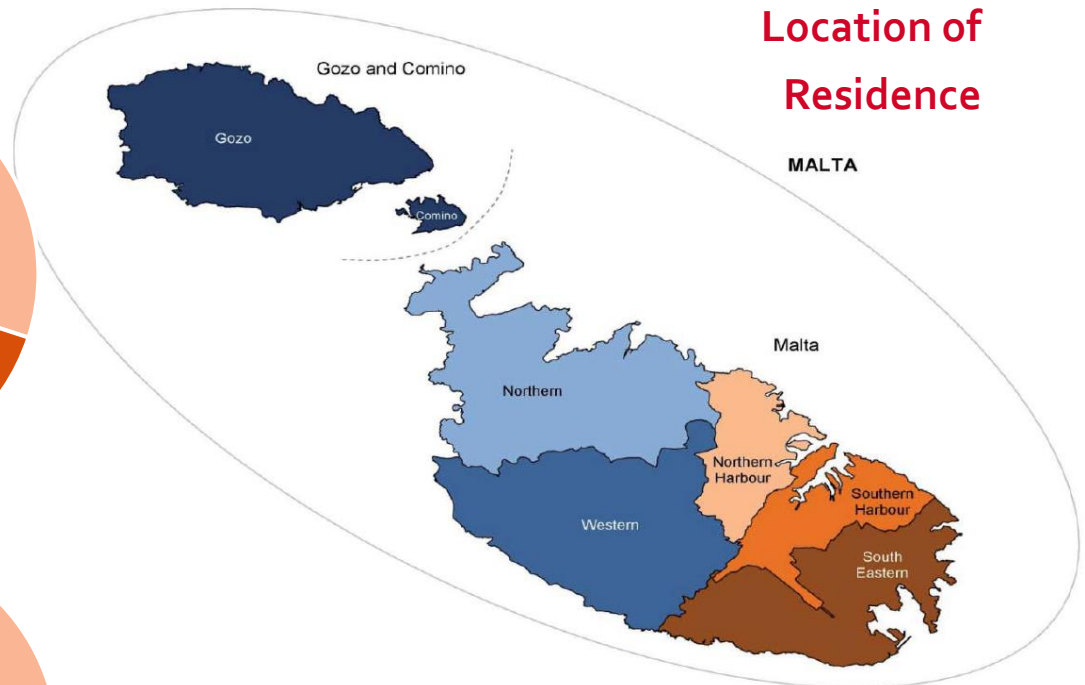


Sample Demographics



■ Gozo ■ Northern Harbour ■ Southern Harbour
 ■ South Eastern ■ Northern District ■ Western

Location of Residence



- The research sample collated is also representative of the local population in terms of the location of residence of the respondents.

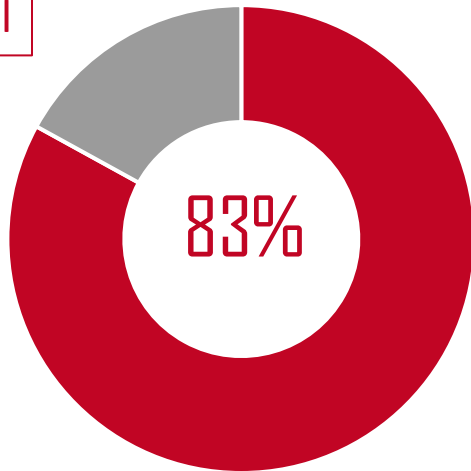
Survey results

Perceptions and attitudes towards finances

Do you feel that you are in control of your current financial situation?

Sample Size: 405

82% in April



■ Yes ■ No

Overall

Southern
Harbour District
74%

Main variance when analysing by district in May
No variances when analysing April data

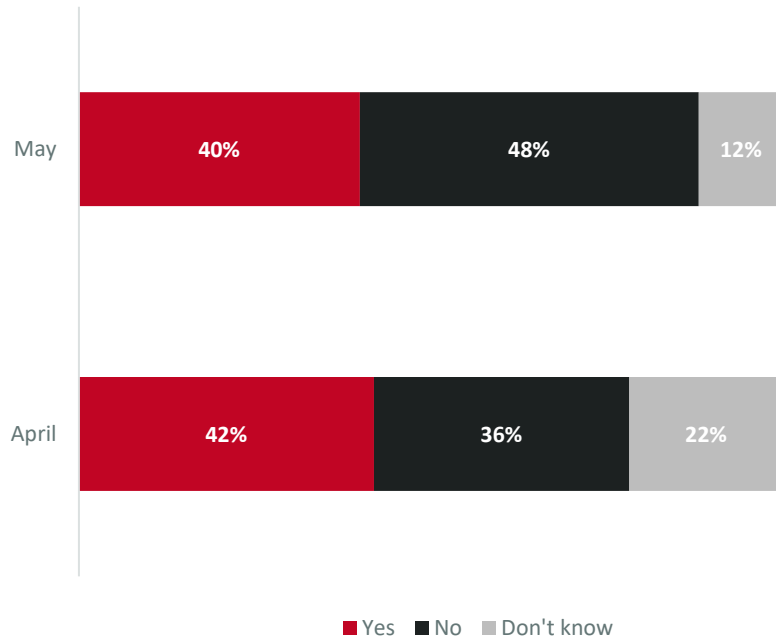
- No distinct variances were observed when analysing data by gender and age.

Planning monthly expenditures

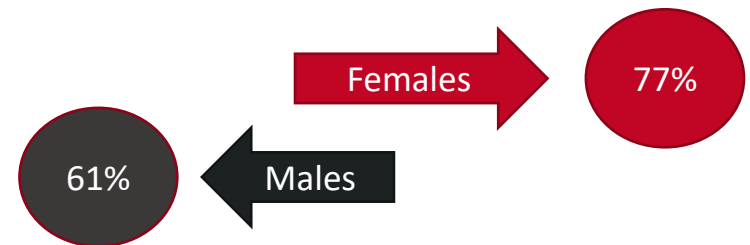
Do you plan out monthly expenditures by making a budget?

