

The GEMMA Pulse Survey on Household Money Management – January 2021



GEMMA
know, plan, act.



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

Brief

- This report presents the findings of the 5th 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 Wednesday 27th January and Tuesday 9th February 2021.

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

Executive Summary

The research has evidenced that:

- With 79% responses (previously 84%), overall the general public feels that it is in control of their financial situation. Such figure indicates a marginal decrease over previous study (84% in November) and in line with September figure (79% too).
- 76% tend to plan out monthly expenditures by making budgets (41% always and 35% sometimes). Such figure represents a marginal increase when compared with the previous study (71% in November).
- The number of individuals having funds to last them more than 3 months stands at 34%, and is in line with September results. Such figure evidences that November was an out layer in comparison to the other studies.
- Furthermore, those having funds to last them two months or more stands at 68%. Such figure being slightly lower than November results (73%), and in line with September results, though better than April and May results.
- 23% of those aged 65+ had funds available to last more than less than a month.

Executive Summary

- 59% of the population indicated that their financial situation has not altered over the past three months.
- On the other hand, 23% indicated that their financial situation had deteriorated, this figure being the lowest attained to date.
- When asked about their perception on their financial situation over the coming 3 months, 65% were of the opinion that it will remain unchanged. Conversely, 9% were of the opinion that it would deteriorate. Such figure being the lowest attained to date.
- When asked about their daily living expenditure, 23% indicated that their daily expenditure decreased. Such figure being the lowest percentage attained to date (38% in November, 29% in May and 29% in September). Conversely, 30% indicated that it increased. 40% of singles living alone indicated an increase in their daily expenditure as opposed to 10% of singles living with their parent/s.
- When asked whether they think that now is the right moment for people to make major purchases such as furniture, electrical/ electronic devices, etc 42% answered in the negative. Such figure being the lowest attained to date. 30% were uncertain, such figure being the highest percentage score to date (19% in November, 23% in September, 15% in May and 17% in April).

Executive Summary

- 55% of respondents indicated that they have been able to save over the past three months. Such figure being in line with November figure (than 57%).
- In line with previous studies, the young and 'single living with parents' were most able to save.
- 40% of the population tends to worry about their financial future (with 19% indicating to worry very much). Results indicate that individuals are more optimistic and worrying less than they did in the past.
- In all studies, those aged 65 and over were least to worry.
- 78% (previously 79%) of respondents do not have a retirement pension plan over and above that provided by government.
- Among those that do have a retirement plan, 55% plan increasing their level of investment for their future retirement plan over the next 3 months.
- By and large, those without a plan indicated no likelihood of them starting a pension plan over the next 3 months (11% said they intended to start a pension plan).

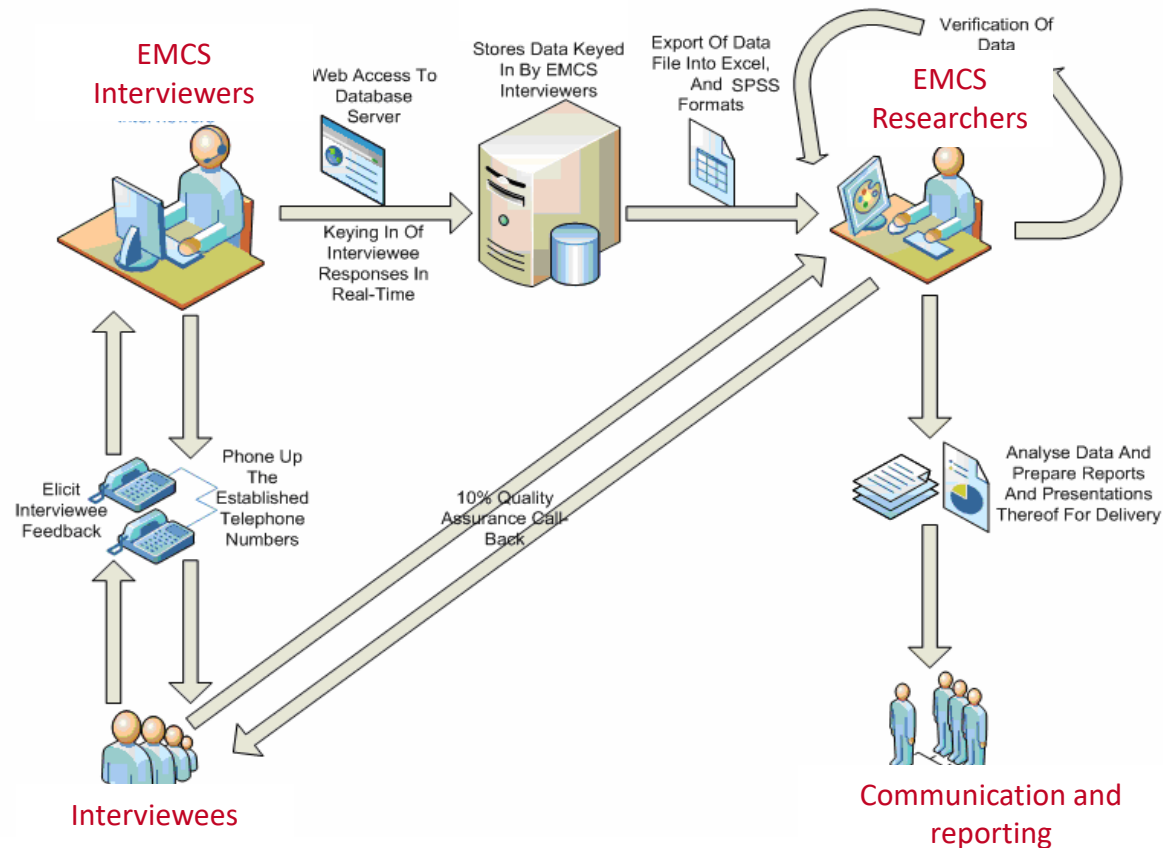
Executive Summary

- Overall, 56% of respondents consider themselves to be knowledgeable on money matters (11% 'highly knowledgeable' and 45% 'slightly/quite knowledgeable').
- 46% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 24% never do so, with such figure being the lowest to date.
- 28% of the target audience has heard of GEMMA; an marginal decrease over the November study (then 32%). Among those that heard of GEMMA, few had actually engaged with the site (8% 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, 29% of respondents are more inclined to save for a rainy day once things return to normal. Such figure is the lowest attained to date with those answering in the positive continuing to experience a marginal decline (42% in April, 40% in May and 36% in September and 34% in November).

