

The GEMMA Pulse Survey on Household Money Management – May 2020



GEMMA
know, plan, act.



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

Executive Summary

Brief

- This report presents the findings of the 1st 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 Tuesday 28th April and Tuesday 5th May 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 82% responses, overall the general public feels that it is in control of their financial situation
- 70% tend to plan out monthly expenditures by making budgets (43% always and 27% sometimes) with females and 'separated/single parents' being more inclined to plan.
- Almost half the population (47%) have funds to last 3 or more months in the event of an emergency.
- 21% indicated having funds to last less than 1 month. Those aged under 24 had least funds.
- Those residing in Southern Harbour and South Eastern districts tend to have a higher percentage of funds lasting more than a month (81% of the respective samples) than other districts.
- For half the population, their financial situation has not altered over the past three months . On the other hand, 34% 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.
- In view of the general economic situation, 68% do not think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc.
- 54% of respondents indicated that they have not been able to save over the past three months. Those aged 18 to 24 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).
- Females are more inclined to worry (63% of females worry as opposed to 47% of males). Conversely, with 45%, Gozo attained the lowest score in terms of worry (4% indicated that they worry a lot and 41% indicated that worry quite a bit).
- 75% of respondents do not have a retirement pension plan over and above that provided by government.

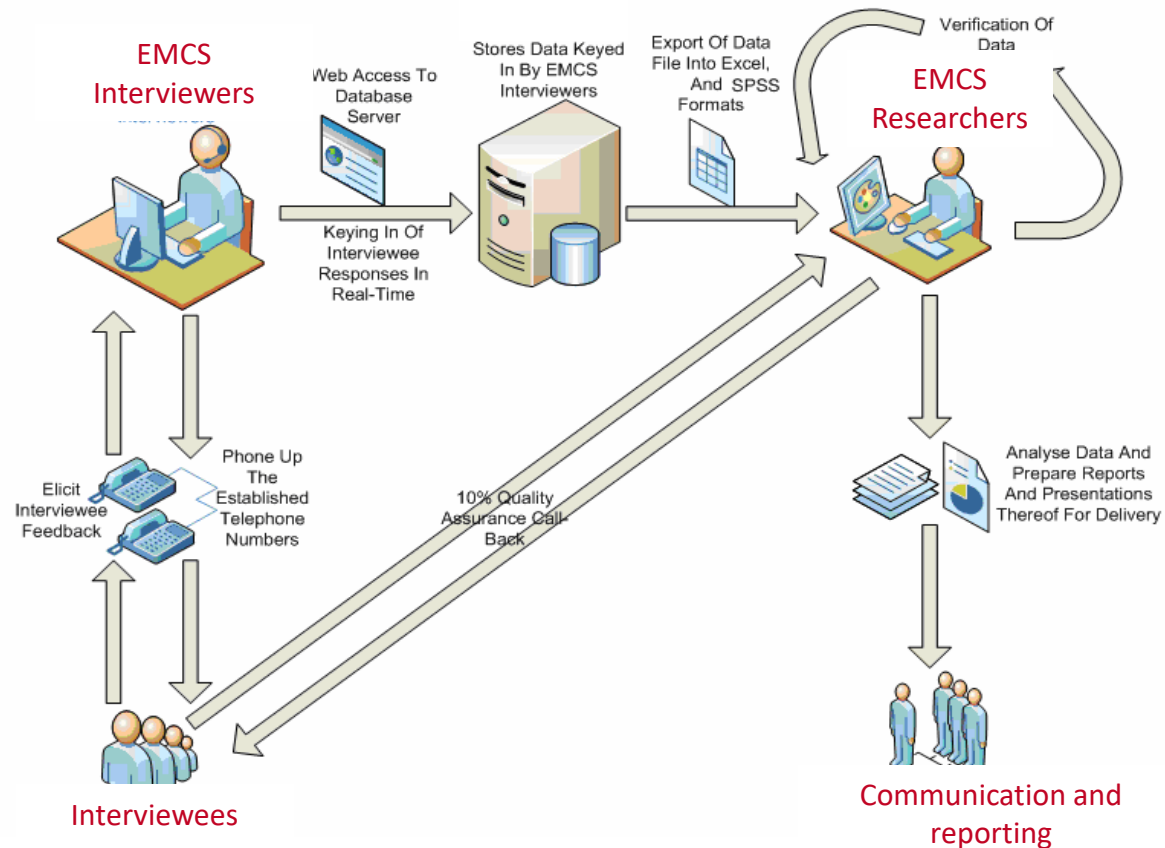
Executive Summary

- Among those that do have a plan, 83% do not intend increasing their level of investment for their future retirement plan over the next 3 months. Conversely, 12% indicated that they were likely to increase it.
- A similar trend was observed among those without a retirement plan, with 82% indicating no likelihood of them starting a pension plan over the next 3 months.
- Overall, respondents do not consider themselves to be knowledgeable on money matters (34% 'not really' and 24% 'not knowledgeable at all').
- 24% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 47% never do so. A higher percentage of females 'never' read up on personal finance matters than males (51% as opposed to 36%).
- 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 (15% of those that had heard about GEMMA, or 3% of the total sample).
- Following their experience of the crisis brought about by the COVID-19 pandemic, 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 398 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

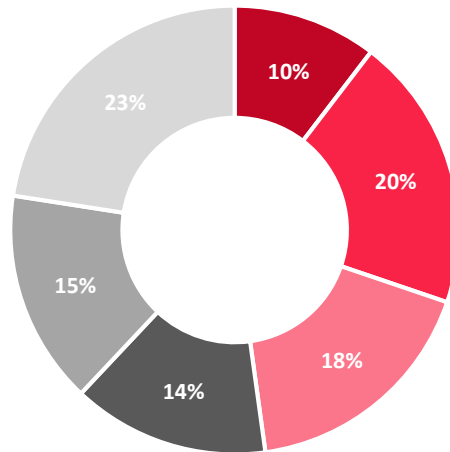




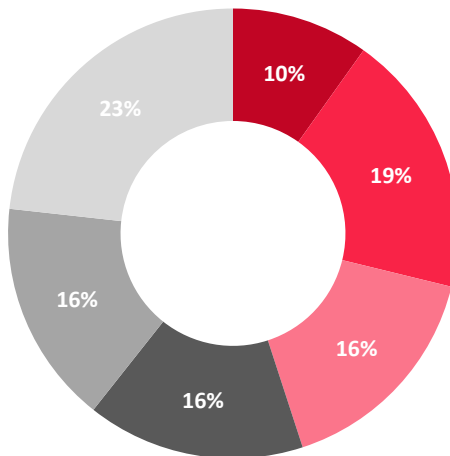
Sample size

Sample

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



Sample
 Demographics



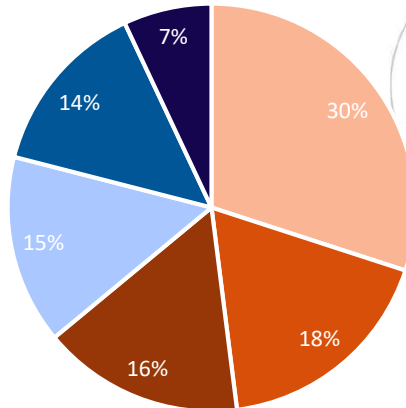
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+

Gender/ Age

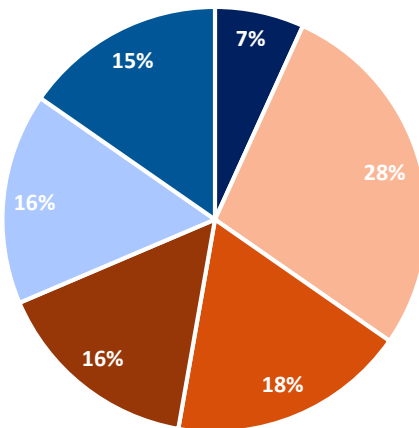
- A total of 398 surveys were collected between Tuesday 28th April and Tuesday 5th May 2020 through computer-aided-telephone-interviews (CATI).
- The sample represents a 95% confidence level and a confidence interval of 5%.
- The sample is equally split in terms of males and females (49% and 51% respectively).
- As illustrated here, the sample size is also representative of the local population in terms of age.