Sample Size: 405

Overall



Plan out monthly expenditures
(always/sometimes)

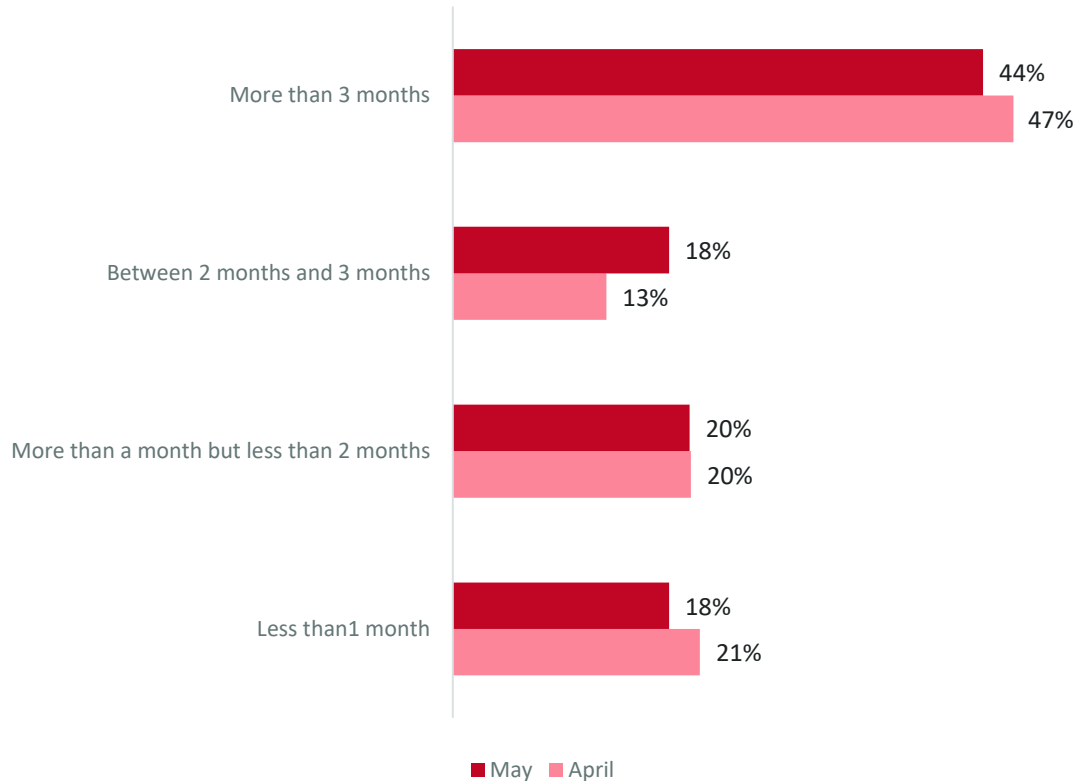


53%
of 'separated/single parents'
indicated to always plan

Emergency funds

In the event of an emergency, do you have funds to last you for:

Sample Size: 405



44% - have funds to last 3 or more months

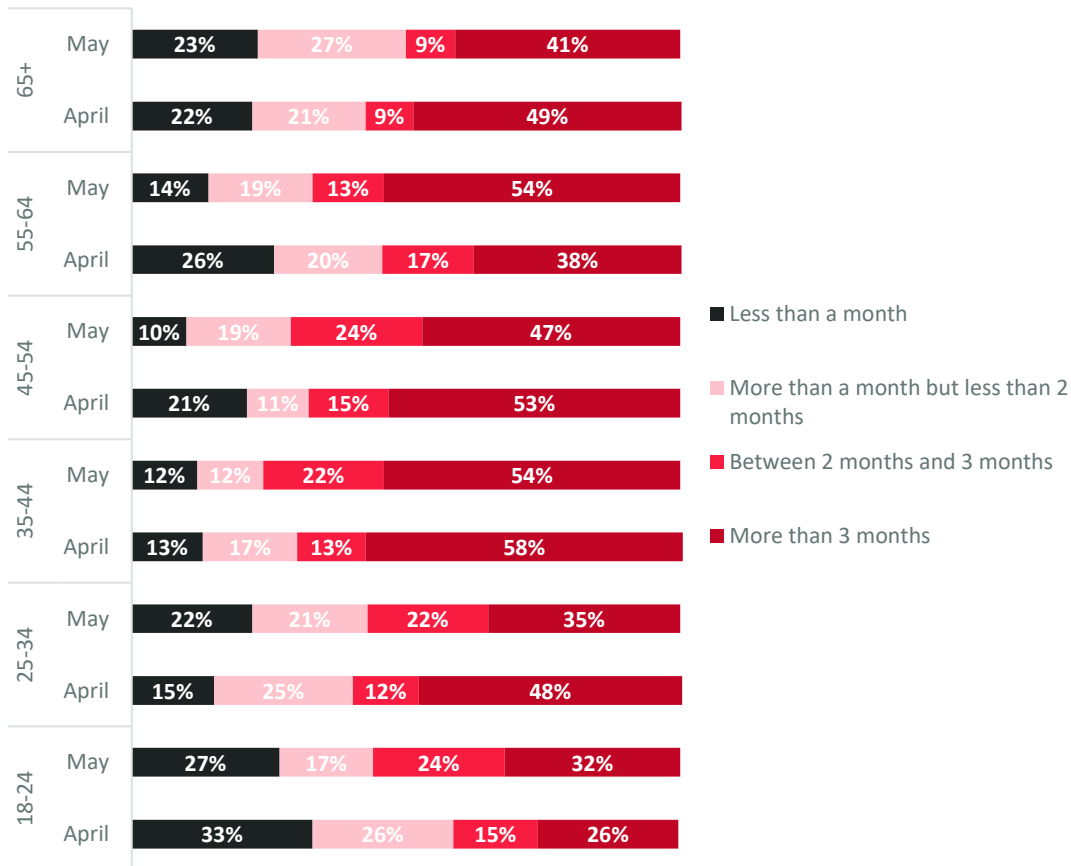
18% - have funds to last less than 1 month.

