

# The GEMMA Pulse Survey on Household Money Management – September 2020



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know, plan, act.



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

# Executive Summary

## Brief

- This report presents the findings of the 3<sup>rd</sup> 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 Monday 31<sup>st</sup> August and Monday 9<sup>th</sup> September 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 79% responses (previously 83%), overall the general public feels that it is in control of their financial situation. Such figure indicates a marginal decline over previous studies (83% in May and 82% in April).
- 76% tend to plan out monthly expenditures by making budgets (42% always and 34% sometimes). Such figure represents an increment when compared with the previous studies (69% in April and 70% in May). Furthermore, this no distinct variances were observed when analysing data by gender, unlike previous studies. Then females were more inclined to plan monthly expenditures than their male counterparts.
- 36% of respondents indicated that in the event of an emergency, they have funds to last them more than 3 months. Such figure represents a decline over the previous surveys (47% in April and 44% in May).
- On the other hand, 16% indicated having funds to last them 'less than a month'. Such figure illustrates that over the 3 surveys this figure has marginally decreased consistently (21% in April and 18% in May).
- Gozo had the highest percentage of individuals indicating 'more than 3 months' (46%) and 'less than 1 month' (23%).
- In line with all studies conducted to date, those aged under 24 had least funds available to last more than 3 months.

# Executive Summary

- For two thirds of the population (63%), their financial situation has not altered over the past three months. Such figure illustrates a marginal gradual increase over the previous surveys (53% in April and 59% in May).
- On the other hand, 26% indicated that their financial situation had deteriorated, this figure being the lowest to date (34% in April and 32% in May).
- 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', with 64% of the opinion that it will remain unchanged. That said, overall, people are less optimistic than they were in May that their financial situation will improve (then 19% now 10%).
- When asked about their daily living expenditure, 46% indicated that their daily expenditure remained the same. Conversely 24% indicated that it increased. Such figure representing an 8% decline over the previous study (32% in May).
- When asked whether they think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc 56% answered in the negative. September results illustrate that people are more cautious than they were back in May, with those indicating that now is a right time to purchase standing at 21% a decrease of 14% over May.

# Executive Summary

- 51% of respondents indicated that they have not been able to save over the past three months. Such figure being consistent over the three studies conducted to date.
- In line with previous studies, the young, Gozitans & 'single living with parents' were most able to save.
- 53% of the population tends to worry about their financial future (with 19% indicating to worry very much). Results indicate no noticeable variance from the previous studies. The variance in responses between genders is marginal. In the previous studies it was more pronounced (63% of females indicated to worry as opposed to 47% males in the May survey while in April 63% of females and 45% of males worried).
- In all studies, those aged 65 and over were least to worry.
- 80% (previously 74%) of respondents do not have a retirement pension plan over and above that provided by government.

# Executive Summary

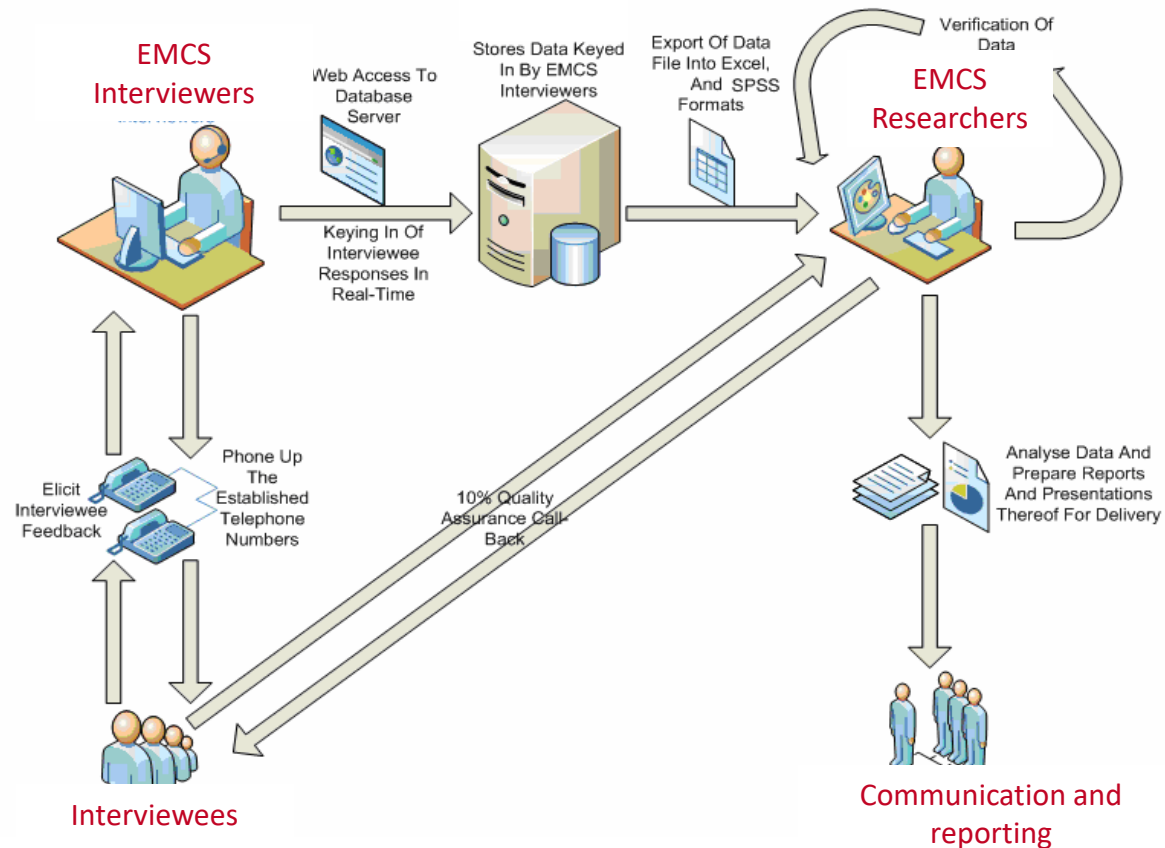
- Among those that do have a retirement plan, 45% plan increasing their level of investment for their future retirement plan over the next 3 months. Such figure is a marked increase over the previous studies (26% in May, 12% in April).
- By and large, those without a plan indicated no likelihood of them starting a pension plan over the next 3 months. (For all studies under 10% said they intended to start a pension plan).
- Overall, respondents consider themselves to be knowledgeable on money matters (10% 'highly knowledgeable' and 42% 'slightly/quite knowledgeable').
- 30% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 19% never do so. Results illustrate that those that never read upon their personal financial matters is constantly and gradually decreasing.
- 77% of the target audience has not heard of GEMMA. Such figure being consistent with results from the previous studies. Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (9% of those that had heard about GEMMA, or 2% of the total sample).
- Following their experience of the crisis brought about by the COVID-19 pandemic, 36% of respondents are more inclined to save for a rainy day once things return to normal. Those answering in the positive continued to experience a marginal decline (42% in April and 40% in May).