Sample

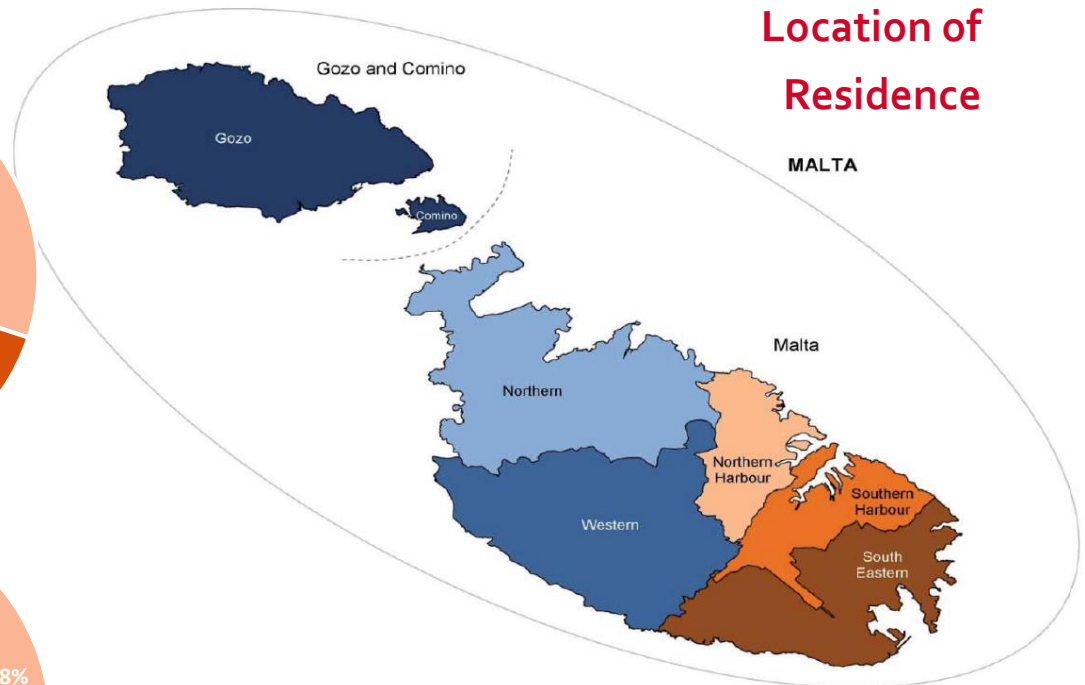
Local Demographics
Data extracted from
NSO Publication:
Trends in Malta 2016



Sample Demographics



Location of Residence



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

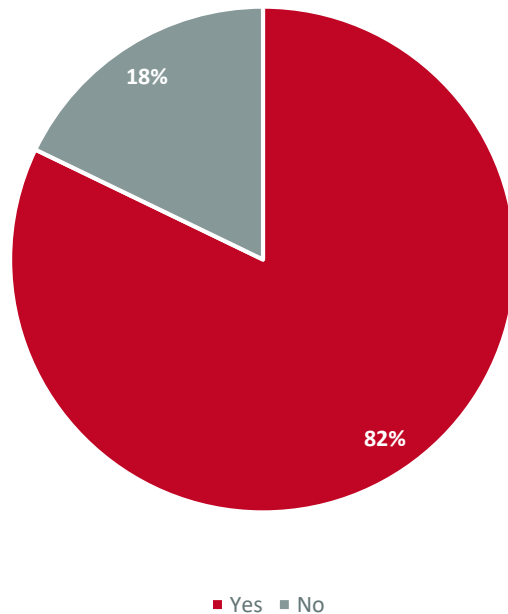


Survey results

Perceptions and attitudes towards finances

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

Sample Size: 398

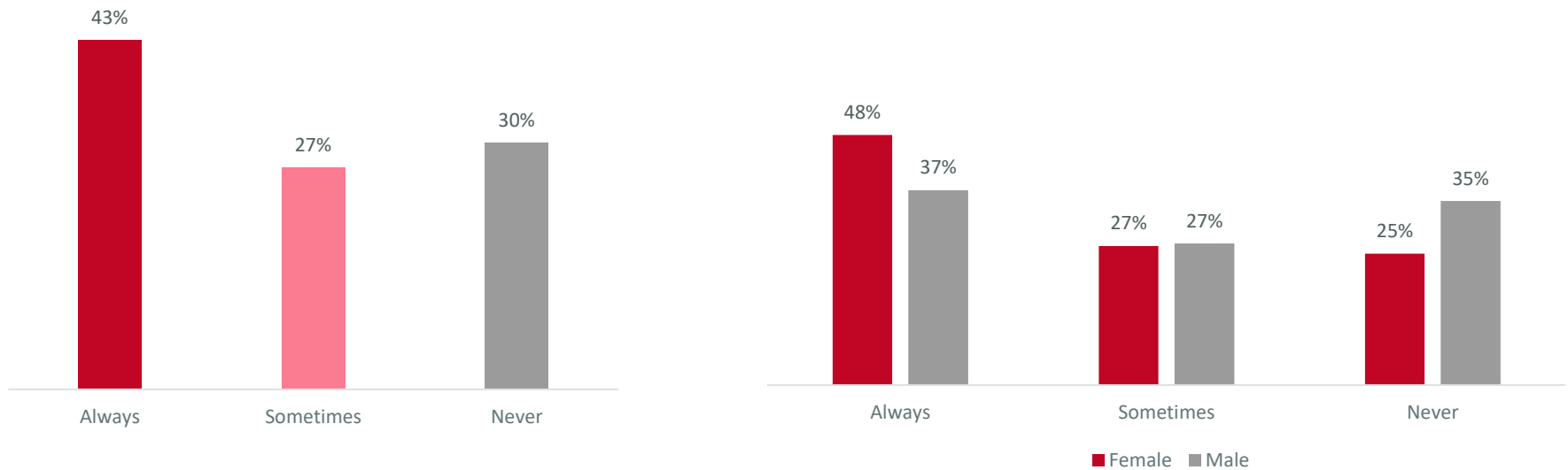


- With 82% positive responses, the general public feels that it is in control of their current financial situation.
- No distinct variances were observed when analysing data by gender, age or region.

Planning monthly expenditures

Do you plan out monthly expenditures by making a budget?

Sample Size: 398

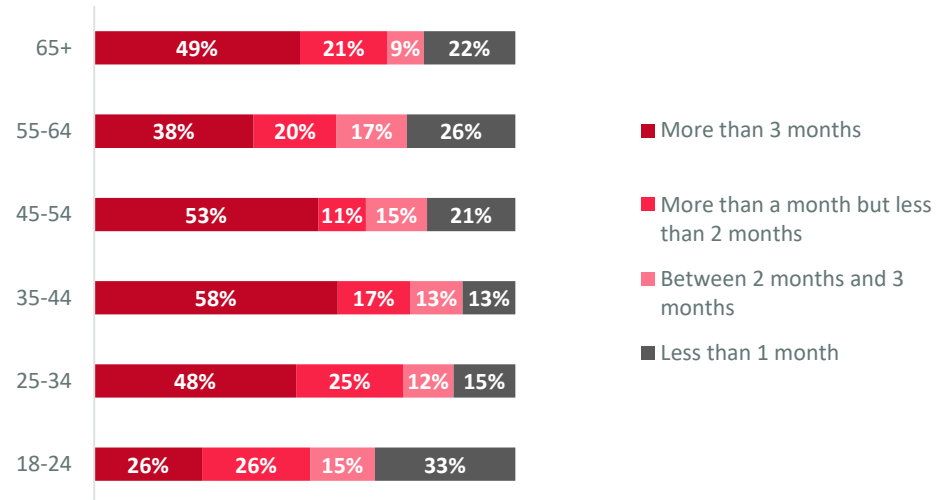
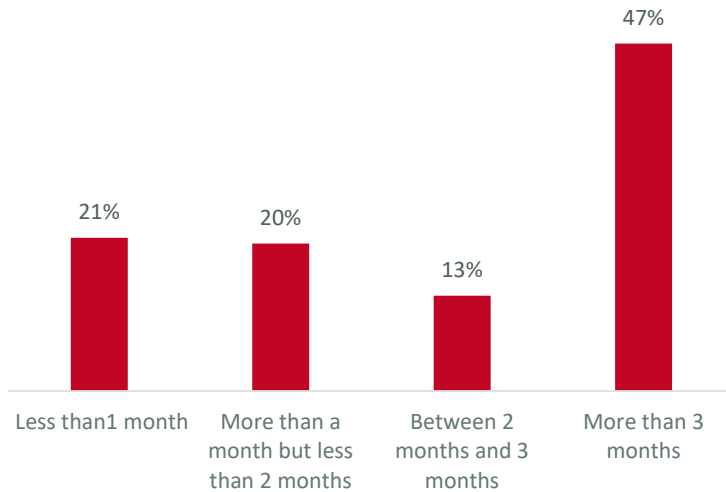


- With 70% responses, respondents tend to plan out monthly expenditures by making budgets (43% always and 27% sometimes). Conversely, close to one third of the population do not plan monthly expenditures.
- A review of responses by gender evidences that females are more inclined to plan than their male counterparts. Furthermore, a higher percentage of males indicate to never plan.
- A review of responses by 'status' evidences that 'separated/single parents' are the segment most likely to plan (with 60% indicating to always plan as opposed to 7% that never plan, while 'single living alone' and 'married/living with partner without kids' were the segments that least planned (42% and 37% respectively indicated to never plan).