- No distinct variances between the two studies.

Emergency funds

In the event of an emergency, do you have funds to last you for:

Sample Size: 405



- Those aged **under 24** had least funds available.
- Those aged 35 to 44 had most funds available

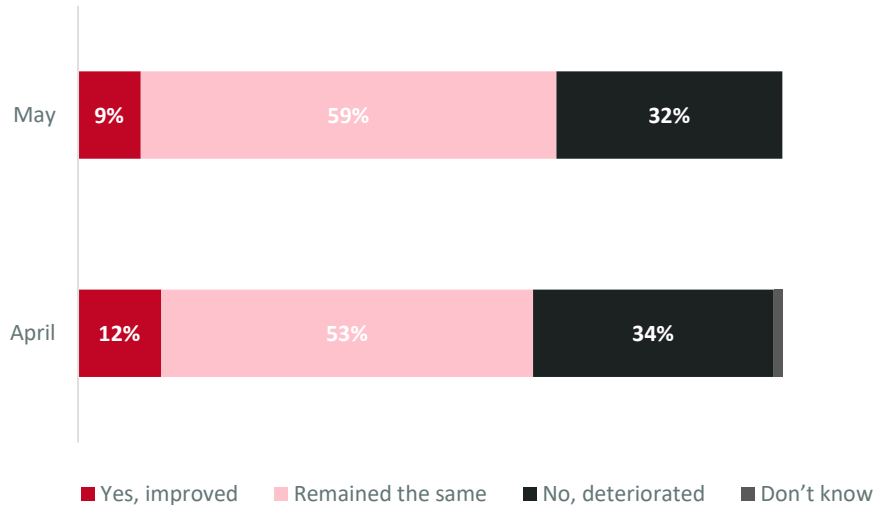
A comparison of the two studies evidences a marked improvement among:

- those aged 45 to 64.

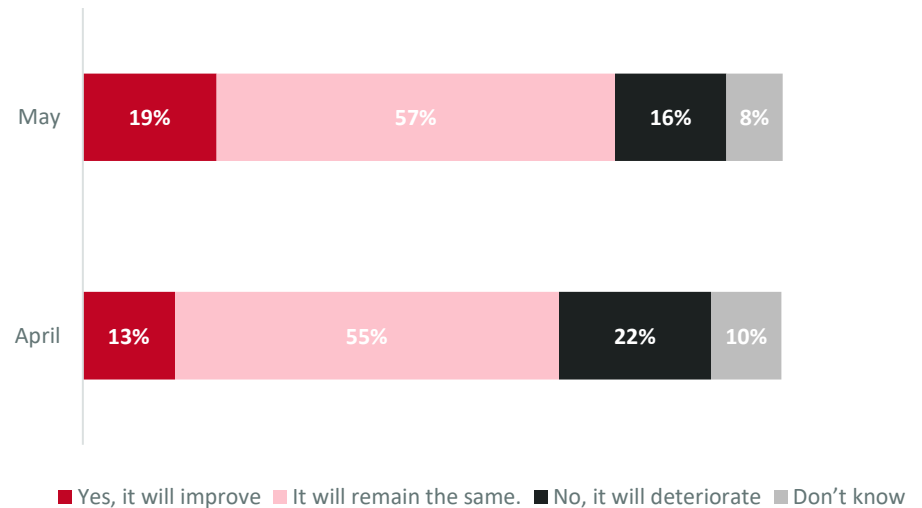
Financial situation

Sample Size: 405

Has your financial situation improved over the past 3 months?



Do you think your financial situation will improve over the coming 3 months?



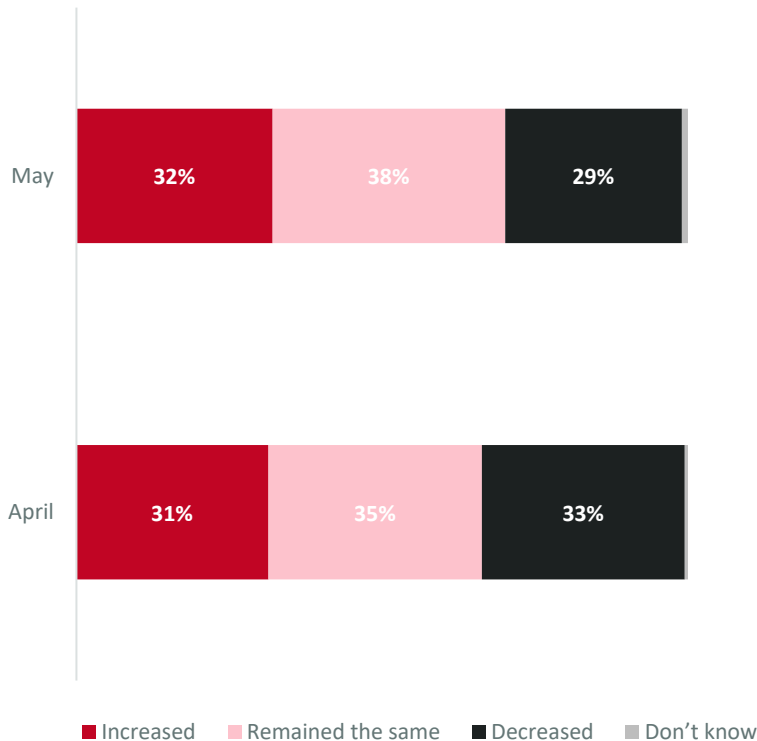
- Minimal variances were observed when comparing data with that of the previous study.

- Overall, people are marginally more optimistic than they were a month ago (then 13% indicated that their financial situation was likely to improve, while 22% had indicated that it was likely to deteriorate).