# Methodology



# Methodology

- The Computer Aided Telephone Interviews total of 402 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

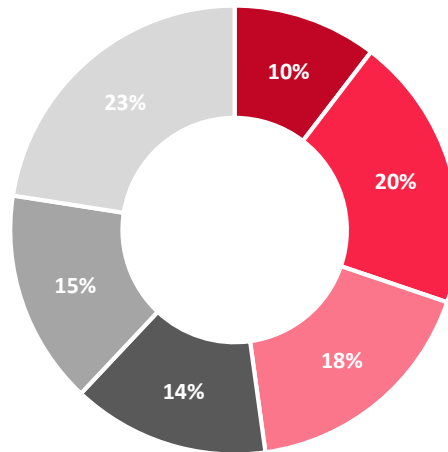




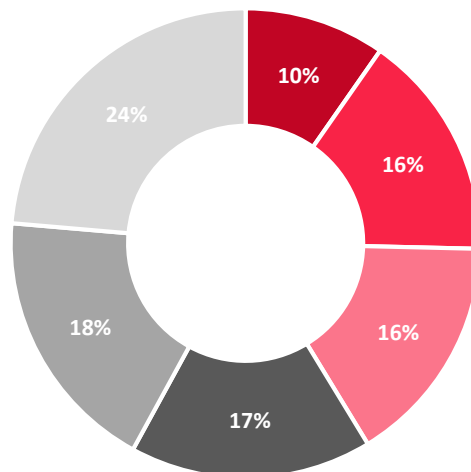
# Sample size

# Sample

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



**Sample Demographics**



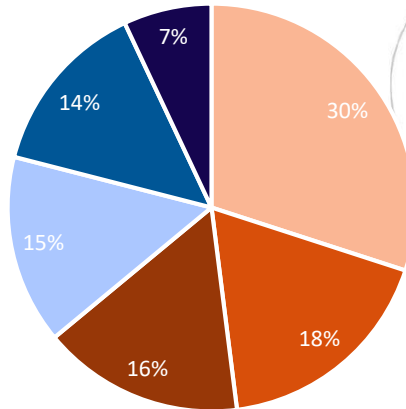
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+

## Gender/ Age

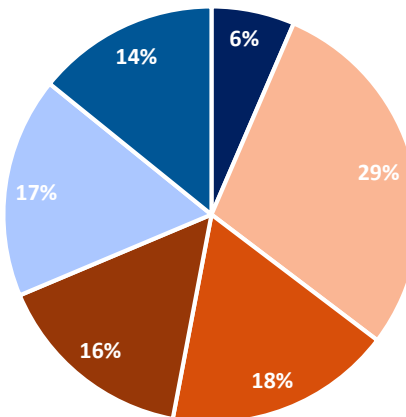
- A total of 402 surveys were collected between Monday 31<sup>st</sup> August and Monday 9<sup>th</sup> September 2020 through computer-aided-telephone-interviews (CATI).
- The sample represents a 95% confidence level and a confidence interval of 5%.
- The sample is equally split in terms of males and females (49% and 51% respectively).
- As illustrated here, the sample size is also representative of the local population in terms of age.

# Sample

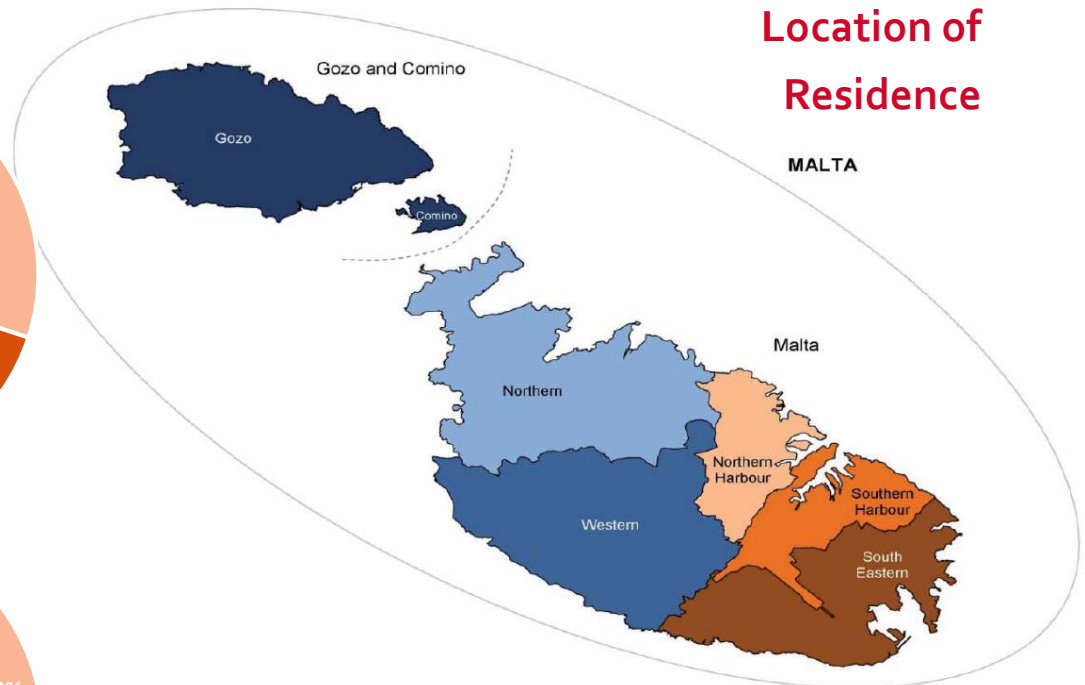
**Local Demographics**  
Data extracted from  
NSO Publication:  
Trends in Malta 2016



**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.

■ Gozo
 ■ Northern Harbour Region
 ■ Southern Harbour Region  
■ Southern Eastern Region
 ■ Northern Region
 ■ Western Region