Emergency funds

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

Sample Size: 398

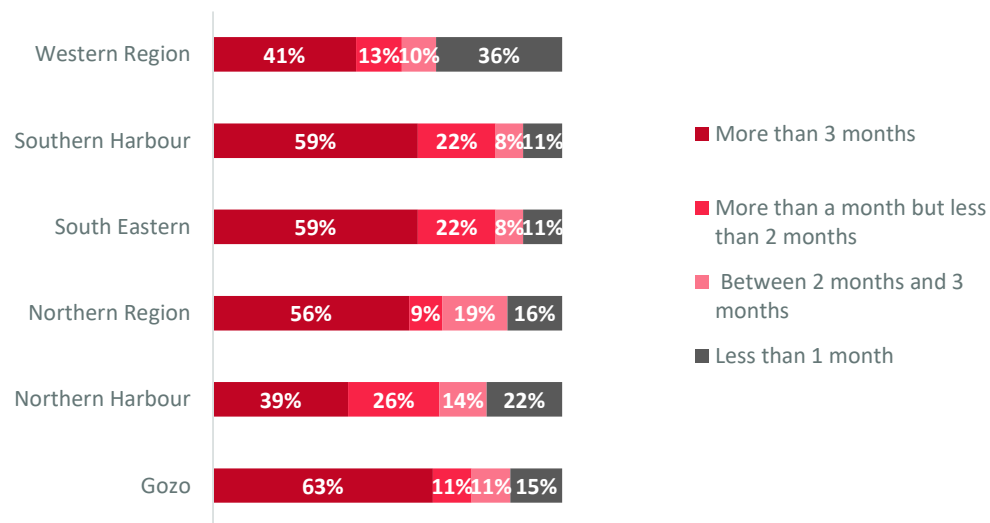
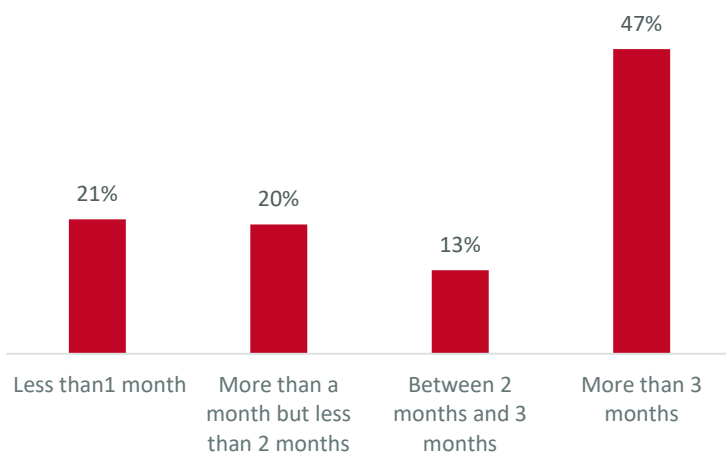


- Almost half the population (47%) have funds to last 3 or more months in the event of an emergency. On the other hand, one fifth (21%) indicated having funds to last less than 1 month.
- A review of responses by age evidences that those aged under 24 had least funds available. Conversely, those aged 35 to 44 had most funds available (with 75% indicating having more than a month).

Emergency funds

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

Sample Size: 398

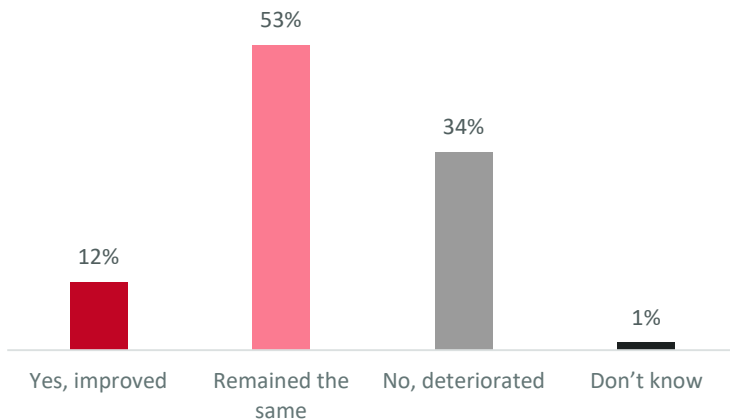


- Noticeable variances were also observed when analysing data by district, with those residing in Southern Harbour and South Eastern districts tending to have a higher percentage of funds lasting more than a month (81% of the respective samples) than other districts. Conversely, the Western region, had the highest percentage of respondents indicating 'less than 1 month' (with 36% responses).

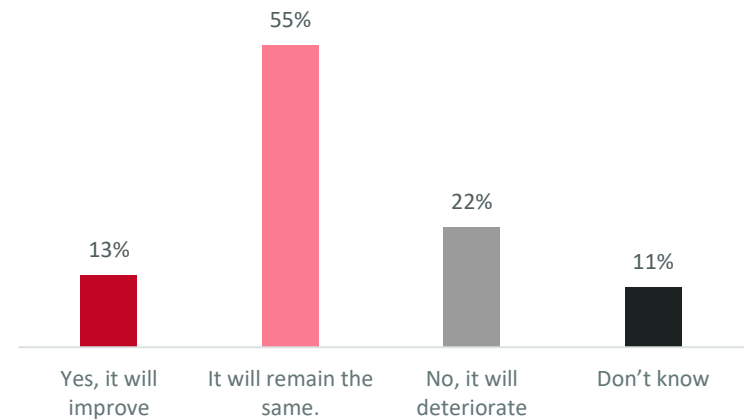
Financial situation

Sample Size: 398

Has your financial situation improved over the past 3 months?



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

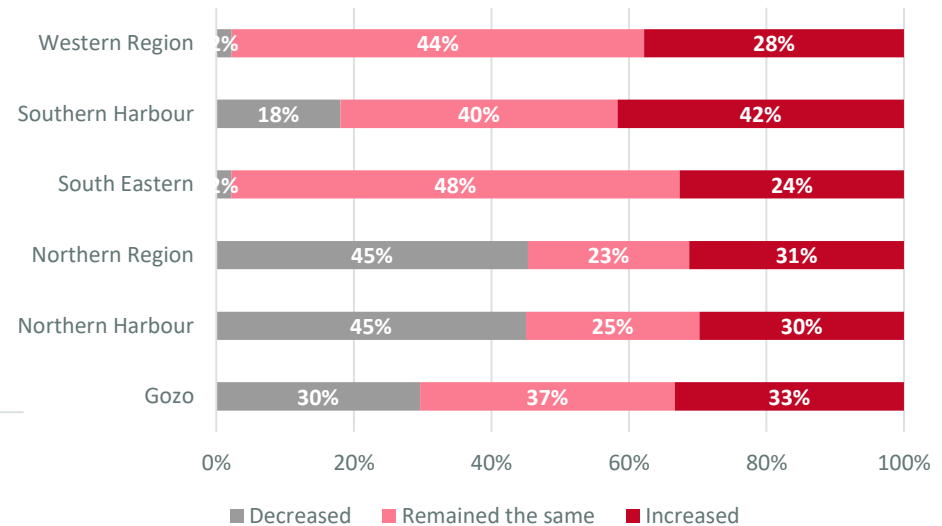
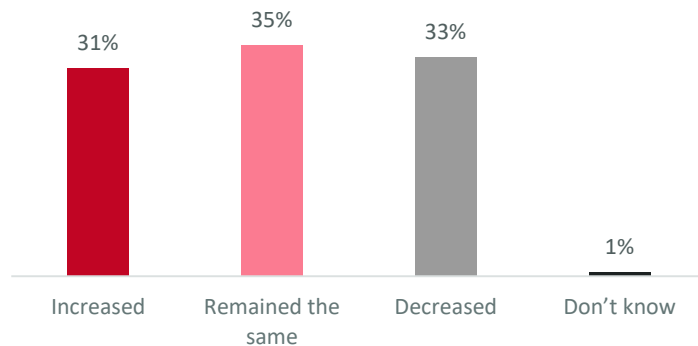


- For half the population, their financial situation has not altered over the past three months.
- On the other hand, 34% indicated that it had deteriorated, while 12% indicating it had improved.
- When asked about their perception on their financial situation over the coming 3 months, a similar trend was observed albeit a higher percentage among the 'don't know'. 55% indicated that it was likely to remain the same. Conversely, 22% indicated that it was likely to deteriorate, while 13% thought it was likely to increase.