Attitudes towards daily living expenditure

Overall, (taking everything into consideration) has your daily living expenditure (on food, entertainment, transport, personal care, clothing) over the past 3 months:

Sample Size: 405



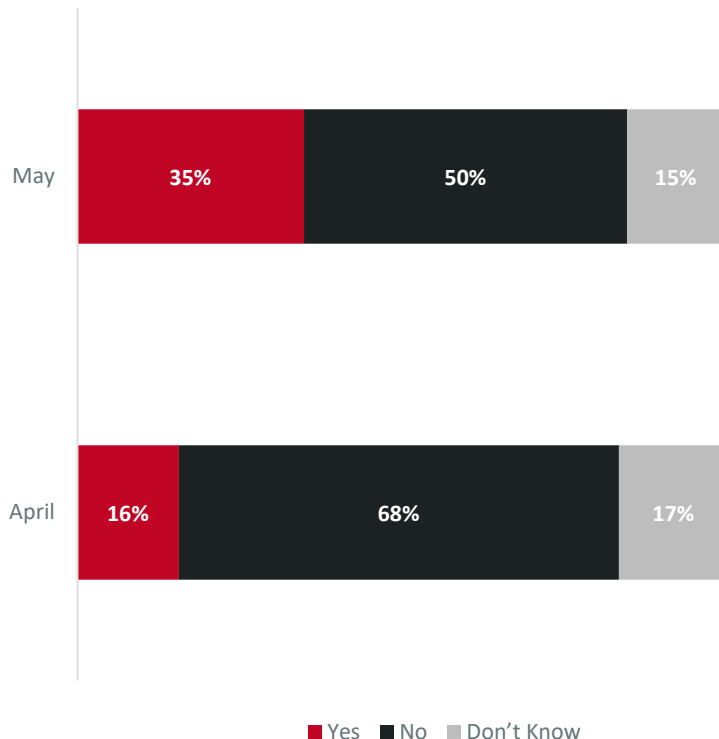
For both studies

- **43%** of those residing in the Northern Region indicated a decrease in expenditure (45% previously).
- **50%** of the Southern Harbour residents indicated an increase in expenditure (42% previously).

Perceptions towards major purchases

In view of the general economic situation, do you think now is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc.?

Sample Size: 405



- Overall the study evidences a noticeable increase among those that indicated 'yes' (previously 16%, now 35%).

April

- Those indicating that it's a right time to make a major purchase decreasing with age.

May

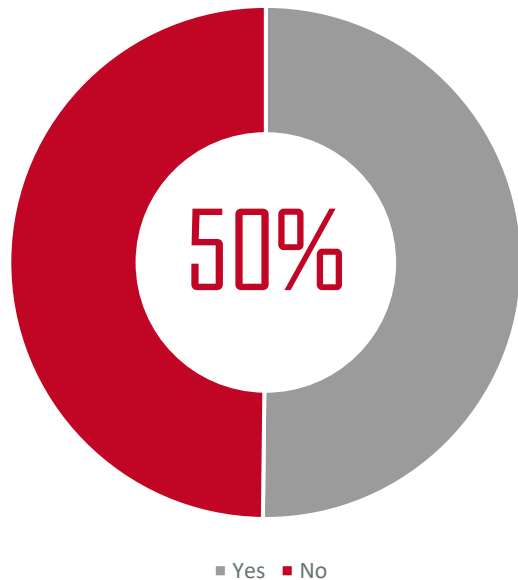
- Those aged 18 to 24 most inclined to think that now is a right time to make a major purchase.

Perceptions and attitudes towards finances

Have you been able to save over the past 3 months?

Sample Size: 405

46% in April



April

May

The young, Gozitans & 'single living with parents' were more able to save

- 72% of those aged 18 to 24 managed to save
- 56% of Gozitans
- 69% single living with parents

- 61% of those aged 34 & under managed to save
- 63% of Gozitans
- 61% single living with parents

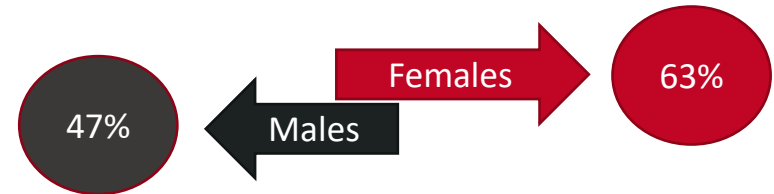
Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 405



- Overall, no noticeable variances were observed when analysing replies with the previous study.



- Above figures are in line with the previous study (then 63% and 45%).

April

- 69% of those aged 25 to 44 worry.
- 37% of those aged 45 to 55 worry very much
- 45% of Gozitans worry.

May

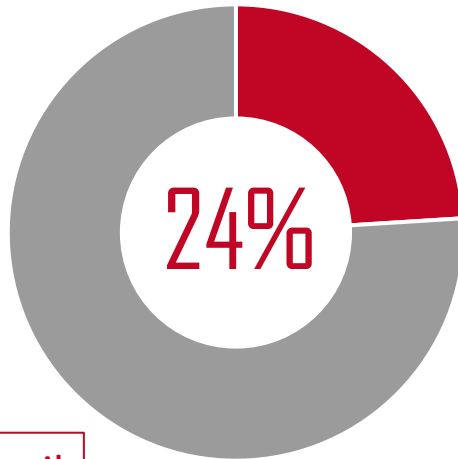
- 64% of those aged 35 to 44 worry.
- 34% of those aged 18 to 24 worry very much.
- 76% from the Northern region worry. 31% from Western region worry.

- In both studies, those aged 65 and over were the least to worry.

Retirement pension plan

Do you have a retirement pension plan over and above that provided by government?