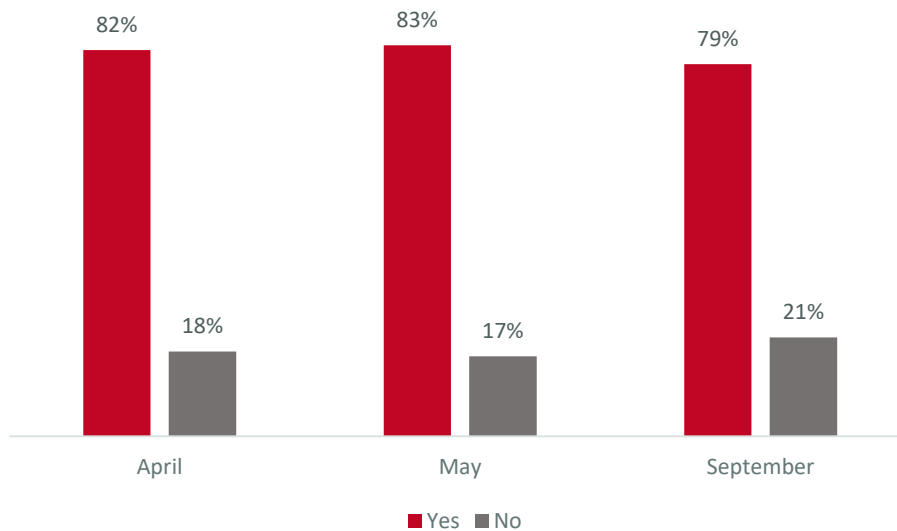


# Survey results

# Perceptions and attitudes towards finances

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

Sample Size: 402



Overall

Northern  
Harbour District  
72%

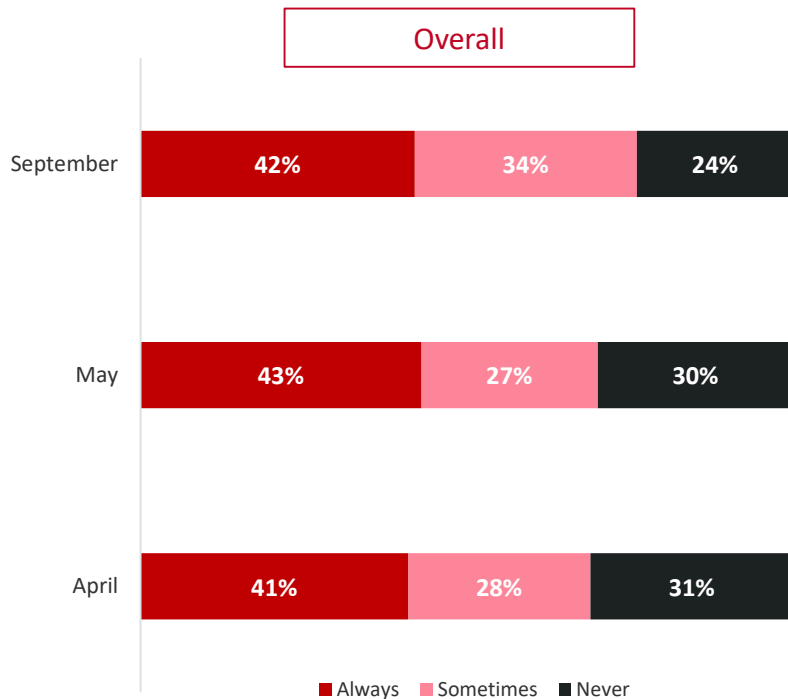
Main variance when analysing by district in September. In May the main variance related to Southern Harbour District (74%)  
No variances when analysing April data

- 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: 402



Plan out monthly expenditures  
(always/sometimes)

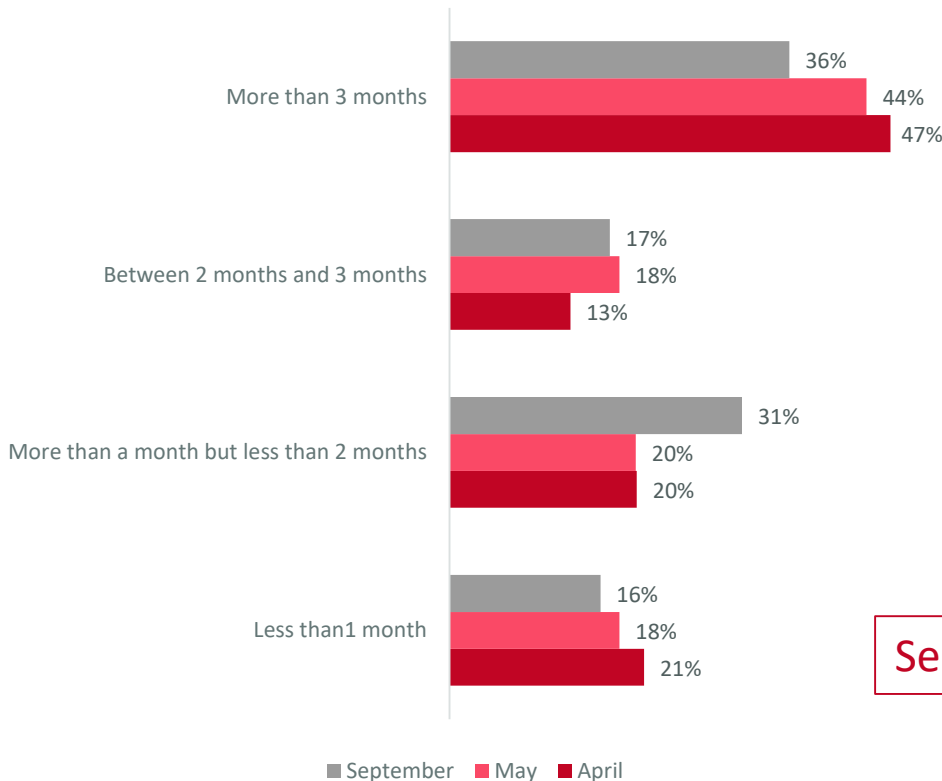
No distinct variance was observed when analysing data by gender. In the previous studies females were more inclined to plan than their male counterparts.

With those indicating 'never' currently standing at 24%, research evidences that there has been a marginal increase by respondents in planning monthly expenditures.

# Emergency funds

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

Sample Size: 402



April

**30%** of those residing in the Southern Harbour indicated 'less than a month'  
**6%** of those residing in the Northern region indicated 'less than a month'

May

**36%** of those residing in the Western region indicated 'less than a month'

September

Those indicating 'more than 3 months' has show a constant gradual decline over the three surveys.