Methodology

Methodology

- The Computer Aided Telephone Interviews total of 447 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

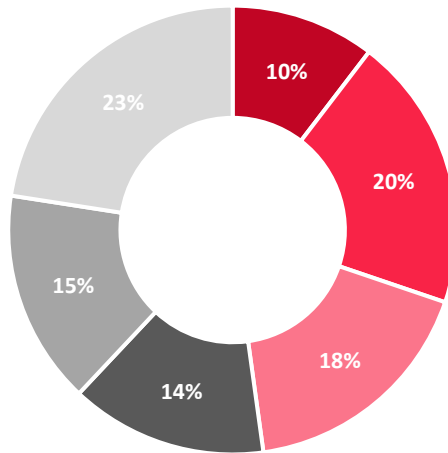




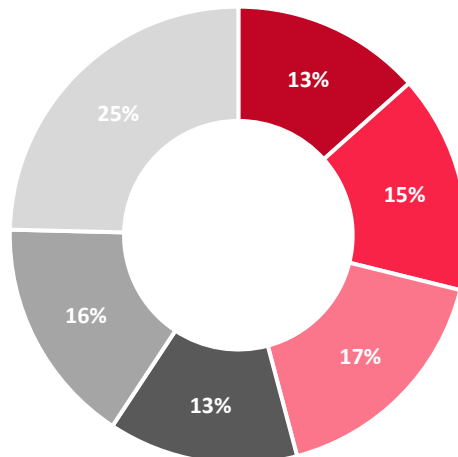
Sample size

Sample

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



Sample
 Demographics



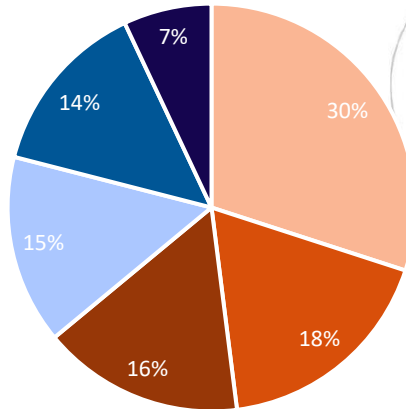
■ 18-24 ■ 25-34 ■ 35-44 ■ 45-54 ■ 55-64 ■ 65+

Gender/ Age

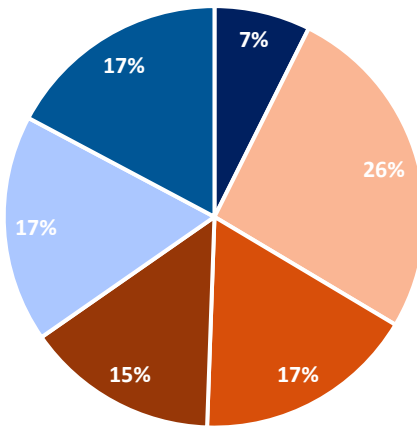
- A total of 447 surveys were collected between Wednesday 27th January and Tuesday 9th February 2021 through computer-aided-telephone-interviews (CATI).
- The sample represents a 95% confidence level and a confidence interval of 5%.
- In terms of gender, the sample is split as follows: 51% males and 49% females.
- As illustrated here, the sample size is also representative of the local population in terms of age.

Sample

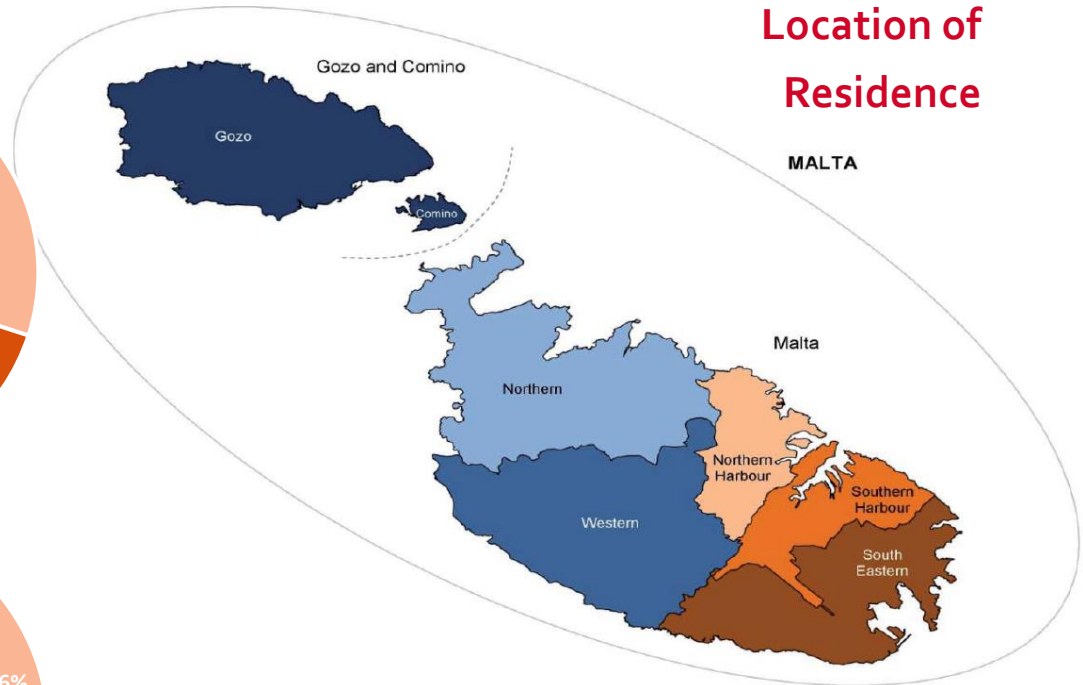
Local Demographics
 Data extracted from
 NSO Publication:
 Trends in Malta 2016