Sample Size: 405



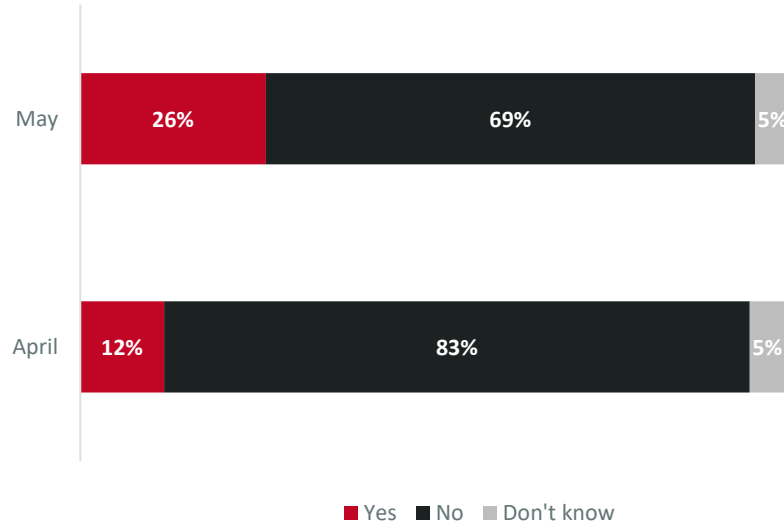
25% in April

■ Yes ■ No

Those aged 34 and under were less likely to have a retirement pension plan than other age groups

If 'yes' - Do you plan on increasing your level of investment for your future retirement plans over the next 3 months?

Sample Size: 95

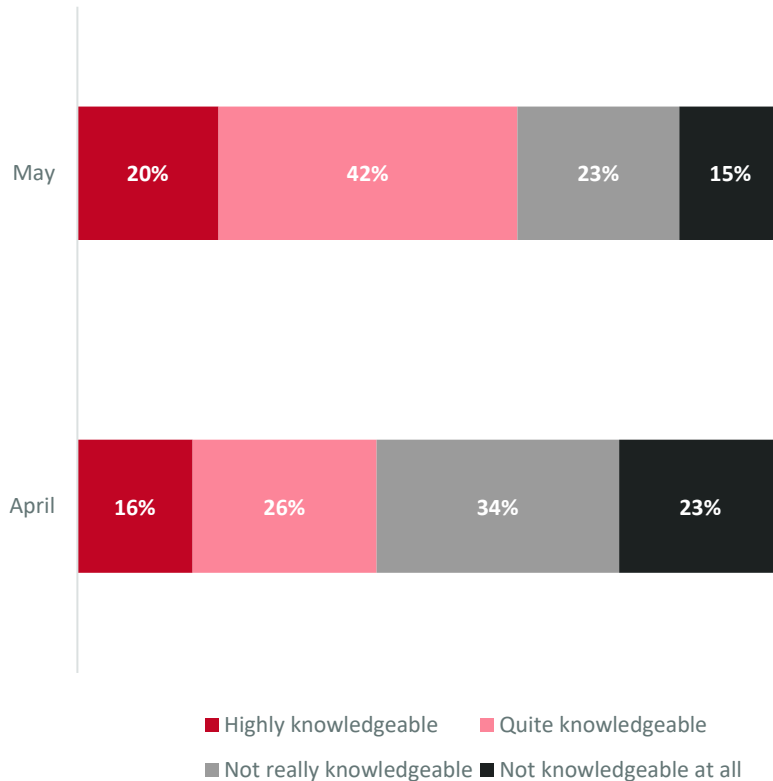


For both studies, the vast majority of those without a plan indicated no likelihood of them starting a pension plan over the next 3 months (under 10% said they intended to)..

Knowledge on money matters

How knowledgeable do you consider yourself to be with respect to money matters?

Sample Size: 405



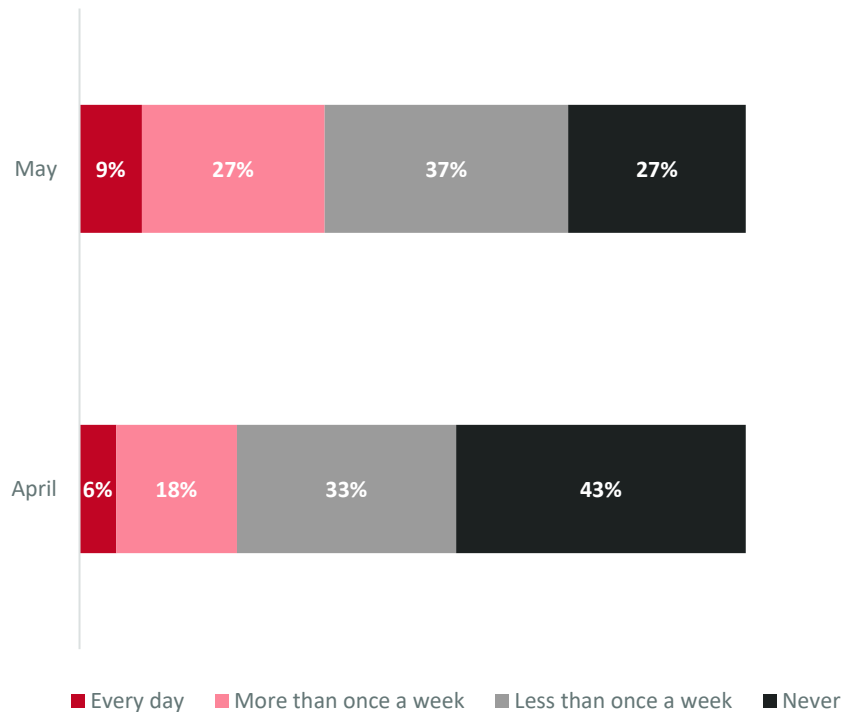
For both studies

- 34 to 44 age group are most knowledgeable
- 65+ are least knowledgeable

Read up on personal finance matters

How often do you read up on personal finance matters?