**46%** of those residing in Gozo indicated 'more than 3 months.'

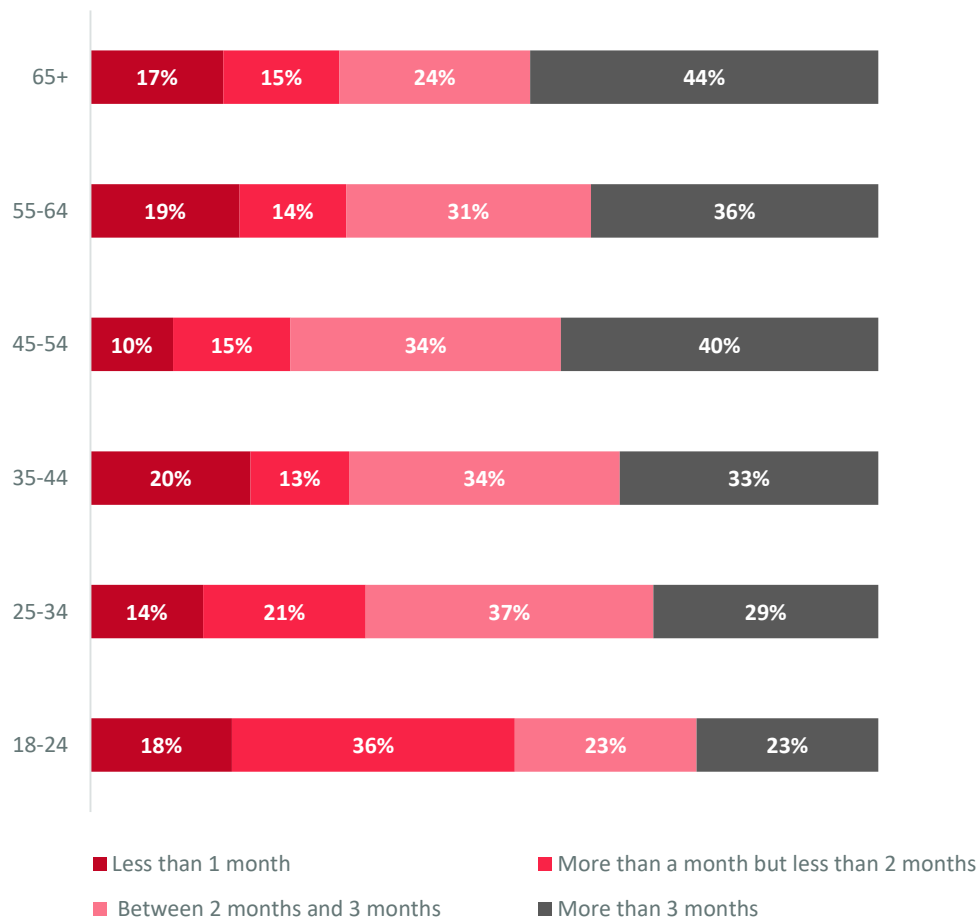
**23%** of those residing in the Gozo indicated 'less than a month'



# Emergency funds

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

Sample Size: 402



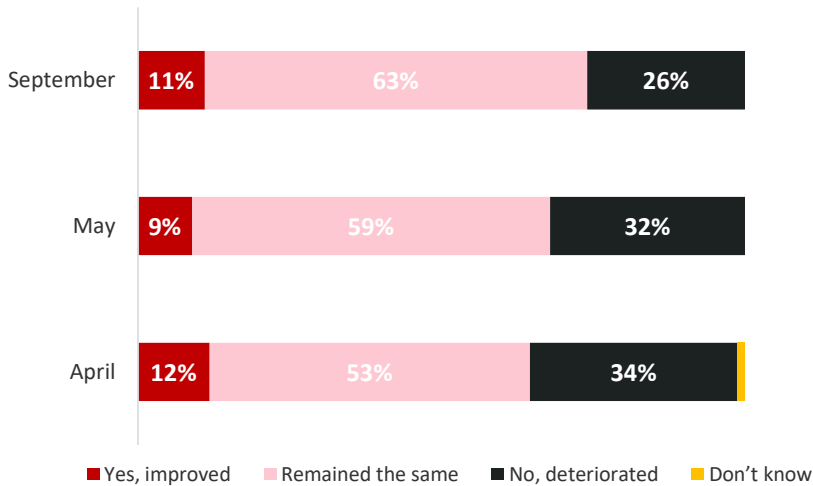
- In line with all studies conducted to date, those aged **under 24** had least funds available to last more than 3 months.

- A comparison of the three studies evidences that funds to last more than 3 months among **those aged 55 to 64**
- once again decreased, in line with April figures (38% in April and 54% in May).

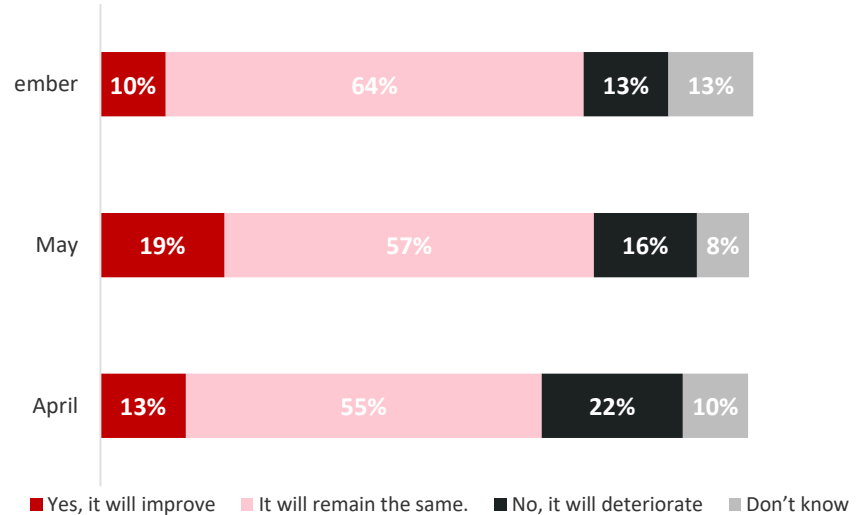
# Financial situation

Sample Size: 402

Has your financial situation improved over the past 3 months?



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



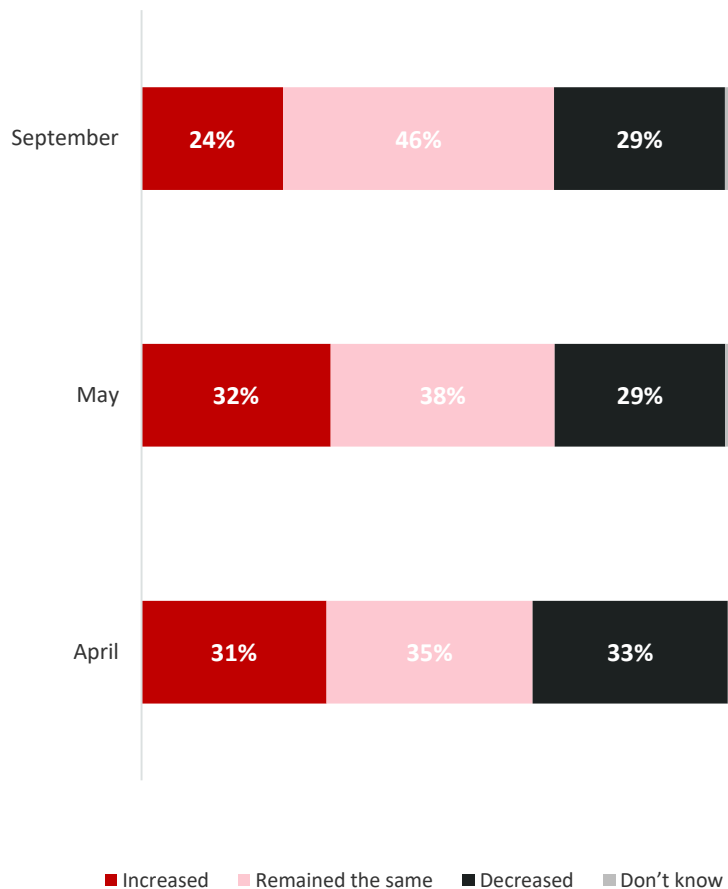
- Minimal variances were observed when comparing data with that of the previous studies. Those indicating that it deteriorated decreased marginally.