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 ■ Southern Harbour
 ■ South Eastern ■ Northern Region ■ Western Region

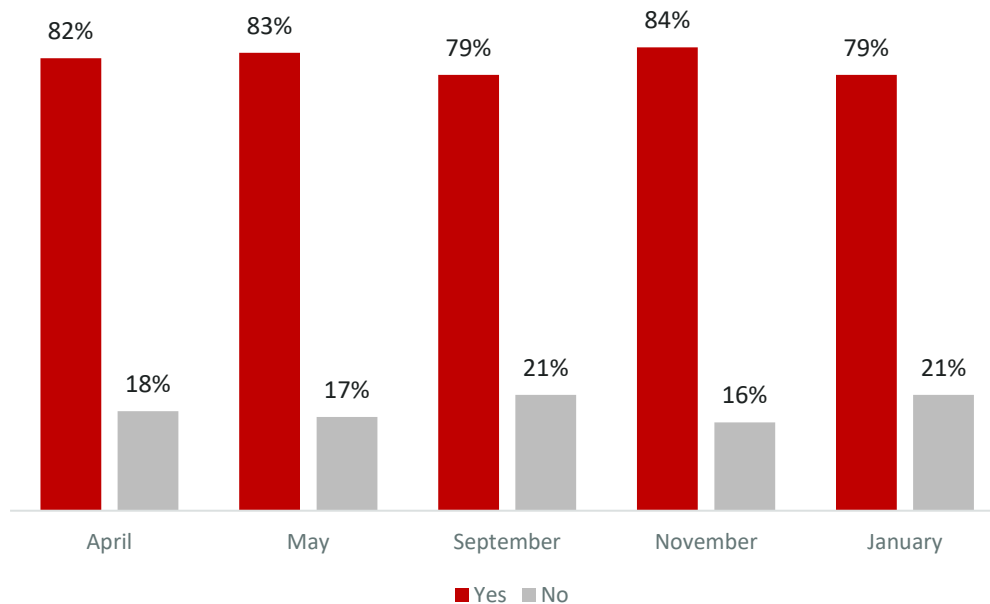


Survey results

Perceptions and attitudes towards finances

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

Sample Size: 447



Overall

Analysis of responses by Districts

Districts that fall below the average for the different waves of surveys:

April: None

May: Southern Harbour District (74%)

September: Northern Harbour District (72%)

November: None

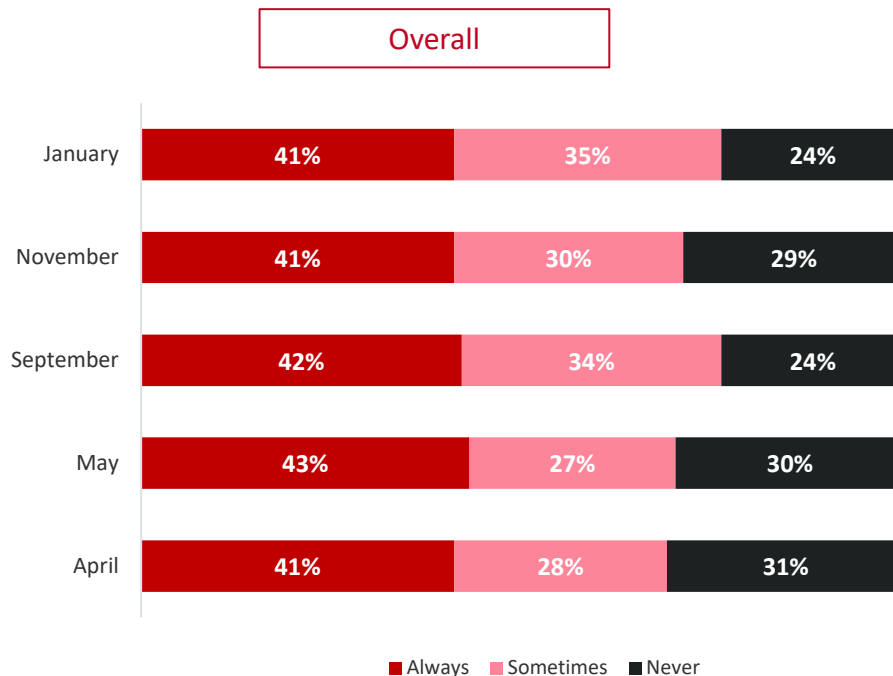
January: Northern Harbour, South Eastern and Southern Harbour (74%)

- Males felt they were relatively more in control (82% as opposed to 75% of females).
- Those aged 18 to 24 felt most in control (92%). Conversely, 68% of those aged 45 to 54 felt that they were in control of their current financial situation.

Planning monthly expenditures

Do you plan out monthly expenditures by making a budget?

Sample Size: 447



51% of those aged 25 – 34 indicated to always plan monthly expenditures.