Sample Size: 405



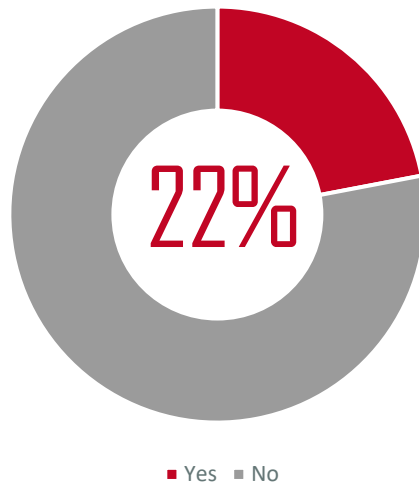
For both studies

- 34 to 44 age group read most often
- 65+ are least likely to read on personal financial matters

Awareness on GEMMA

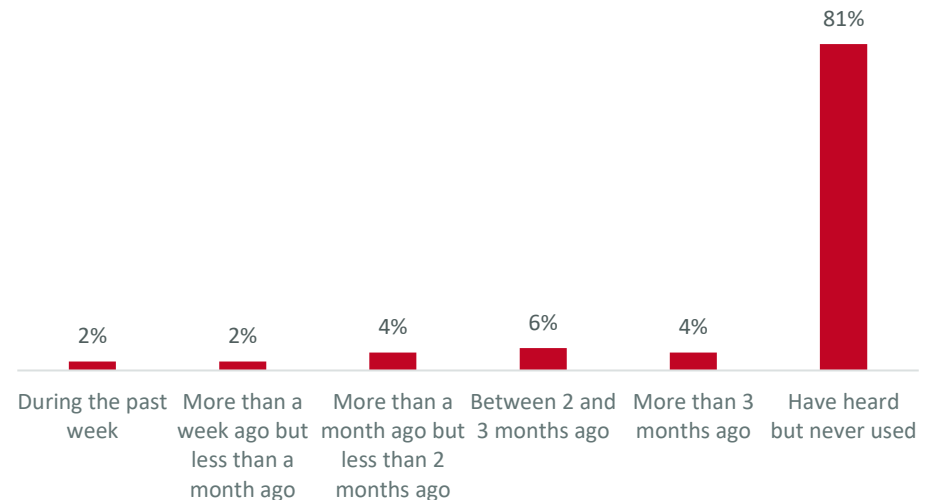
Sample Size: 405

Have you heard of GEMMA, the government's portal for information on financial planning, retirement schemes including tools to help you plan your finance?



Sample Size: 89

IF YES: When was the last time you used it?

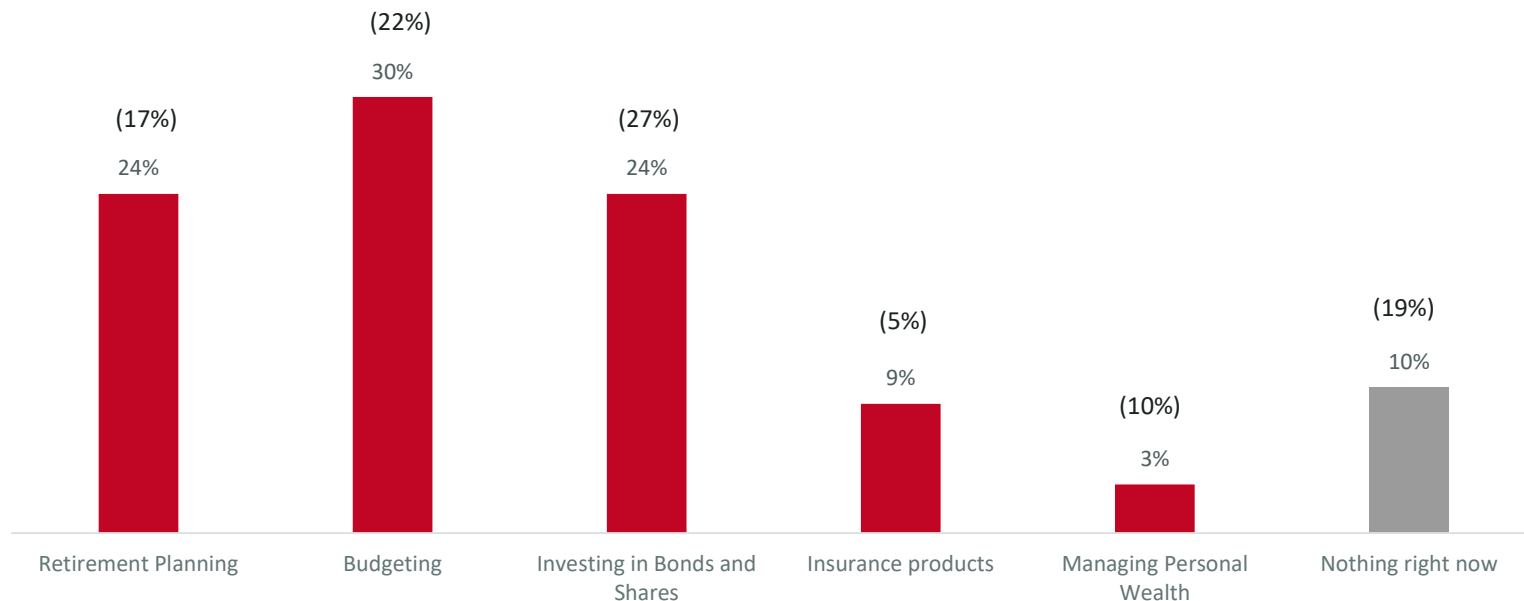


- 22% (previously 20%) of the target audience have heard of GEMMA.
- Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (18% of those that had heard about GEMMA, or 4% of the total sample).
- Such figures are in line with the previous study.

Perceptions and attitudes towards finances

What type of information are you likely to look for with respect to money matters?