- Overall, people are less optimistic than they were in May that their financial situation will improve (then 19% now 10%). That said, those indicating that it will deteriorate declined marginally over time.

# 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: 402



April - May

- **43%** of those residing in the Northern Region indicated a decrease in expenditure in May. In April this stood at 45%).
- **50%** of the Southern Harbour residents indicated an increase in expenditure in May (42% in April).

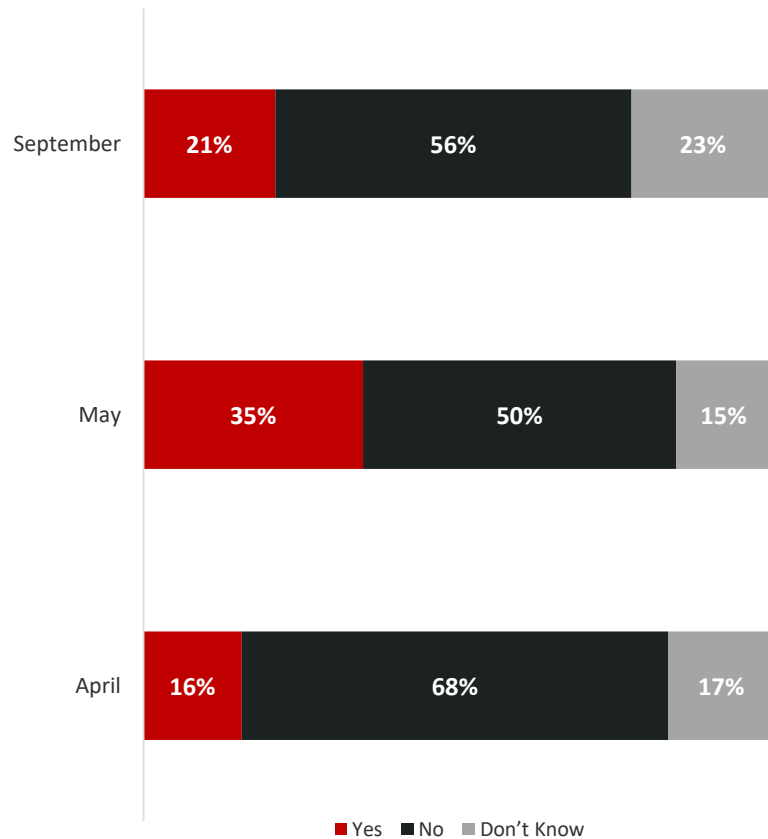
September

- **38%** of those residing in the South Eastern Region indicated a decrease in expenditure in September.
- **37%** of Western residents indicated an increase in expenditure.

# 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: 402



April

May

September

- September results illustrate that people are more cautious than they were back in May, with those indicating that now is a right time to purchase standing at 21% a decrease of 14% over May.

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

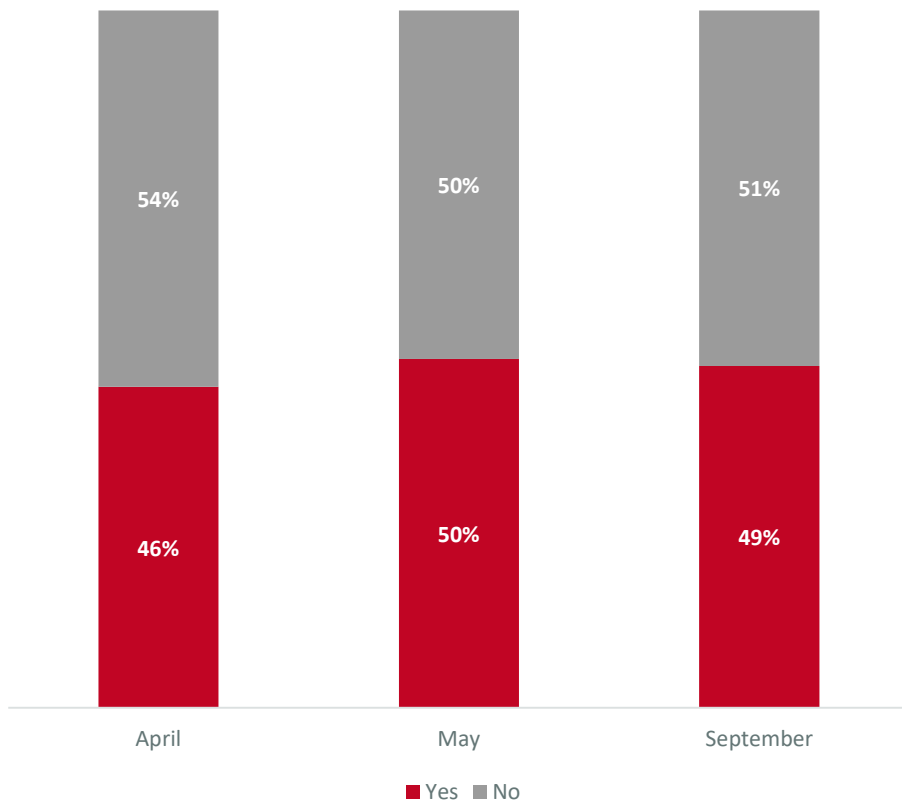
- Those aged 18 to 24 most inclined to think that now is a right time to make a major purchase.

- Those aged 45 to 54 were least inclined to think that now is a right time to make a major purchase.
- Those aged 65+ were the most uncertain