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: 398

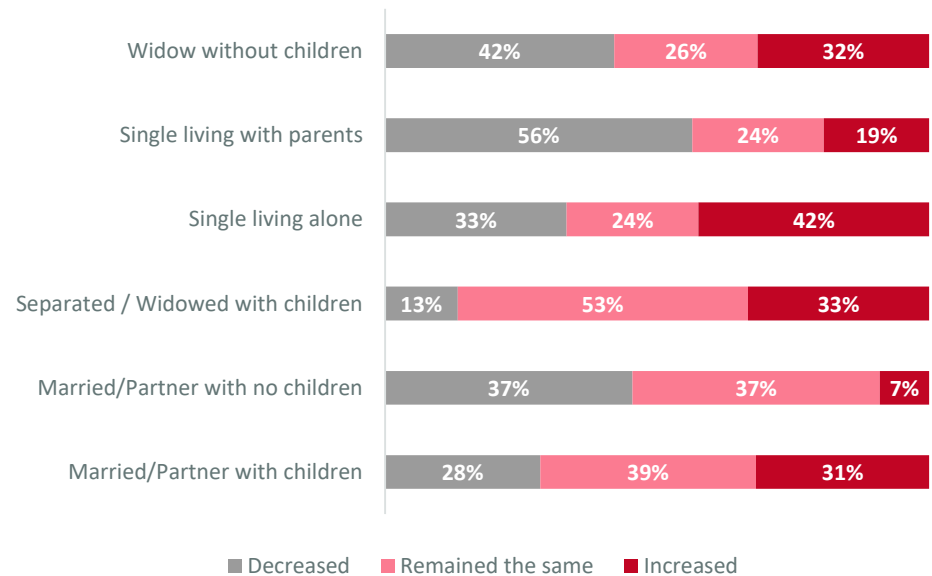
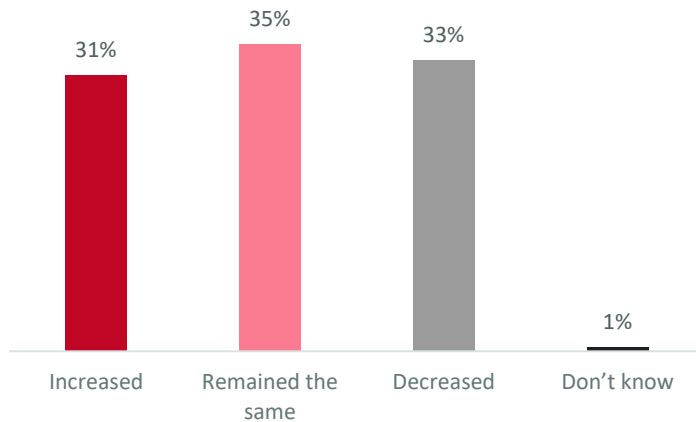


- When asked about their daily living expenditure, responses varied with an equal split among those that felt it increased, remained the same and decreased.
- Variances were observed when analysing data by region, with the Northern region and Northern harbour district indicating the highest percentage decrease in expenditure (45% each). Conversely the Southern harbour region indicated the highest increase in expenditure (42%).

Perceptions and attitudes towards finances

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

Sample Size: 398

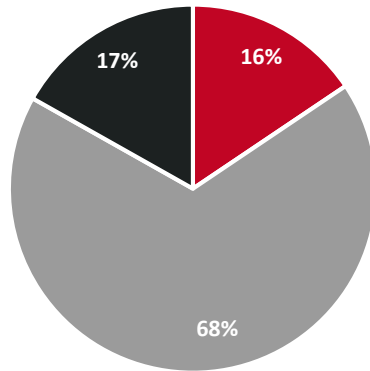


- Variances were also observed when analysing data by 'status' with 'single living alone' indicating the highest percentage increase in expenditure (42%), while those married/with partner and kid/s indicated the lowest increase (7%). 'Single living with parents' were the cluster to indicate the highest decrease in expenditure (56%).

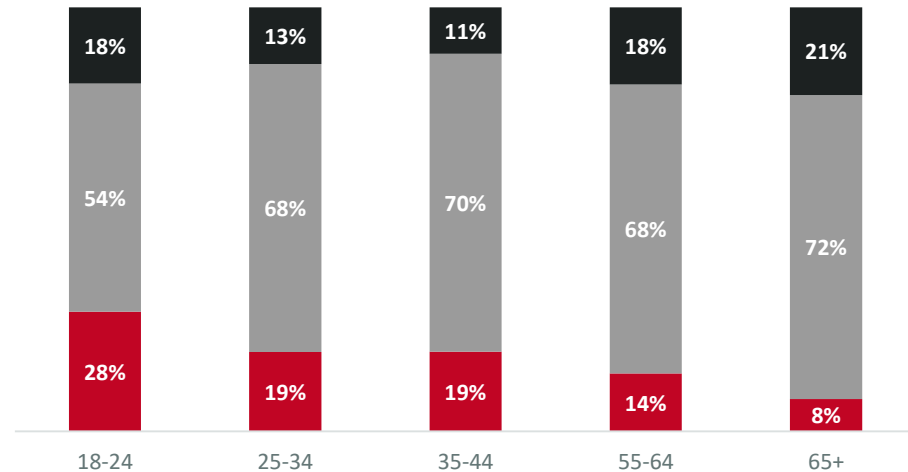
Perceptions towards major purchases

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: 398



■ Yes ■ No ■ Don't Know



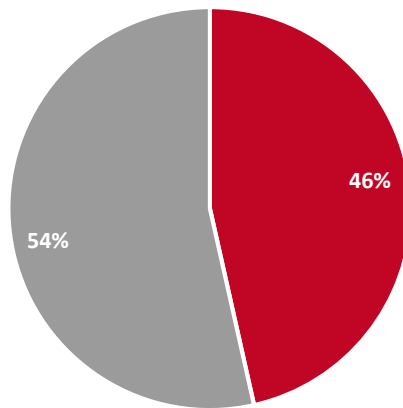
■ Yes ■ No ■ Don't Know

- In view of the general economic situation, two-thirds of the population (68%) do not think that now is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc .
- No variance was observed when analysing data by gender.
- Variances were observed when analysing data by age, with the percentage of those indicating that it's a right time to make a major purchase decreasing with age.

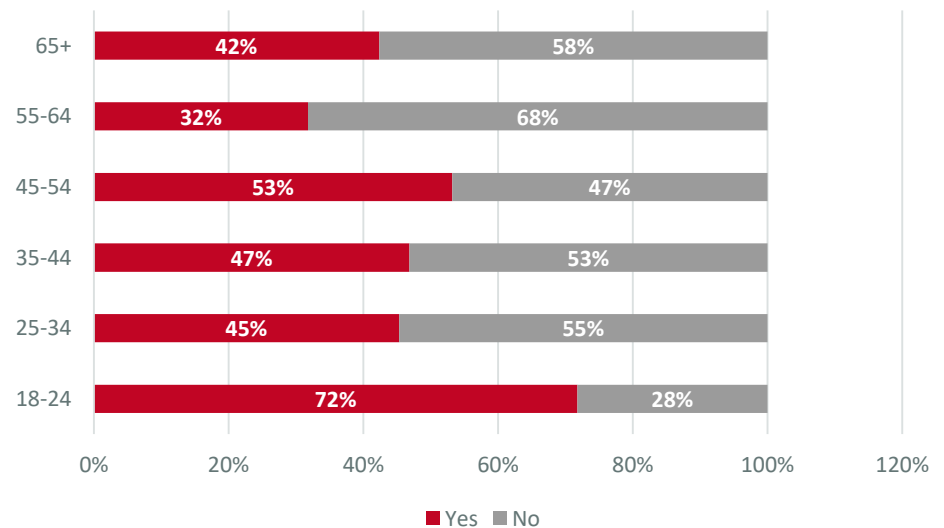
Perceptions and attitudes towards finances

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

Sample Size: 398



■ Yes ■ No



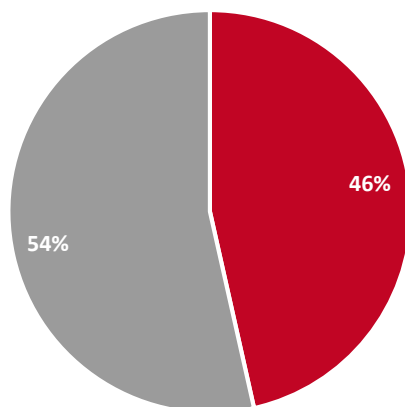
■ Yes ■ No

- 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 fell within the 18 to 24 age group (72%). Conversely those falling within the 55 to 64 age bracket attained the lowest positive score (32%).

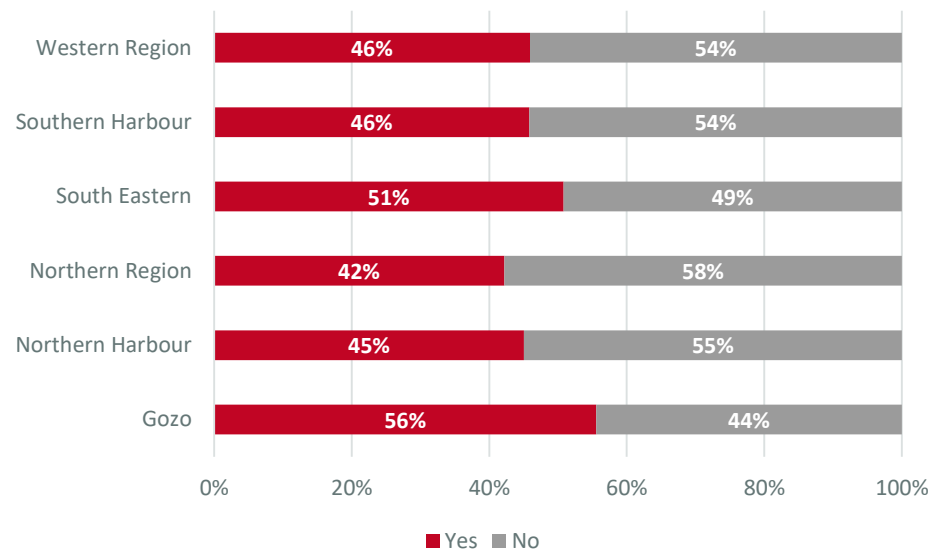
Perceptions and attitudes towards finances