Sample Size: 89



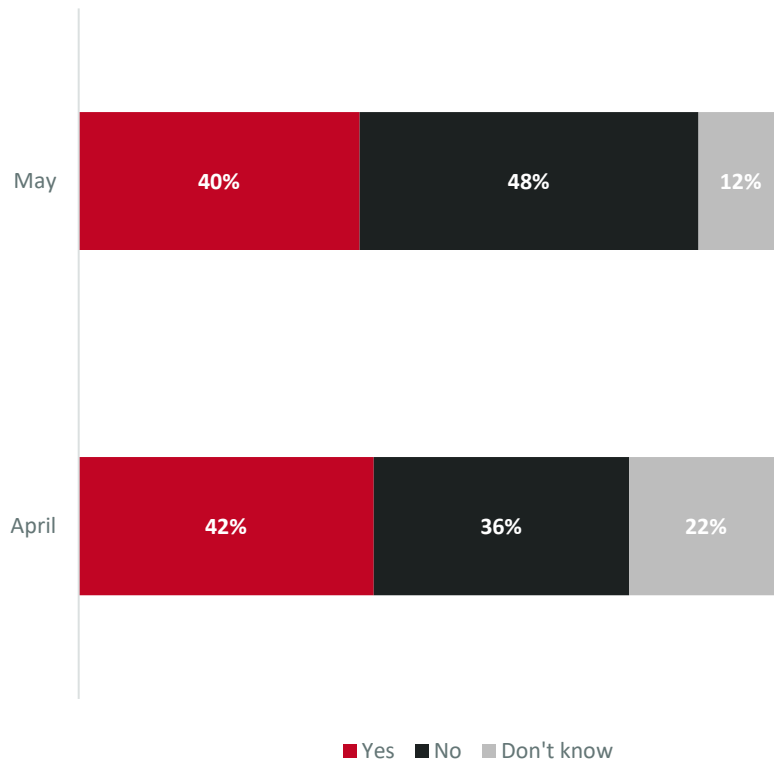
- Among the those that heard of GEMMA, 'budgeting' is the topic respondents are most likely to look for with respect to money matters (30%).

Future attitudes towards saving

Some respondents did not reply

Sample Size: 316

Given your experience of the crisis brought about by the COVID-19 pandemic, do you intend to save more for a rainy day once things return to normal?



- A higher percentage of respondents indicated 'no' this time, than they did a month ago (48% now, 36% a month ago).

- **61%** of those aged 18 to 24 intend to save more for a rainy day (63% in April)
- **27%** of those aged 65+ intend to save more (24% in April)

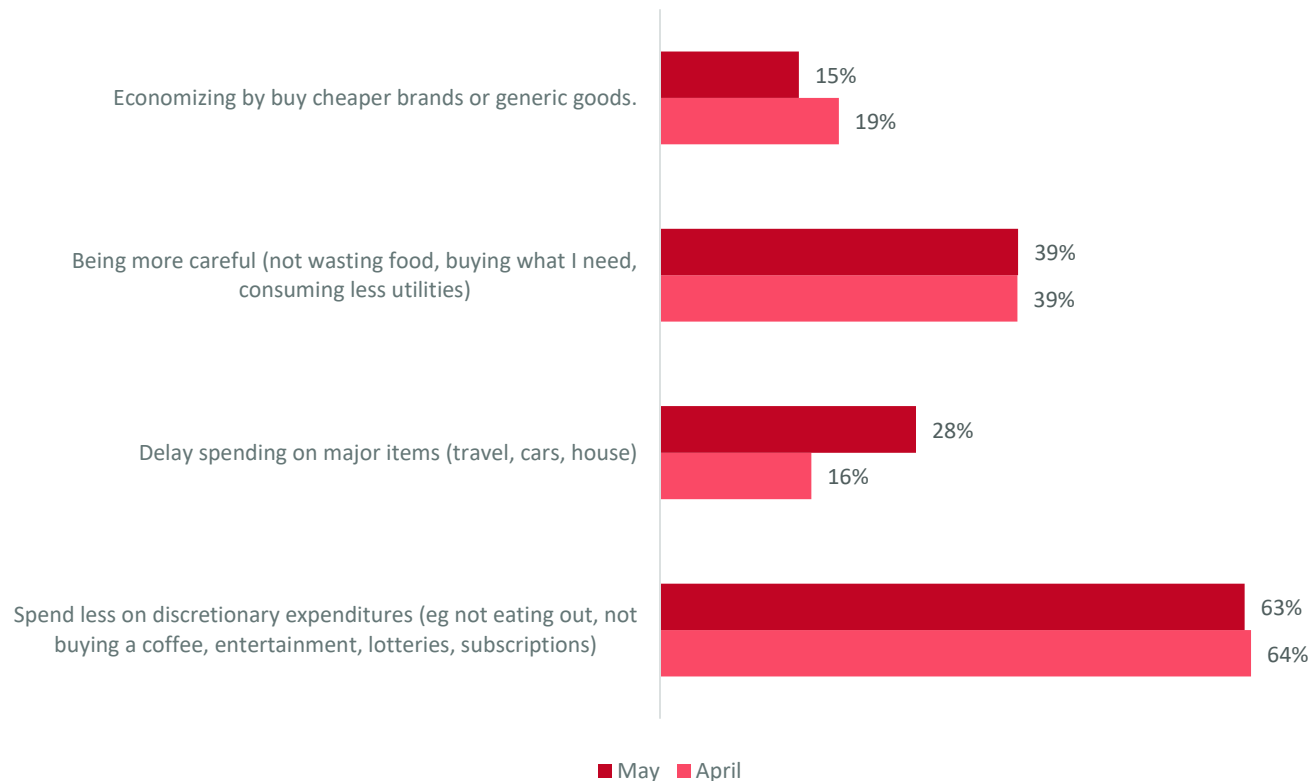
- A comparison of the two studies evidences a marked improvement among:
- **those aged 45 to 64.**

Perceptions and attitudes towards finances

IF YES, how will you do this (multiple responses possible)?

Respondents could give multiple replies

Sample Size: 126



Conclusions

Conclusions

Perceptions and attitudes towards finances

- Overall, locals feel that they are in control of their current financial situation, with 83% answering in the affirmative. No distinct variances were observed when analysing data by gender, age or region.

Planning & emergency funds

- Respondents tend to plan out monthly expenditures by making budgets (41% always and 28% sometimes). Conversely, close to one third of the population do not plan monthly expenditures.
- Females (77%) are more inclined to plan than males (61%). Furthermore, a higher percentage of males indicate to never plan (39% as opposed to 24%). ‘
- Separated/single parents’ are the segment most likely to plan (with 53% indicating to always plan).
- 44% of those interviewed have funds to last 3 or more months in the event of an emergency. On the other hand, 18% indicated having funds to last less than 1 month. Such figures indicate a marginal decrease since the previous study (Then 47% indicated having funds to last them more than 3 months with 21% indicating ‘less than a month’.