# Perceptions and attitudes towards finances

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

Sample Size: 402



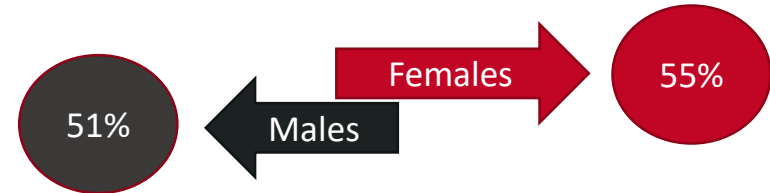
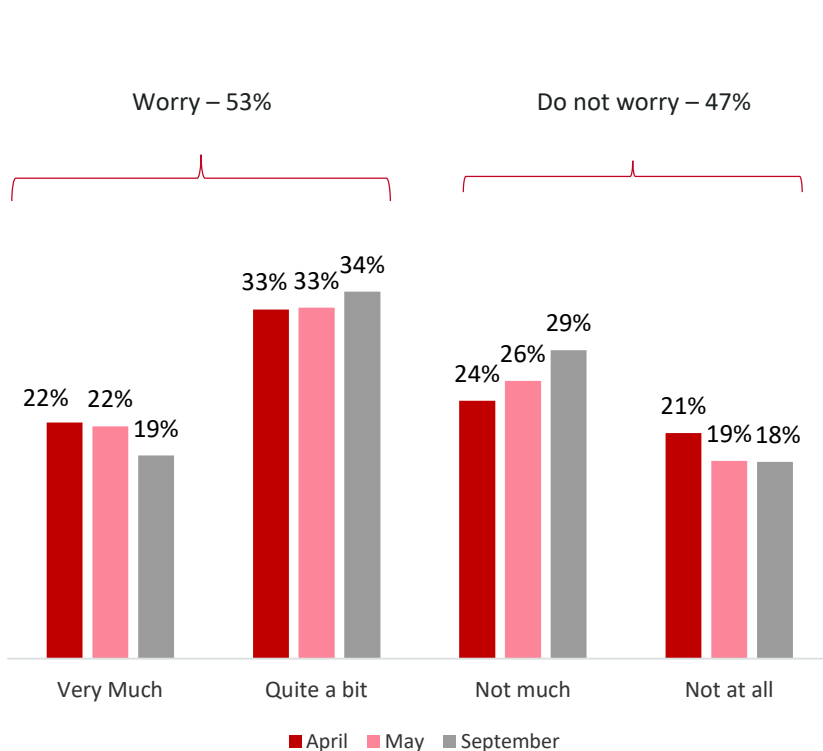
In line with previous studies, the young, Gozitans & 'single living with parents' were most able to save

- 80% of those aged 18 to 24 managed to save
- 65% of Gozitans
- 70% single living with parents

# Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 402



- The variance in responses between genders is marginal.
- In the previous studies it was more pronounced (63% of females indicated to worry as opposed to 47% males in the May survey while in April 63% of females and 45% of males worried).

- **61%** of those aged 25 – 44 worry

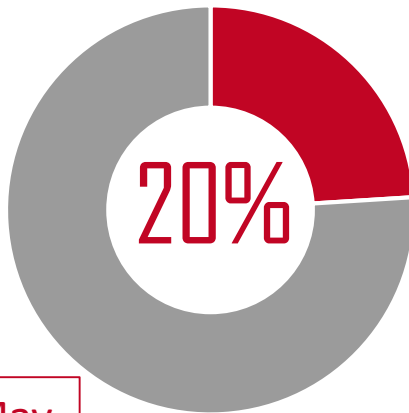
- **In all studies, those aged 65 and over were the least to worry.**

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

# Retirement pension plan

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

Sample Size: 402



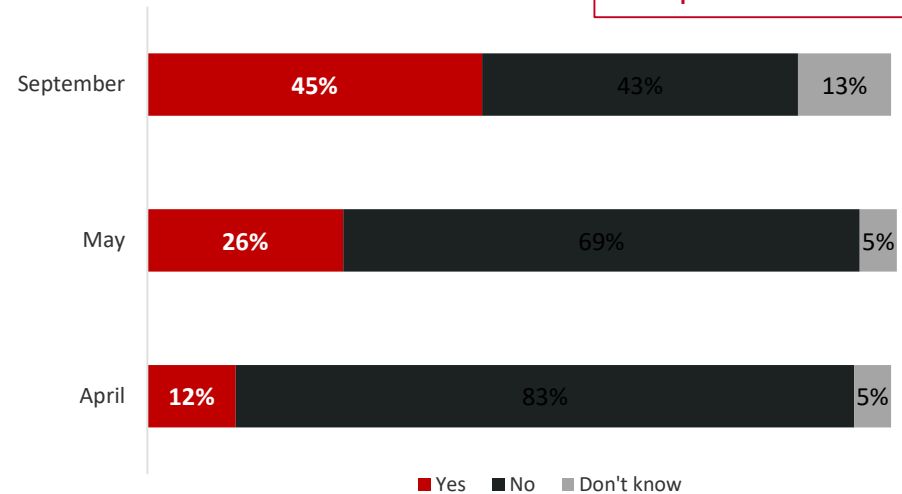
24% in May

■ Yes ■ No

In line with previous studies, 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: 80

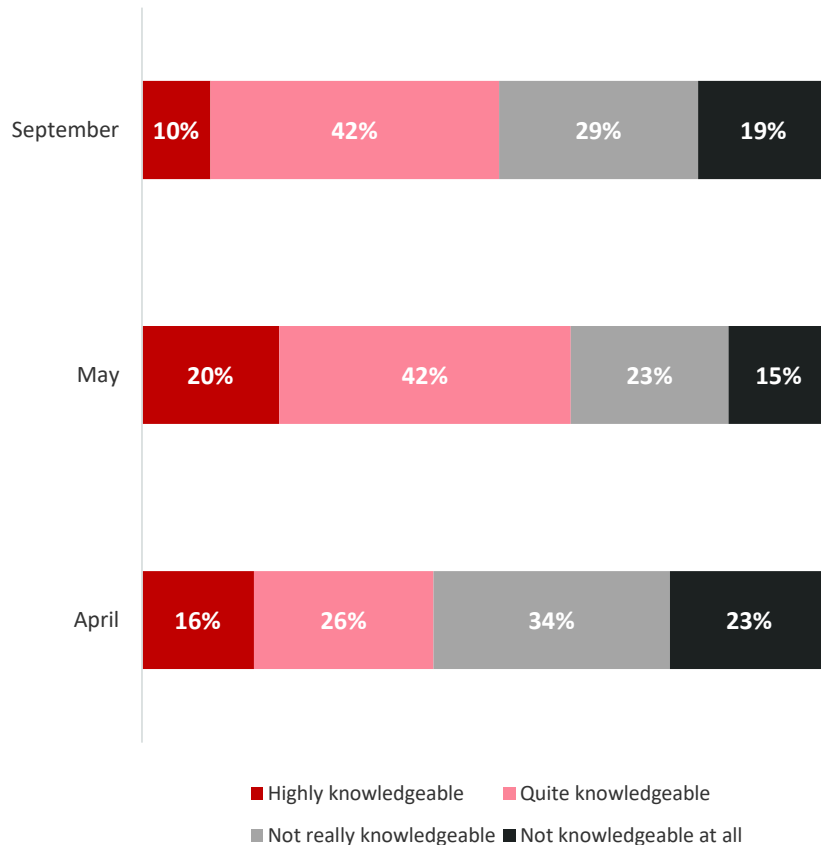


- The amount of those with a pension plan and considering increasing their level of investment has shown a constant increase over the three studies.
- Furthermore, by and large, those without a plan indicated no likelihood of them starting a pension plan over the next 3 months. (For all studies under 10% said they intended to start a pension plan).