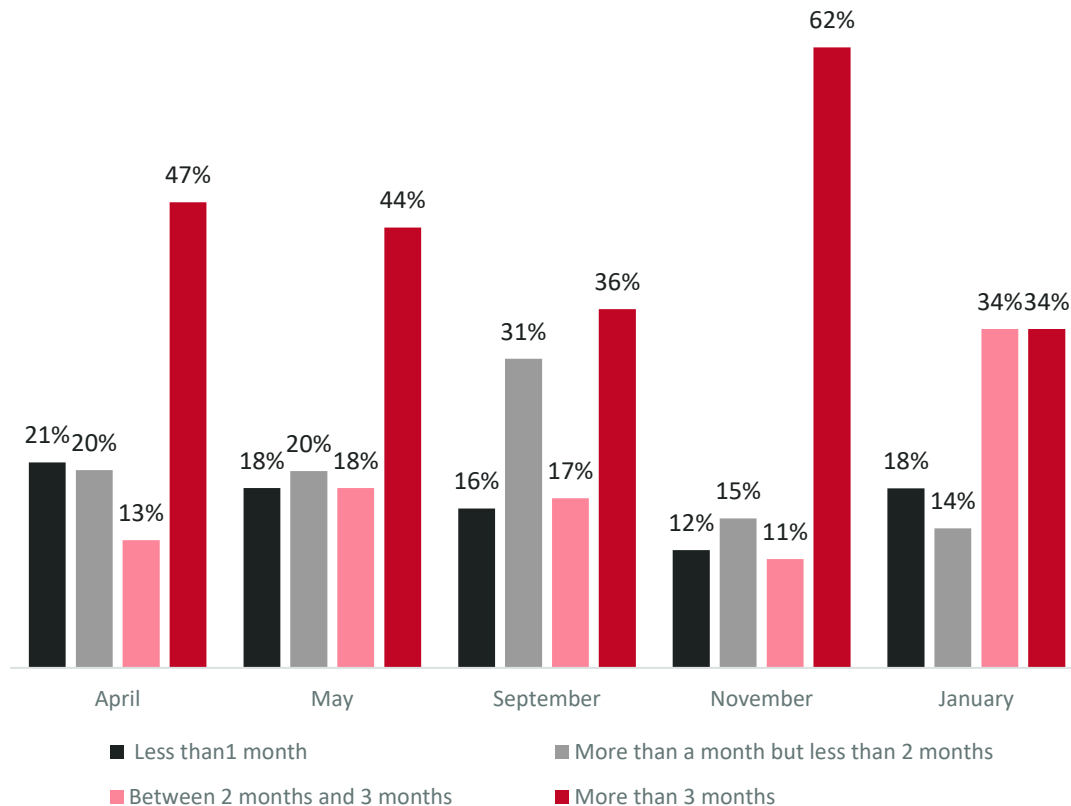
32% of those that have only completed primary level education indicated to never plan monthly expenditures

With those indicating 'never' currently standing at 24%, overall, on average, close to one fourth of respondents do not plan monthly expenditures. Conversely, on average 41% of the population always plan their monthly expenditures.

Emergency funds

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

Sample Size: 447

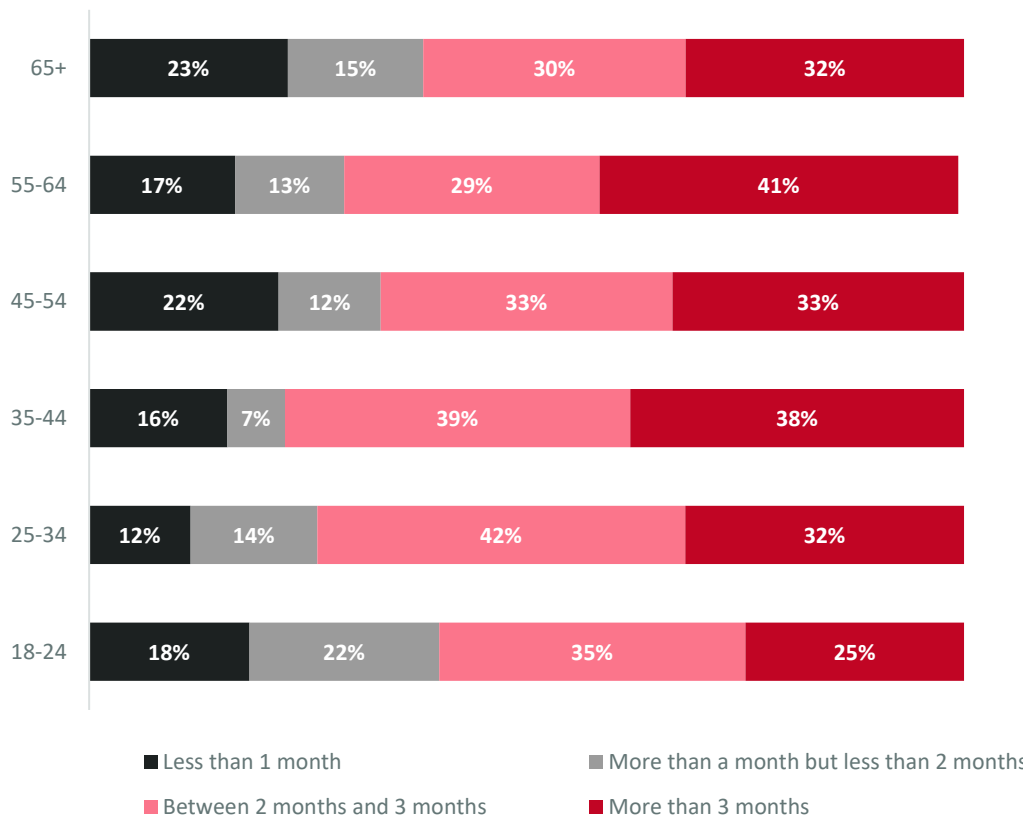


- The number of individuals having funds to last them more than 3 months stands at 34%, and is in line with September results. Such figure evidences that November was an out layer in comparison to the other studies.
- Furthermore, those having funds to last them two months or more stands at 68%. Such figure being slightly lower than November results (73%), and in line with September results, though better than April and May results.