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

Sample Size: 398



■ Yes ■ No

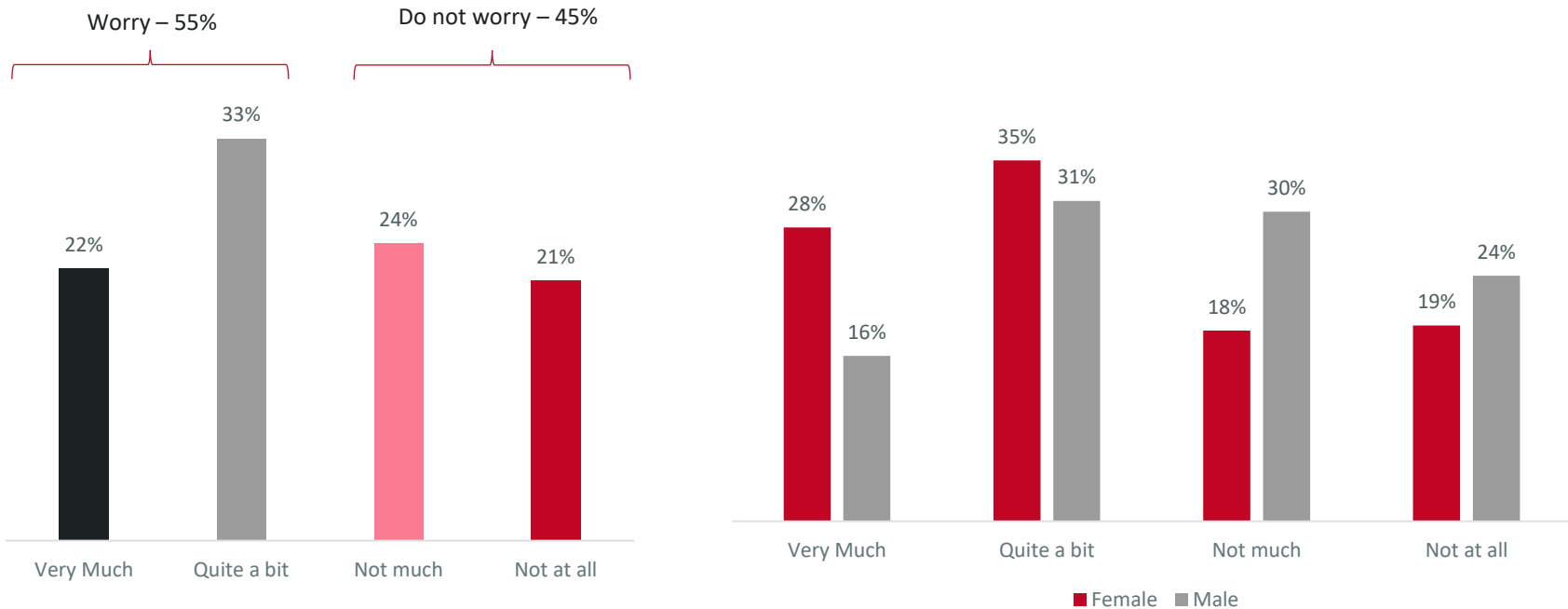


- A review of responses by district evidences that Gozitans, followed by those residing in the South Eastern regions were more able to save over the past 3 months than individuals residing in other districts (56% and 51% respectively).
- A review by status illustrates that the primary variance related to 'single living with parents'. This group attained the highest positive response with 69% indicating to have been able to save over the past 3 months.

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 398

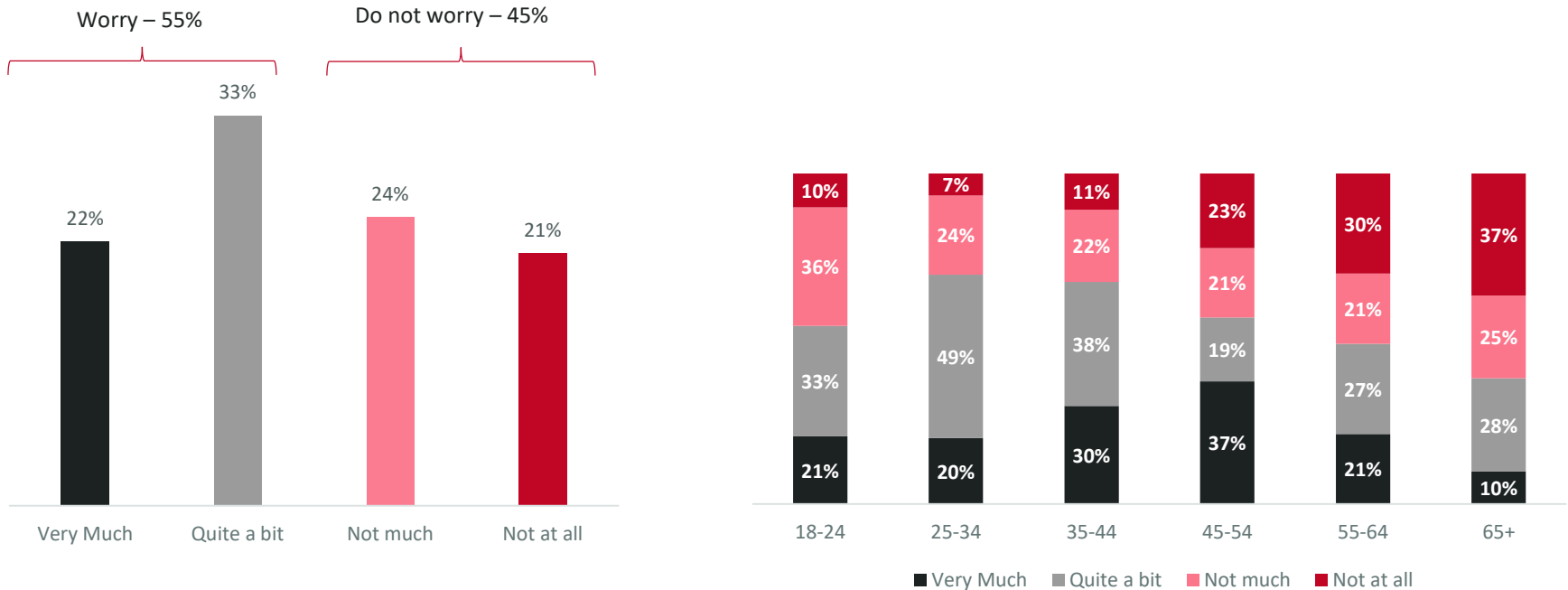


- 55% of the population tends to worry about their financial future (with 22% indicating to worry very much).
- A review of responses by gender indicates that females are more inclined to worry than their male counterparts (63% of females worry as opposed to 47% of males).

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 398

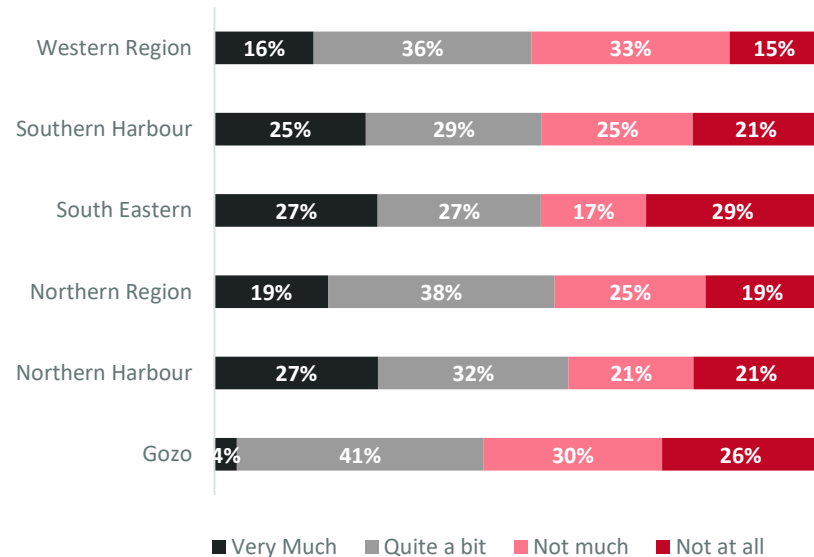
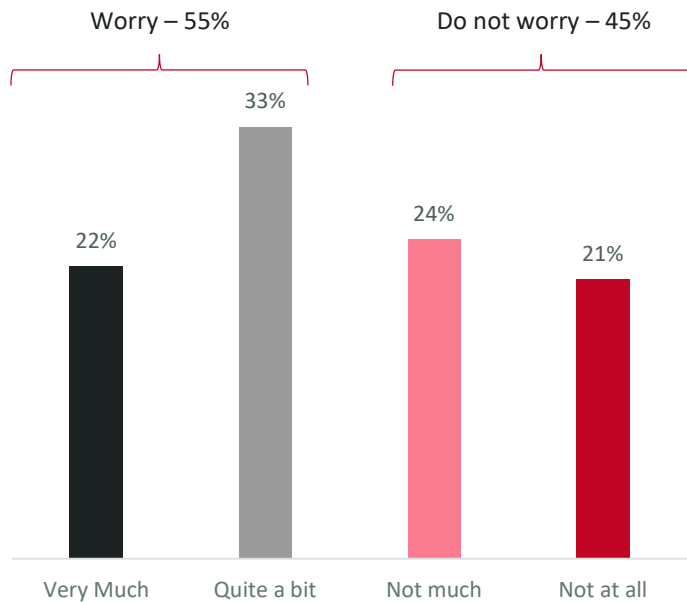


- A review of responses by age indicates that overall, the 25 to 44 age group worry the most. Nonetheless, those aged 45 to 55 attained the highest percentage of individuals that worry very much (with 37% of responses within this category). Conversely, those aged 65 and over are the least to worry (38%, with 10% indicating to worry a lot). Furthermore, the percentage of those 'not worrying at all' tends to increase with age.