# Knowledge on money matters

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

Sample Size: 402



- Those indicating to be highly knowledgeable was lower than for previous studies.
- **48%** indicated not to be knowledgeable (an increase over the May study - then 38%).

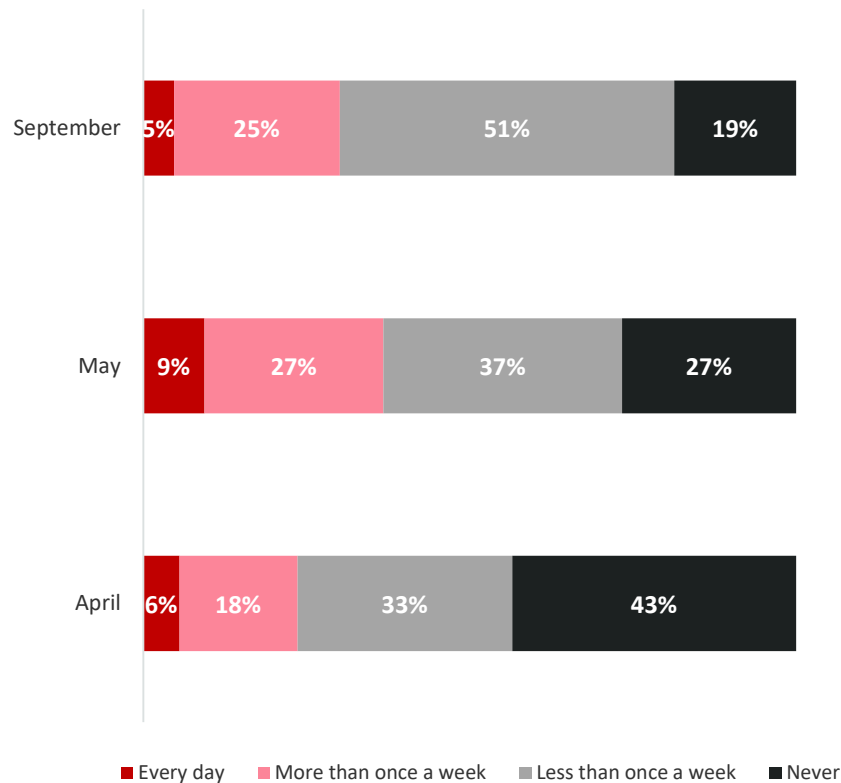
**65+** are least knowledgeable. This being the case for all studies conducted to date.



# Read up on personal finance matters

How often do you read up on personal finance matters?

Sample Size: 402



Results illustrate that those that never read up on their personal financial matters is constantly and gradually decreasing

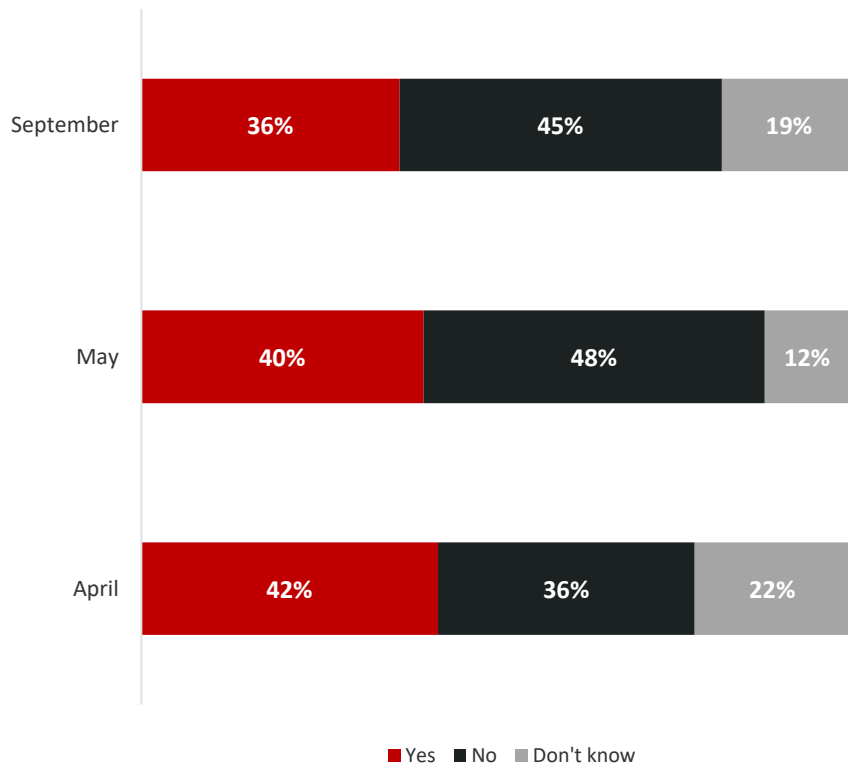
- 34 to 54 age group read most often
- 55+ are least likely to read on personal financial matters

# Future attitudes towards saving

Some respondents did not reply

Sample Size: 310

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?



- Those answering in the positive continued to experience a marginal decline.

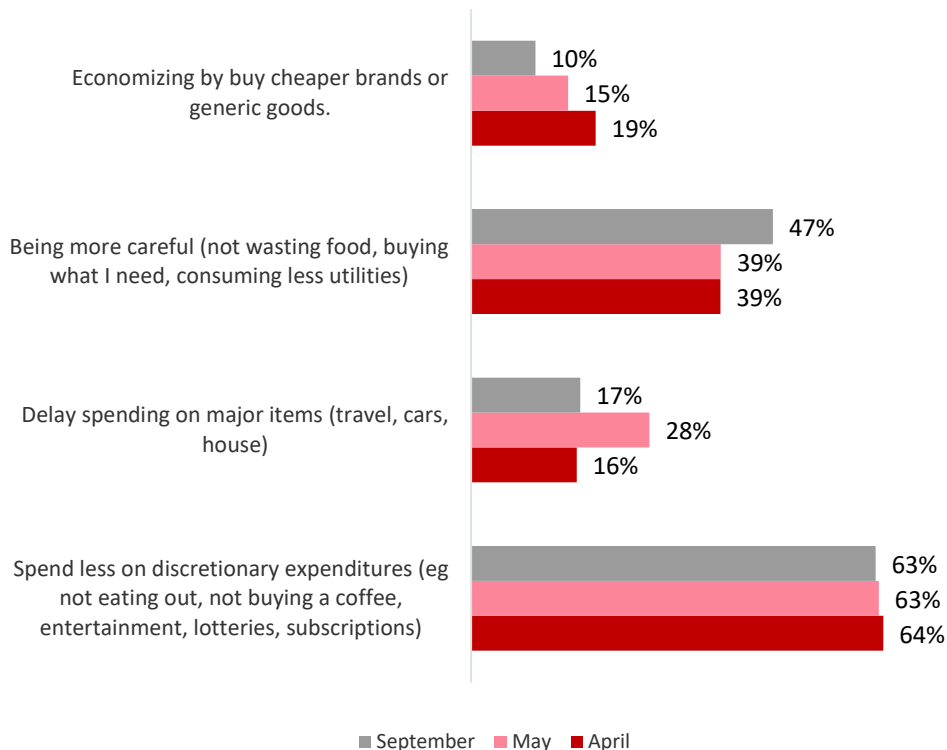
- **23%** of those aged 65+ intend to save more.
- This is in line with previous studies with the elders being the least likely to save.