Emergency funds

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

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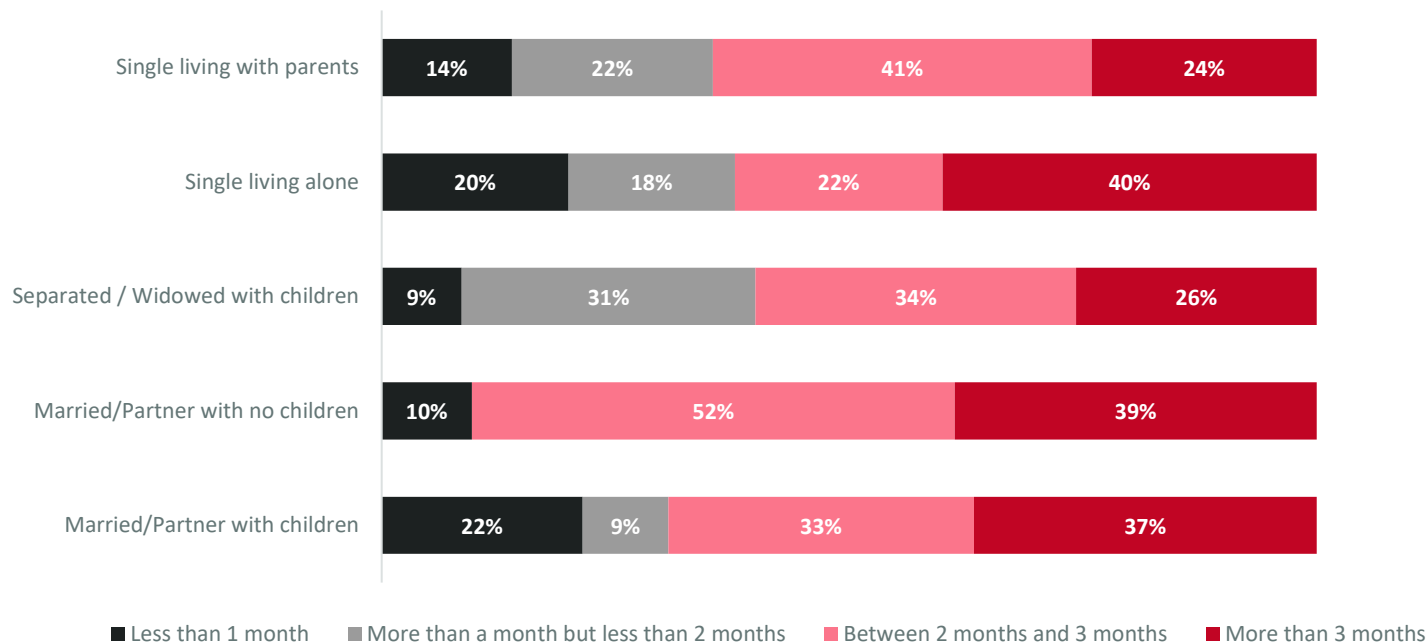
- Those aged **55 - 64** had most funds available to last more than 3 months. In previous studies those aged 65+ had the highest percentage within this category.

- 23%** of those aged 65+ and
- 22%** of those aged 45 to 54 had funds to last them less than a month.

Emergency funds

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

Sample Size: 447

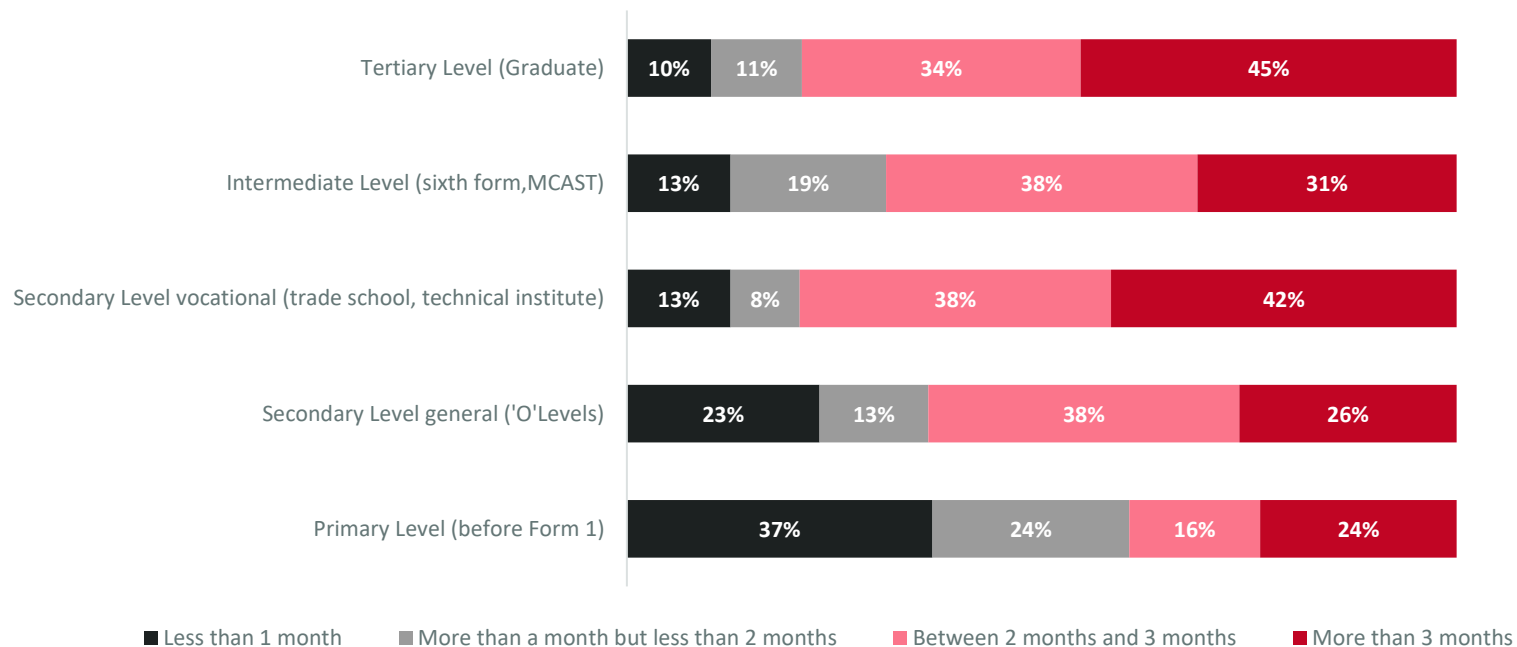


- A review of responses by 'marital status' indicates that by and large those 'married/with partner and without kids' have funds to last them for more than 2 months. Such result being consistent with the previous studies.
- 22% of those married/with partner and kid/s had funds to last them 'less than a month'.