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 398

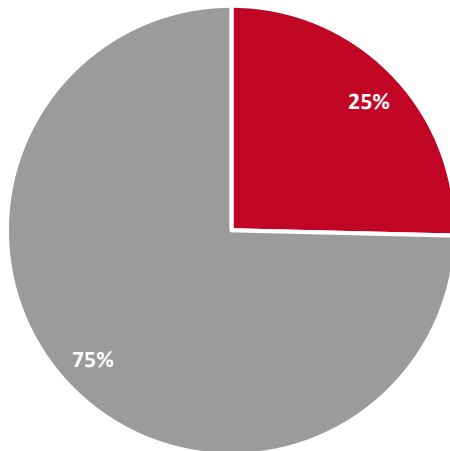


- Variances were also observed when analysing data by district. The highest percentage of those worrying a lot related to the South Eastern and Northern Harbour districts (with 27% responses each). Conversely, with 45%, Gozo attained the lowest score in terms of worry (4% indicated that they worry a lot and 41% indicated that worry quite a bit).

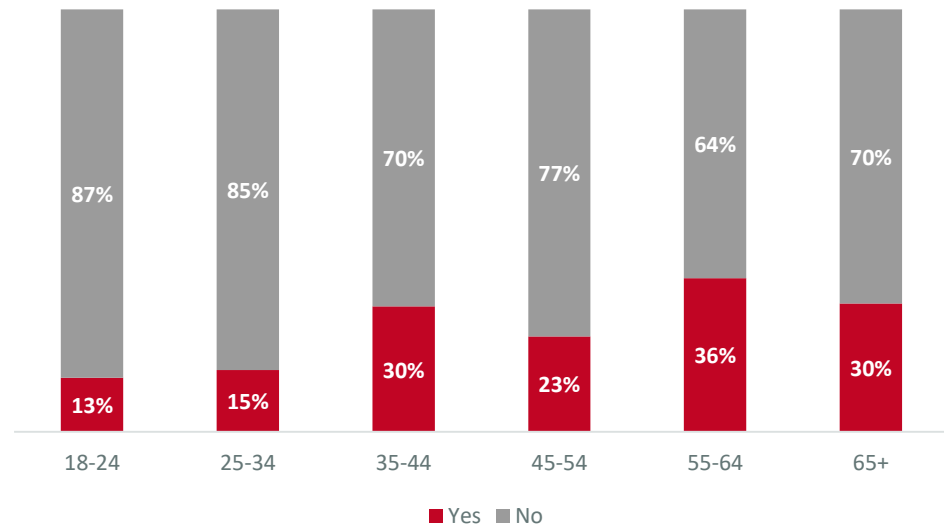
Retirement pension plan

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

Sample Size: 398



■ Yes ■ No



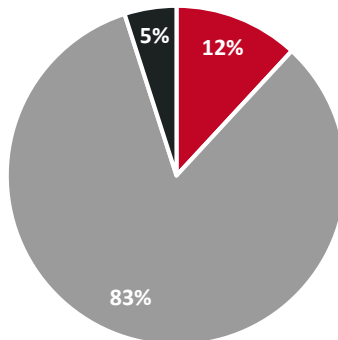
■ Yes ■ No

- Three-fourths of respondents do not have a retirement pension plan over and above that provided by government.
- 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.

Retirement pension plan

Sample Size: 101

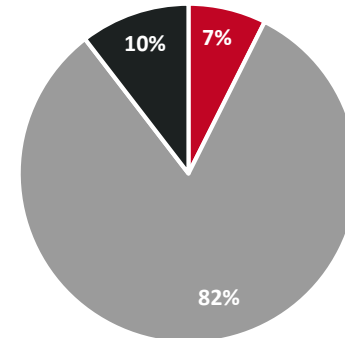
If 'yes' - Do you plan on increasing your level of investment for your future retirement plans over the next 3 months?



■ Yes ■ No ■ Don't know

Sample Size: 297

If 'No' - Do you plan on starting a pension plan or investing money for your future retirement plans over the next 3 months?



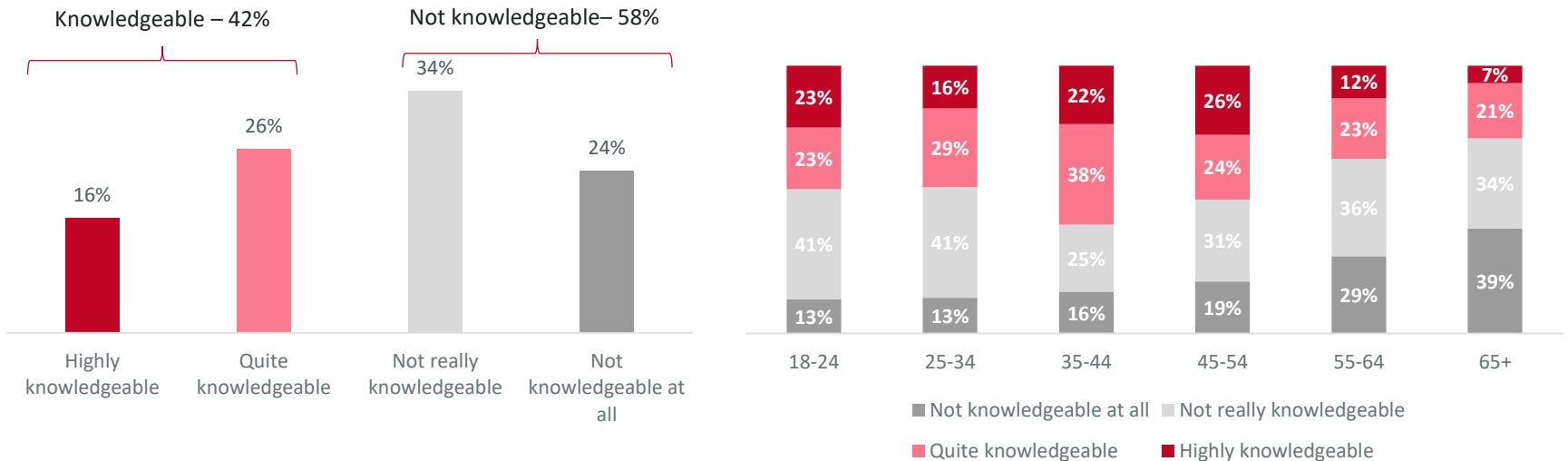
■ Yes ■ No ■ Don't know

- 83% of those that have a plan do not intend increasing their level of investment for their future retirement plan over the next 3 months. Conversely, 12% indicated that they were likely to increase it.
- A similar trend was observed among those without a retirement plan, with 82% indicating no likelihood of them starting a pension plan over the next 3 months.

Knowledge on money matters

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

Sample Size: 398

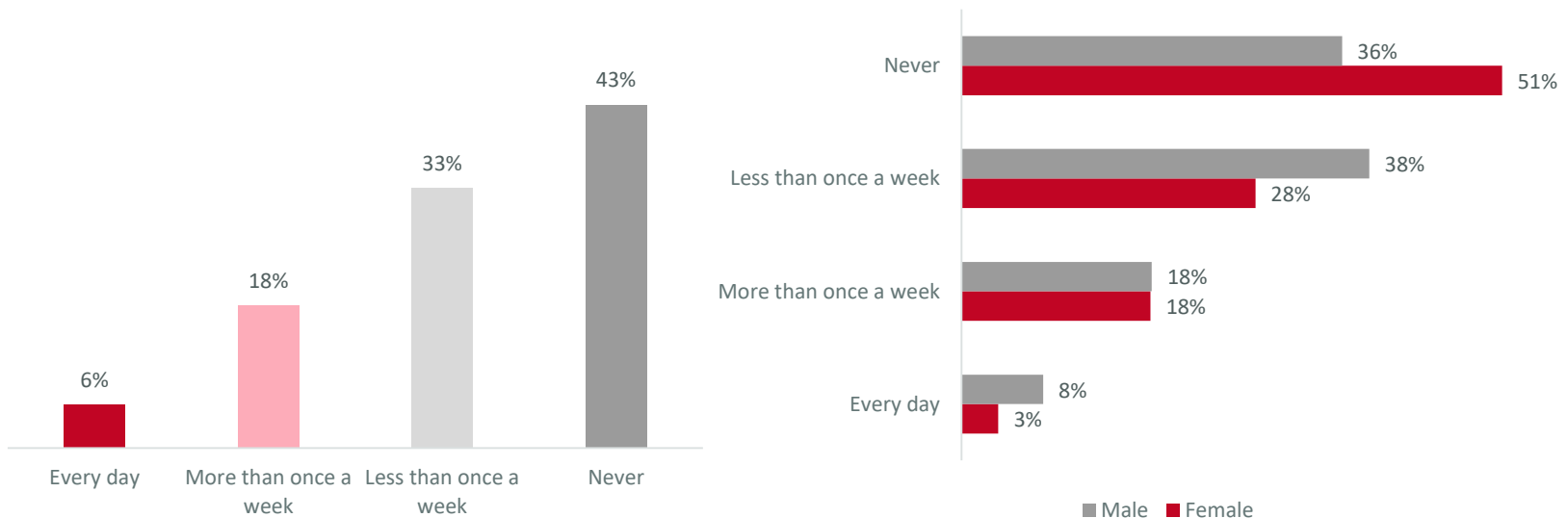


- Overall, respondents do not consider themselves to be knowledgeable on money matters (34% 'not really' and 24% 'not knowledgeable at all').
- With 60% positive responses, those aged 35 to 44 are most knowledgeable among the various age groups under review. Conversely, those aged 65 and over are least knowledgeable (28% positive responses).