# Perceptions and attitudes towards finances

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

Respondents could give multiple replies

Sample Size: 110



- ‘Spend less on discretionary expenditures’ is the main way how respondents intend to save more for a rainy day once things return to normal. Such response being consistent over the three surveys.
- Conversely, people are less likely to renounce their preferred brand/s with this response experiencing a constant gradual decline in responses (19% in April, 10% in September).

# 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 and age. Such figures are in line with previous studies. Minor variances were observed when analysing data by region. In May, the lowest percentage relates to the Southern Harbour District (74%). This time round the lowest positive response related to the Northern Harbour District (72%).

## Planning & emergency funds

- Respondents tend to plan out monthly expenditures by making budgets (42% always and 34% sometimes). Conversely, close to one fourth of the population do not plan monthly expenditures. Such figure representing a marginal decrease from previous studies (then 30%).
- No distinct variance was observed when analysing data by gender. In the previous studies females were more inclined to plan than their male counterparts.
- In the case of an emergency, 16% of respondents have funds to last them for less than a month. Such figure is the lowest to date (21% in April and 18% in May).
- Conversely, 36% of respondents indicated having funds to last them more than 3 months. This figure too has been decreasing over the months (stood at 47% in April and 44% in May).

# Conclusions

## Planning & emergency funds (continued)

- In line with all studies conducted to date, those aged under 24 had least funds available to last more than 3 months.
- A comparison of the three studies evidences that funds to last more than 3 months among those aged 55 to 64 once again decreased, in line with April figures (38% in April and 54% in May).
- Noticeable variances were also observed when analysing data by district, with those residing in Gozo having the highest percentage of funds to last them more than 3 months (46%). Such figure is nonetheless significantly lower than May results. Then 73% of those residing in Gozo indicating having funds to last them 'more than 3 months'.
- Gozo also the highest percentage of individuals having funds to last them less than a month (23%).

# Conclusions

## Financial situation

- For 63% the population, their financial situation has not altered over the past three months.
- On the other hand, 26% indicated that it had deteriorated, while 11% indicating it had improved. Marginal variances were observed when comparing data with that of the previous studies.
- When asked about their perception on their financial situation over the coming 3 months, people were less optimistic than they were in May that their financial situation will improve (then 19% were positive, now 10%). That said, those indicating , that it will deteriorate declined marginally over time (34% in April, 32% in May and 26% now).

## Attitudes towards daily living expenditure

- When asked about their daily living expenditure, responses varied, though overall 24% indicated that it had increased. Such figure being a decrease of 6% over May results.
- Variances were observed when analysing data by region, with 38% of those residing in the South Eastern Region indicating a decrease in expenditure in September.
- 37% of Western residents indicated an increase in expenditure.

# Conclusions

## Perceptions towards major purchases

- September results illustrate that people are more cautious than they were back in May, with 56% of the population does not think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc . Such figure being marginally higher than May figures (then 50%) though still lower than April results (68%).
- Furthermore, those indicating that now is a right time to purchase standing at 21% a decrease of 14% over May.
- No variance was observed when analysing data by gender.
- Those aged 45 to 54 were least inclined to think that now is a right time to make a major purchase. Those aged 65+ were the most uncertain.

## Ability to save

- In line with previous studies, half the respondents indicated that they have not been able to save over the past three months.
- In line with previous studies, the young, Gozitans & 'single living with parents' were most able to save
- 80% of those aged 18 to 24 managed to save as did 65% of Gozitans and 70% single living with parents.



# Conclusions

## Perceptions on the financial future

- 53% 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 studies.
- The variance in responses between genders is marginal. In the previous studies it was more pronounced (63% of females indicated to worry as opposed to 47% males in the May survey while in April 63% of females and 45% of males worried).
- 61% of those aged 25 – 44 worry. Furthermore, in all studies, those aged 65 and over were the least to worry.

## Retirement pension plan

- 20% of respondents do not have a retirement pension plan over and above that provided by government. This figure representing no significant variance from previous studies.
- A review of responses by gender does not evidence any significant variance.

# Conclusions

## Retirement pension plan

- 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.
- In line with previous studies, those aged 34 and under were less likely to have a retirement pension plan than other age groups
- The amount of those with a pension plan and considering increasing their level of investment has shown a constant increase over the three studies. Furthermore, by and large, those without a plan indicated no likelihood of them starting a pension plan over the next 3 months. (For all studies under 10% said they intended to start a pension plan)

## Knowledge on money matters

- Overall, respondents consider themselves to be knowledgeable on money matters (10% 'highly knowledgeable' and 42% 'slightly/quite knowledgeable'. In May 62% indicated being knowledgeable while in April this figure stood at 42%.
- Those indicating to be highly knowledgeable was lower than for previous studies.
- 48% indicated not to be knowledgeable (an increase over the May study - then 38%).

# Conclusions

## Read up on personal finance matters

- 30% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 19% never do so. Results illustrate that those that never read upon their personal financial matters is constantly and gradually decreasing.

## Awareness on GEMMA

- 23% of the target audience had heard of GEMMA. Such figure being in line with previous studies.
- Furthermore, even among those that heard of GEMMA, few had actually engaged with the site (9% of those that had heard about GEMMA, or 2% of the total sample). Such figures are in line with the previous study.
- Among the those that heard of GEMMA, 'retirement planning' rated highest in September, with this topic experiencing a constant gradual increase in interest. Conversely, searches for information about 'budgeting' decreased considerably when compared with previous surveys.

# Conclusions

## Future attitudes towards savings

- Following their experience of the crisis brought about by the COVID-19 pandemic, 36% of respondents are more inclined to save for a rainy day once things return to normal. Such figure indicates a marginal gradual decline over previous studies (42% in April and 40% in May).
- A review of responses by age indicates that 23% of those aged 65+ intend to save more. This is in line with previous studies with the elders being the least likely to save.
- Among those that intend to save, the majority (64%) intend to do so by spending less on discretionary items. This response attaining the highest score among the three studies conducted to date.

# The GEMMA Pulse Survey on Household Money Management – May 2020

For more information or to download the survey results  
visit [www.gemma.gov.mt](http://www.gemma.gov.mt) or contact: [info@gemma.gov.mt](mailto:info@gemma.gov.mt)