Emergency funds

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

Sample Size: 447

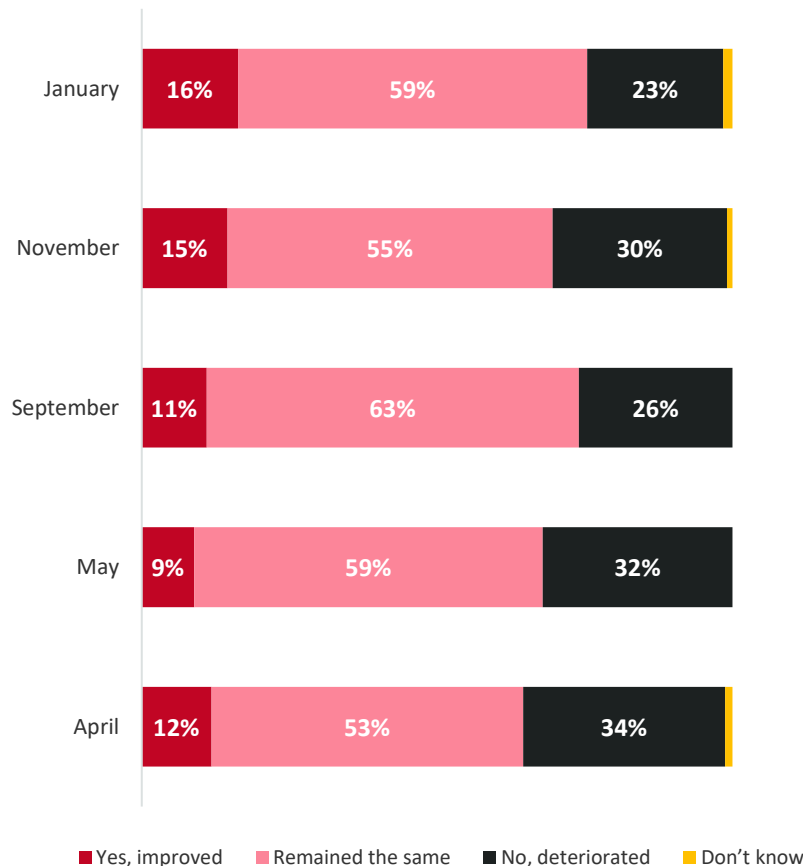


- Tertiary Level individuals and those that had completed secondary level vocational were more inclined to have funds to last them for more than 3 months than individuals having other levels of education.
- Conversely, 37% of those that had completed primary education indicated having funds to last them less than a month.

Financial situation

Has your financial situation improved over the past 3 months?

Sample Size: 447



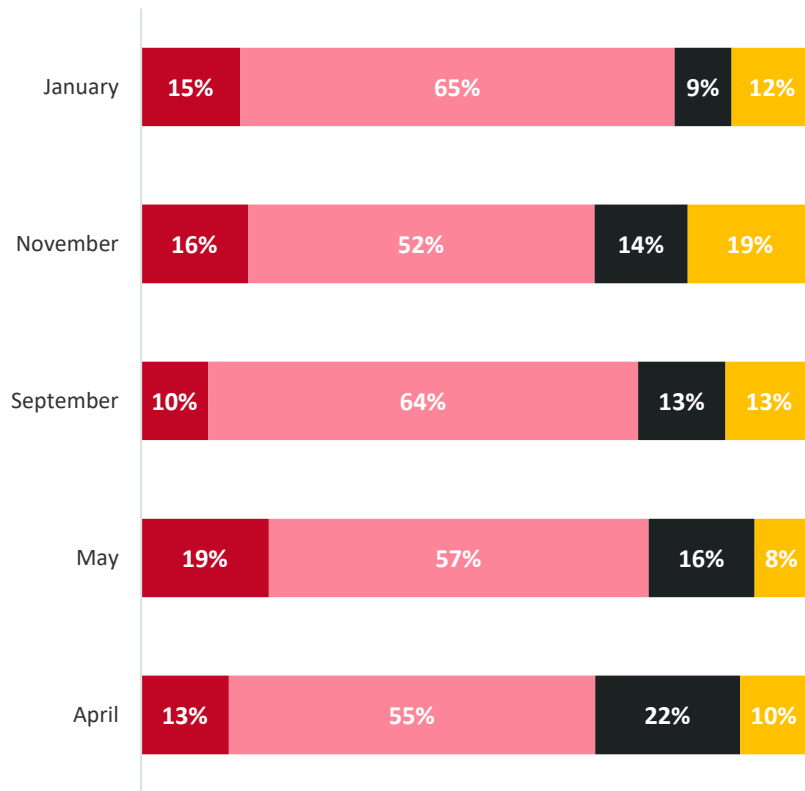
- The majority of respondents noted that their financial situation remained the same.
- 16% noted that their financial situation improved. Such figure has been increasing marginally since May 2020.
- 23% indicated that their financial situation had deteriorated, such figure being the lowest to date.

- 29% of those married/ with partner and kid/s indicated that their financial situation deteriorated.
- 32% of those having completed primary indicated that their financial situation had improved.

Financial situation

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

Sample Size: 447



- Overall, people are of the opinion that their financial situation will remain the same over the coming three months.
- 9% are of the opinion that it will deteriorate. Such percentage being the lowest to date.

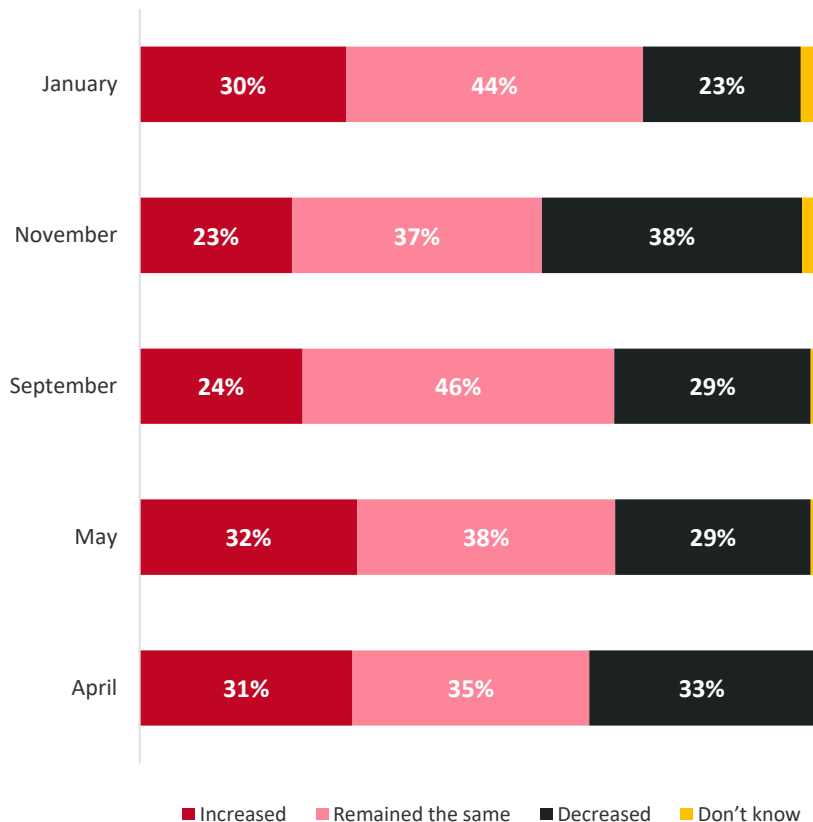
- **20%** of those that have completed a tertiary level of education are of the opinion that their financial situation will improve. This is a reversal over the previous study, then such cluster was the least optimistic.