Conclusions

Planning & emergency funds (continued)

- A review of responses by age evidences that those aged under 24 had least funds available. Conversely, those aged 35 to 44 had most funds available (with 76% indicating having funds to last more than 2 months).
- The comparison of the two studies evidences a marked improvement among those aged 45 to 64. One month ago those indicating to have funds to last less than a month stood at 23.5% (average), now 12%.
- Noticeable variances were also observed when analysing data by district, with those residing in Southern Harbour having the highest percentage of individuals indicating 'less than 1 month' (30%).
- Conversely, the Northern region had the lowest percentage of individuals claiming to have both 'less than 1 month' (6%) and 'more than 3 months' (also 6%). One month ago the Western region had the highest % indicating 'less than 1 month' (36%).
- 73% of those residing in Gozo indicating having funds to last them 'more than 3 months'.

Conclusions

Financial situation

- For 59% the population, their financial situation has not altered over the past three months.
- On the other hand, 32% indicated that it had deteriorated, while 9% indicating it had improved. Marginal variances were observed when comparing data with that of the previous study.
- When asked about their perception on their financial situation over the coming 3 months, people were marginally hopeful with 19% of the opinion that it would improve. Conversely, 16% indicated that it was likely to deteriorate.
- Such results indicate that overall, people are marginally more optimistic than they were a month ago (then 13% indicated that their financial situation was likely to improve, while 22% had indicated that it was likely to deteriorate).

Attitudes towards daily living expenditure

- When asked about their daily living expenditure, responses varied.
- Variances were observed when analysing data by region, with the Northern Region indicating the highest percentage decrease in expenditure (43%). Conversely the Southern Harbour indicated the highest increase (50%).
- One month ago too the Northern region indicated the highest percentage decrease in expenditure (then 45%) while the Southern harbour region indicated the highest increase in expenditure (then 42%).

Conclusions

Perceptions towards major purchases

- Half the population does not think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc . That said, a review of responses with the previous study evidences a noticeable decrease among those that indicated 'no' (previously 68%, now 50%).
- No variance was observed when analysing data by gender.
- Variances were observed when analysing data by age, with those aged 18 to 24 most inclined to think that now is a right time to make a major purchase.

Ability to save

- 50% (previously 54%) of respondents indicated that they have not been able to save over the past three months.
- A review of responses by age evidences that those that managed to save most were aged 34 and younger. Conversely those aged 45 and over attained the lowest positive scores.
- A review of responses by district evidences that Gozitans were more able to save over the past 3 months than individuals residing in other districts (63%).
- A review by status illustrates that the primary variance related to 'single' (both those living along and those living with parents). This group attained the highest positive response with 61% indicating to have been able to save over the past 3 months).

Conclusions

Perceptions on the financial future

- 55% of the population tends to worry about their financial future (with 19% indicating to worry very much). No noticeable variances were observed when analysing replies with the previous study.
- A review of responses by gender indicates that females are more inclined to worry than their male counterparts (63% of females worry as opposed to 45% of males). Such figures being consistent with data collated 1 month ago.
- Overall, the 35 to 44 age group worry the most. Nonetheless, those aged 18 to 24 attained the highest percentage of individuals that worry very much (with 34% of responses within this category). One month ago the category that worried the most were those aged 45 to 55 (37%). Conversely, and in line with the previous study, those aged 65 and over are the least to worry (45%).
- Variances were also observed when analysing data by district. The highest percentage of those worrying a lot related to the South Eastern region (with 31% responses). Furthermore, 76% of respondents from the Northern region indicated to worry.
- Conversely, with 48%, the Southern Harbour district attained the lowest score in terms of worry (16% indicated that they worry a lot and 32% indicated that worry quite a bit). There were variances in responses with the previous study, then Gozitans indicated being the least to worry.

Conclusions

Retirement pension plan

- Three-fourths of respondents do not have a retirement pension plan over and above that provided by government. This figure being in line with data collated a month ago.
- A review of responses by gender does not evidence any significant variance.
- A review of responses by age indicates that those aged 34 and under were less likely to have a retirement pension plan than other age groups.
- In line with the previous study, the vast majority of those without a plan (86%) indicated no likelihood of them starting a pension plan over the next 3 months.

Knowledge on money matters

- Overall, respondents consider themselves to be knowledgeable on money matters (20% 'highly knowledgeable' and 42% 'slightly/quite knowledgeable'. Such figures indicate an increase from the previous study – then 42% indicated to be knowledgeable.
- With 73% positive responses, those aged 35 to 44 are most knowledgeable among the various age groups under review. Conversely, the youngest and eldest cohorts are least knowledgeable.

Conclusions

Read up on personal finance matters

- 35% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 27% never do so. One month ago, 24% indicated reading regularly, while 43% indicated to never read on such topic.
- A review by age, evidences that those aged 35 – 44 are more inclined to read daily than other age groups.

Awareness on GEMMA

- 22% (previously 20%) of the target audience had heard of GEMMA.
- Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (18% of those that had heard about GEMMA, or 4% of the total sample). Such figures are in line with the previous study.
- Among the those that heard of GEMMA, ‘budgeting’ is the topic respondents are most likely to look for with respect to money matters (30%).

Conclusions

Future attitudes towards savings

- Following their experience of the crisis brought about by the COVID-19 pandemic, 40% of respondents are more inclined to save for a rainy day once things return to normal. A higher percentage of respondents indicated 'no' this time, than they did a month ago (48% now, 36% a month ago).
- A review of responses by age indicates that the younger age groups are more likely to save up more for a rainy day (61% of those aged 18 to 24 as opposed to 27% of those aged 65 and over).
- No distinct variances were observed when analysing data by gender and region.
- Among those that intend to save, the majority (63%) intend to do so by spending less on discretionary items. 'Being more careful' ranked 2nd with 39%. Such responses are similar to those attained a month ago.

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For more information or to download the survey results
visit **www.gemma.gov.mt** or contact: **info@gemma.gov.mt**