Read up on personal finance matters

How often do you read up on personal finance matters?

Sample Size: 398

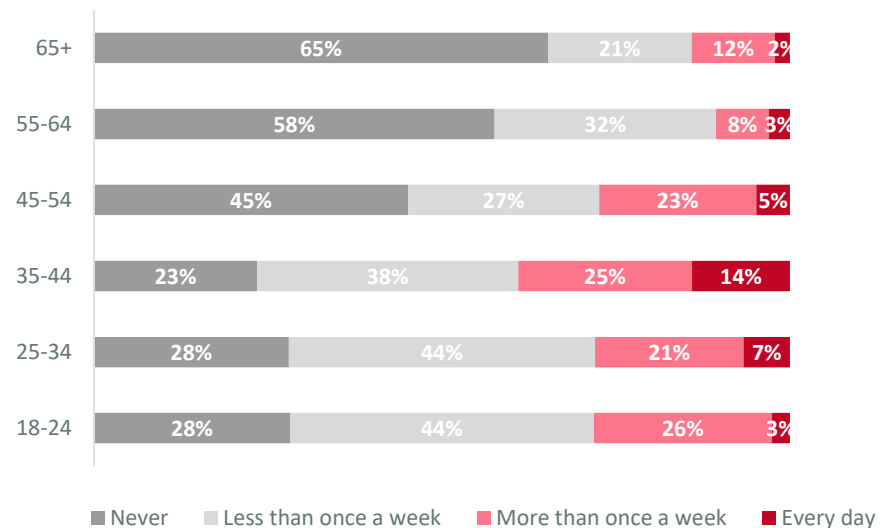
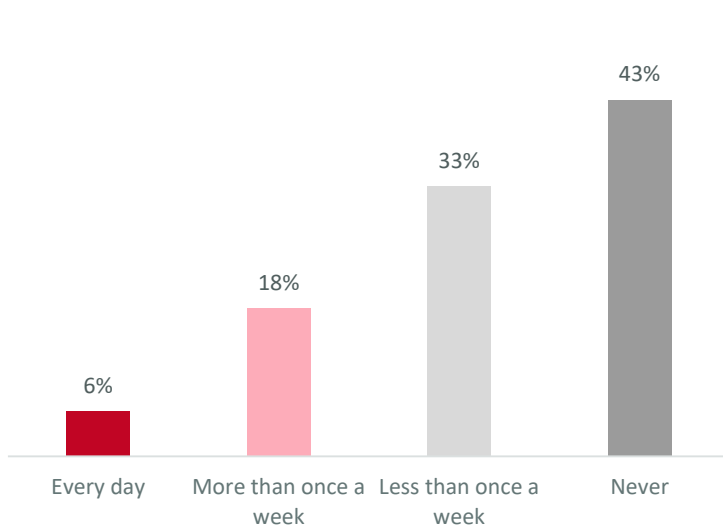


- 24% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 47% never do so.
- A review by gender indicates that a higher percentage of females 'never' read up on personal finance matters than males (51% as opposed to 36%).

Perceptions and attitudes towards finances

How often do you read up on personal finance matters?

Sample Size: 398

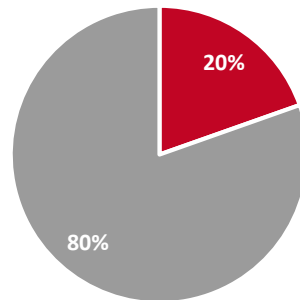


- Respondents falling within the 35 to 44 age group are more likely to read daily about such matters than other age groups.

Awareness on GEMMA

Sample Size: 398

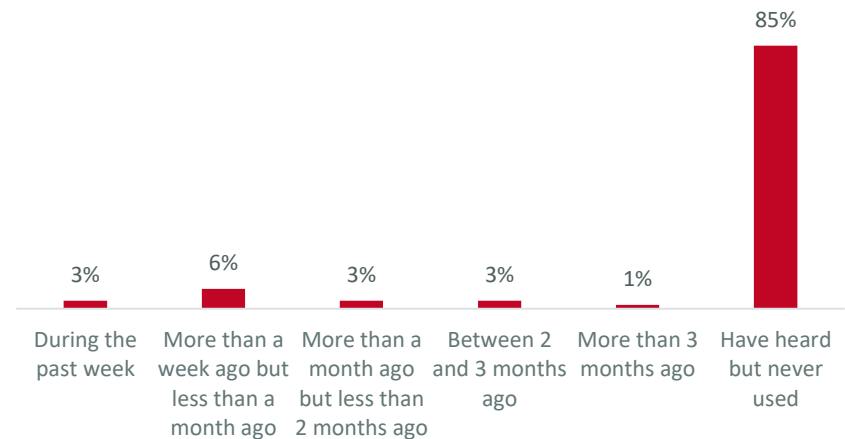
Have you heard of GEMMA, the government's portal for information on financial planning, retirement schemes including tools to help you plan your finance?



■ Yes ■ No

Sample Size: 78

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

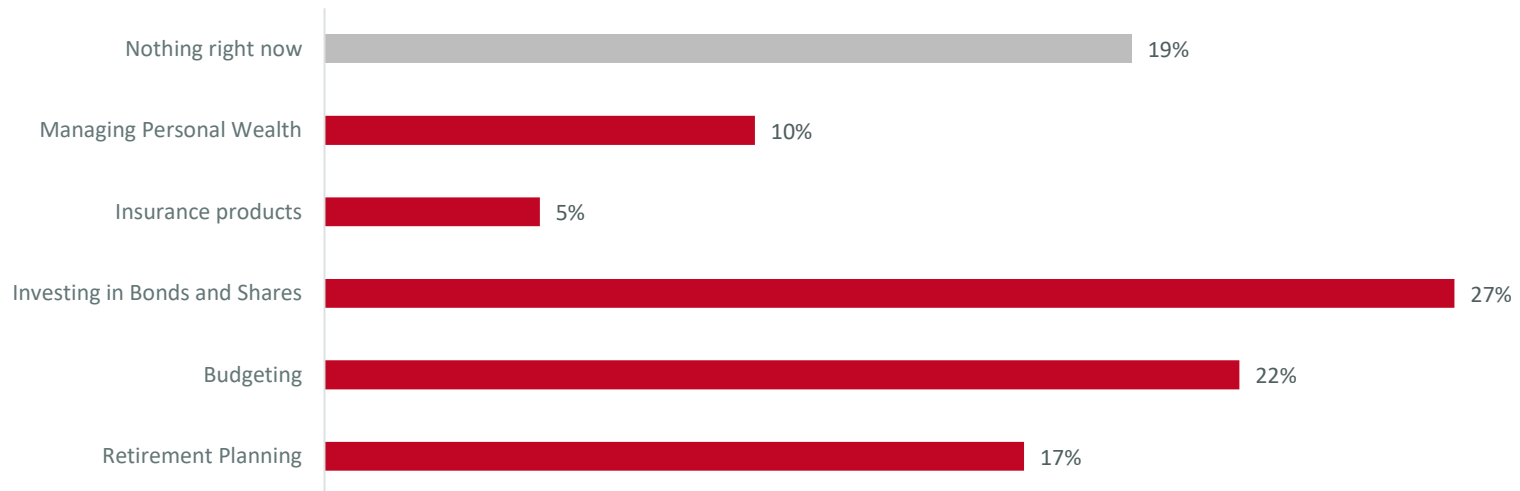


- 80% of the target audience has not heard of GEMMA.
- Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (15% of those that had heard about GEMMA, or 3% of the total sample).

Perceptions and attitudes towards finances

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

Sample Size: 78



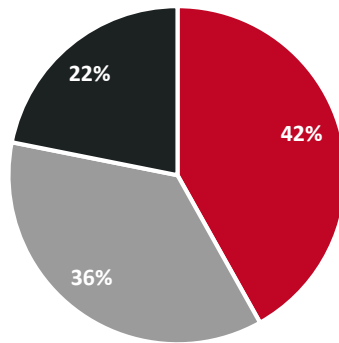
- Among the those that heard of GEMMA, ‘investing in bonds and shares’ is the topic respondents are most likely to look for with respect to money matters (27%), followed by ‘budgeting (17%).
- 19% indicated that there was nothing right now that they would look up on the topic in question.