■ Yes, it will improve
 ■ It will remain the same.
 ■ No, it will deteriorate
 ■ Don't know

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: 447



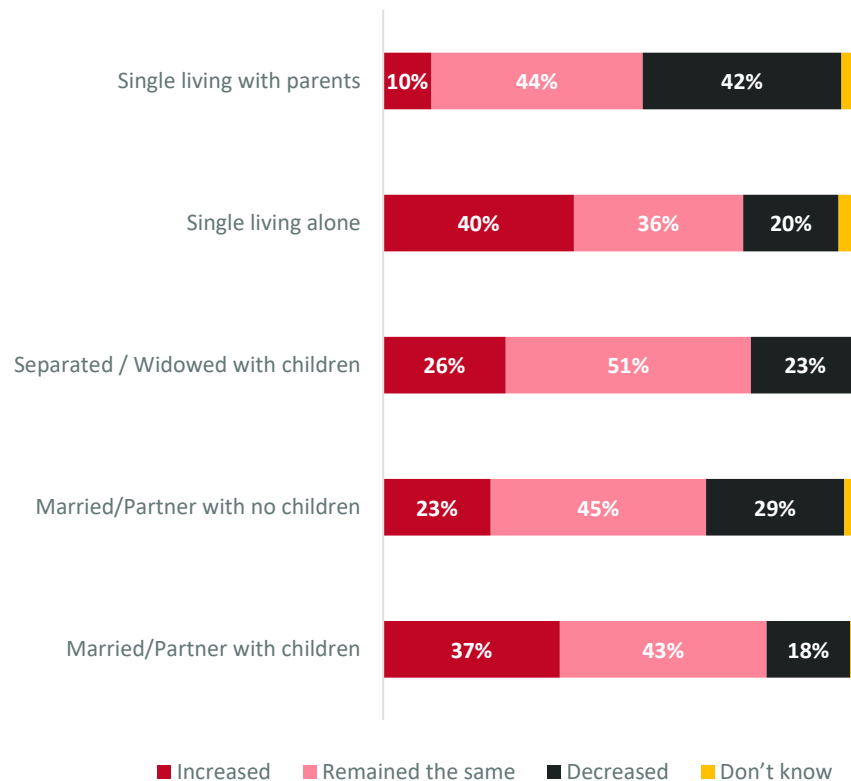
- Overall **23%** of the respondents indicated a decrease in expenditure. Such figure being the lowest to date.

- 34%** of those residing in the Western Region indicated a decrease in expenditure in November.
- Conversely, **37%** of Southern Harbour, followed by 35% of the Northern Harbour residents indicated an increase in expenditure.

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: 447

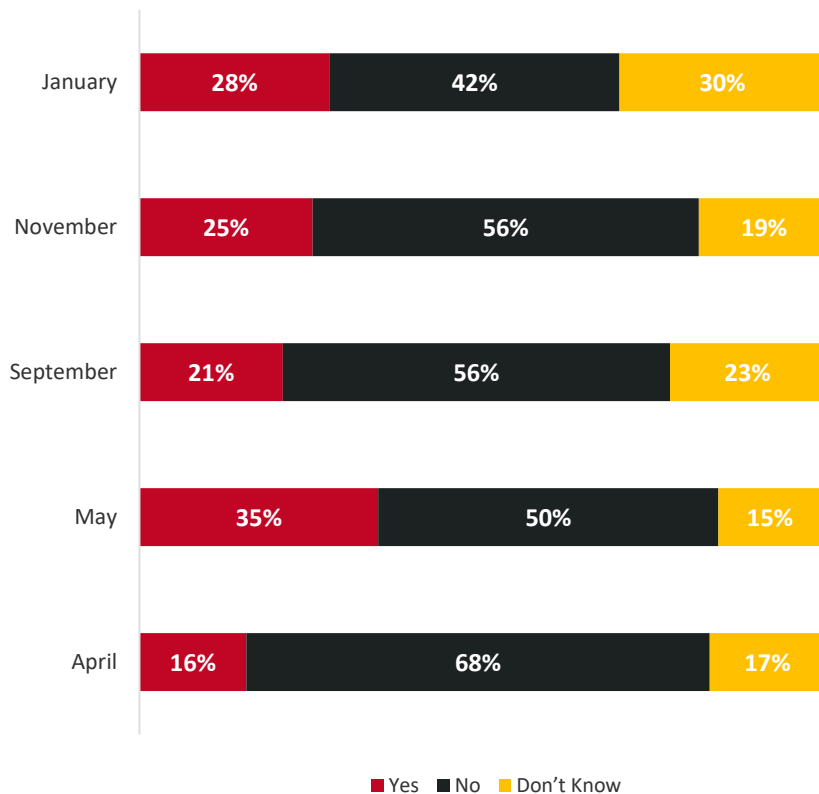


- 40% of singles living alone indicated an increase in daily expenditure as opposed to 10% of singles living with parents.
- Furthermore, 42% of singles living with parents indicated a decrease in expenditure.