Future attitudes towards saving

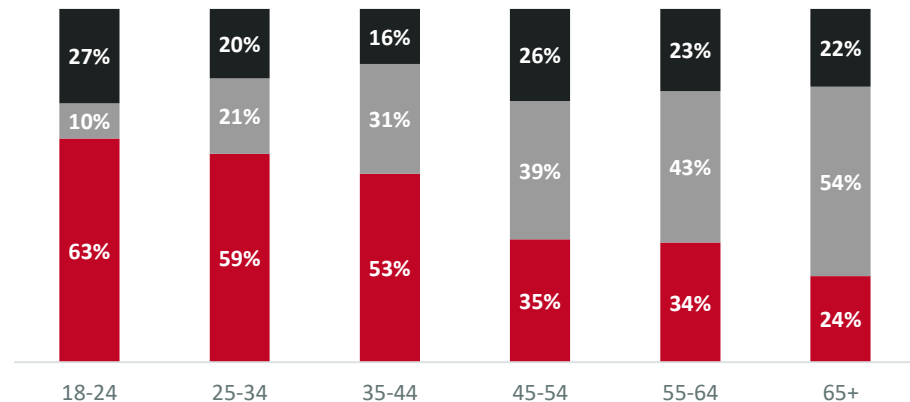
Some respondents did not reply

Sample Size: 320

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?



■ Yes ■ No ■ Don't know



■ Yes ■ No ■ Don't know

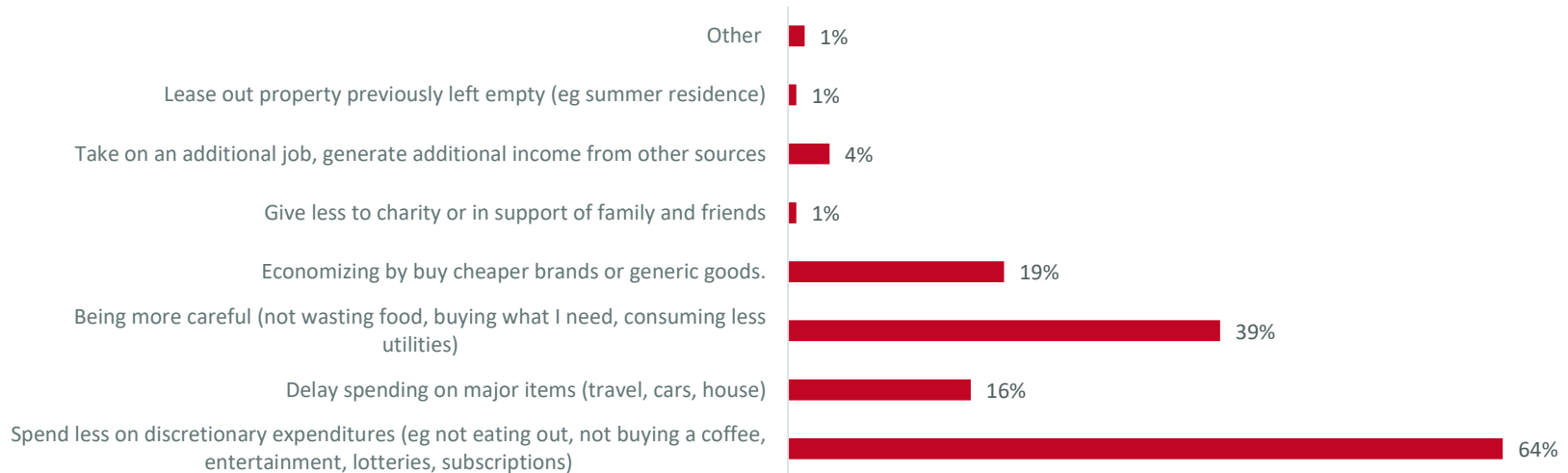
- Following their experience of the crisis brought about by the COVID-19 pandemic, 42% of respondents are more inclined to save for a rainy day once things return to normal.
- A review of responses by age indicates that the younger age groups are more likely to save up more for a rainy day, with the percentage of those that indicated to do so decreasing with age (63% of those aged 18 to 24 as opposed to 24% of those aged 65 and over).
- No distinct variances were observed when analysing data by gender and region.

Perceptions and attitudes towards finances

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

Respondents could give multiple replies

Sample Size: 134



- A review of responses by age indicates that the younger age groups are more likely to save up more for a rainy day, with the percentage of those that indicated to do so decreasing with age (63% of those aged 18 to 24 as opposed to 24% of those aged 65 and over).

Conclusions

Conclusions

Perceptions and attitudes towards finances

- Overall, locals feel that they are in control of their current financial situation, with 82% 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 (43% always and 27% sometimes). Conversely, close to one third of the population do not plan monthly expenditures.
- Females (75%) are more inclined to plan than males (64%). Furthermore, a higher percentage of males indicate to never plan (35% as opposed to 25%).
- Separated/single parents' are the segment most likely to plan (with 60% indicating to always plan as opposed to 7% that never plan, while 'single living alone' and 'married/living with partner without kids' were the segments that least planned (42% and 37% respectively indicated to never plan).
- Almost half the population (47%) have funds to last 3 or more months in the event of an emergency. On the other hand, one fifth (21%) indicated having funds to last less than 1 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 75% indicating having more than a month).
- Noticeable variances were also observed when analysing data by district, with the Western region having the highest percentage of respondents indicating 'less than 1 month' (with 36% responses).

Financial situation

- For half the population, their financial situation has not altered over the past three months. On the other hand, 34% indicated that it had deteriorated, while 12% indicating it had improved.
- 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'. 55% indicated that it was likely to remain the same. Conversely, 22% indicated that it was likely to deteriorate, while 13% thought it was likely to increase.

Conclusions

Attitudes towards daily living expenditure

- When asked about their daily living expenditure, responses varied with an equal split among those that felt it increased, remained the same and decreased.
- Variances were observed when analysing data by region, with the Northern region and Northern harbour district indicating the highest percentage decrease in expenditure (45% each). Conversely the Southern harbour region indicated the highest increase in expenditure (42%).
- Variances were also observed when analysing data by 'status' with 'single living alone' indicating the highest percentage increase in expenditure (42%), while those married/with partner and kid/s indicated the lowest increase (7%).
- 'Single living with parents' were the cluster to indicate the highest decrease in expenditure (56%).

Conclusions

Perceptions towards major purchases

- In view of the general economic situation, two-thirds of the population (68%) do not think that now is the right moment for people to make major purchases such as furniture, electrical/electronic devices, etc.
- Individuals' opinion that it was now the right moment to make a major purchase decreased with age

Ability to save

- 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 fell within the 18 to 24 age group (72%). Conversely those falling within the 55 to 64 age bracket attained the lowest positive score (32%).
- Gozitans, followed by those residing in the South Eastern regions were more able to save over the past 3 months than individuals residing in other districts (56% and 51% respectively) as were 'single living with parents' (with 69% 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 22% indicating to worry very much).
- 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 47% of males).
- Overall, the 25 to 44 age group worry the most. Nonetheless, those aged 45 to 55 attained the highest percentage of individuals that worry very much (with 37% of responses within this category).
- With 45%, Gozo attained the lowest score in terms of worry (4% indicated that they worry a lot and 41% indicated that worry quite a bit).

Conclusions

Retirement pension plan

- Three-fourths of respondents do not have a retirement pension plan over and above that provided by government. Those aged 34 and under were less likely to have a retirement pension plan than other age groups
- 83% of those that have a plan do not intend increasing their level of investment for their future retirement plan over the next 3 months. Conversely, 12% indicated that they were likely to increase it.
- A similar trend was observed among those without a retirement plan, with 82% indicating no likelihood of them starting a pension plan over the next 3 months.

Knowledge on money matters

- Overall, respondents do not consider themselves to be knowledgeable on money matters (34% 'not really' and 24% 'not knowledgeable at all'). With 60% positive responses, those aged 35 to 44 are most knowledgeable among the various age groups under review. Conversely, those aged 65 and over are least knowledgeable (28% positive responses).

Conclusions

Read up on personal finance matters

- 24% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 47% never do so.
- A review by gender indicates that a higher percentage of females ‘never’ read up on personal finance matters than males (51% as opposed to 36%).
- Furthermore, respondents falling within the 35 to 44 age group are more likely to read daily about such matters than other age groups.

Awareness on GEMMA

- 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 (15% of those that had heard about GEMMA, or 3% of the total sample).
- Among the those that heard of GEMMA, ‘investing in bonds and shares’ is the topic respondents are most likely to look for with respect to money matters (27%), followed by ‘budgeting (17%).

Conclusions

Future attitudes towards savings

- Following their experience of the crisis brought about by the COVID-19 pandemic, 42% of respondents are more inclined to save for a rainy day once things return to normal.
- The younger age groups are more likely to save up more for a rainy day, with the percentage of those that indicated to do so decreasing with age (63% of those aged 18 to 24 as opposed to 24% of those aged 65 and over).

The GEMMA Pulse Survey on Household Money Management – May 2020

For more information or to download the survey results
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