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: 447



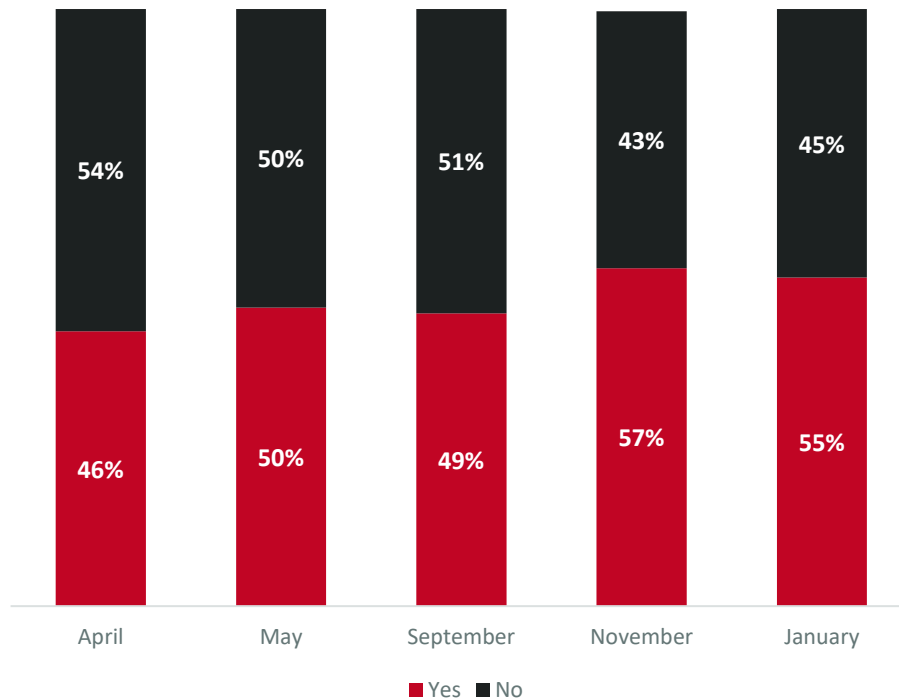
- **42%** were of the opinion that now is not the right time to make certain purchases. This being the lowest figure to date.

- **53%** of those aged 45 to 54 were of the opinion that now is not a right time to make such a purchase.

Perceptions and attitudes towards finances

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

Sample Size: 447



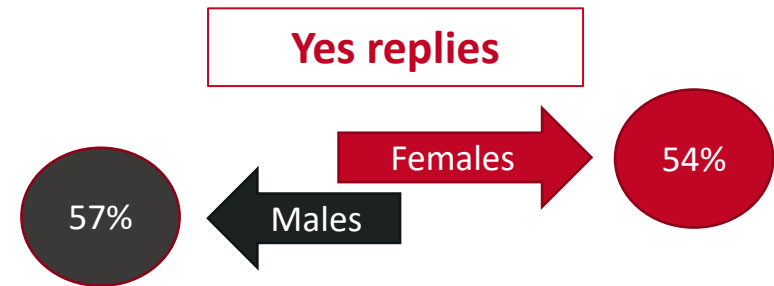
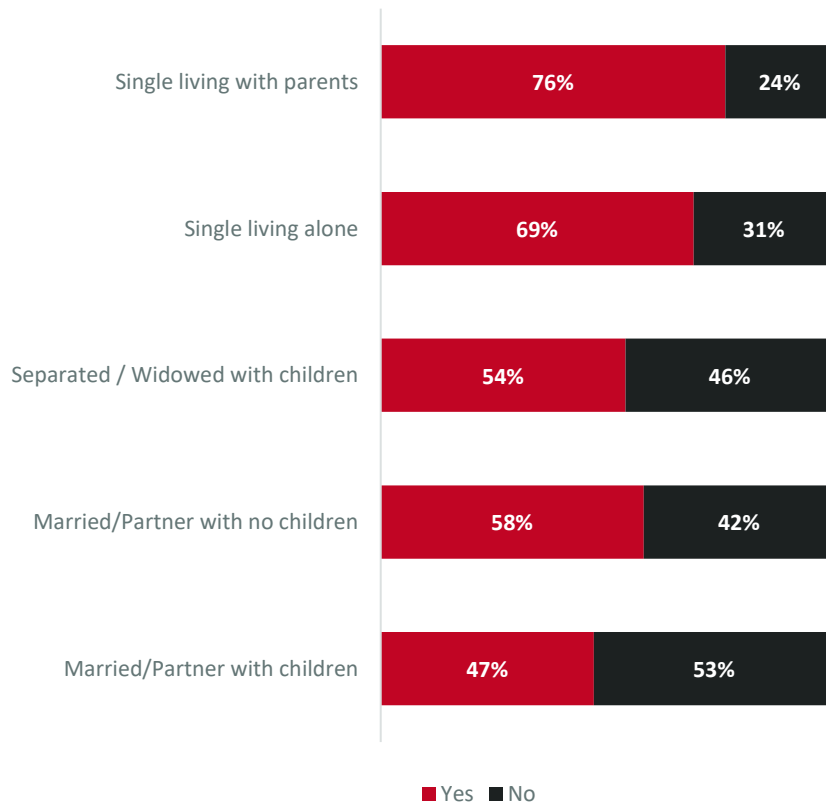
No noticeable variance was observed when comparing January data with that collated in November.

- 61% of Western Region residents indicated managing to save.
- In line with previous studies so did 78% of those aged 18 to 24 (with such percentage decreasing with age).

Perceptions and attitudes towards finances

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

Sample Size: 447

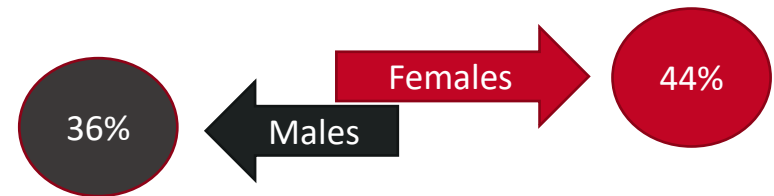
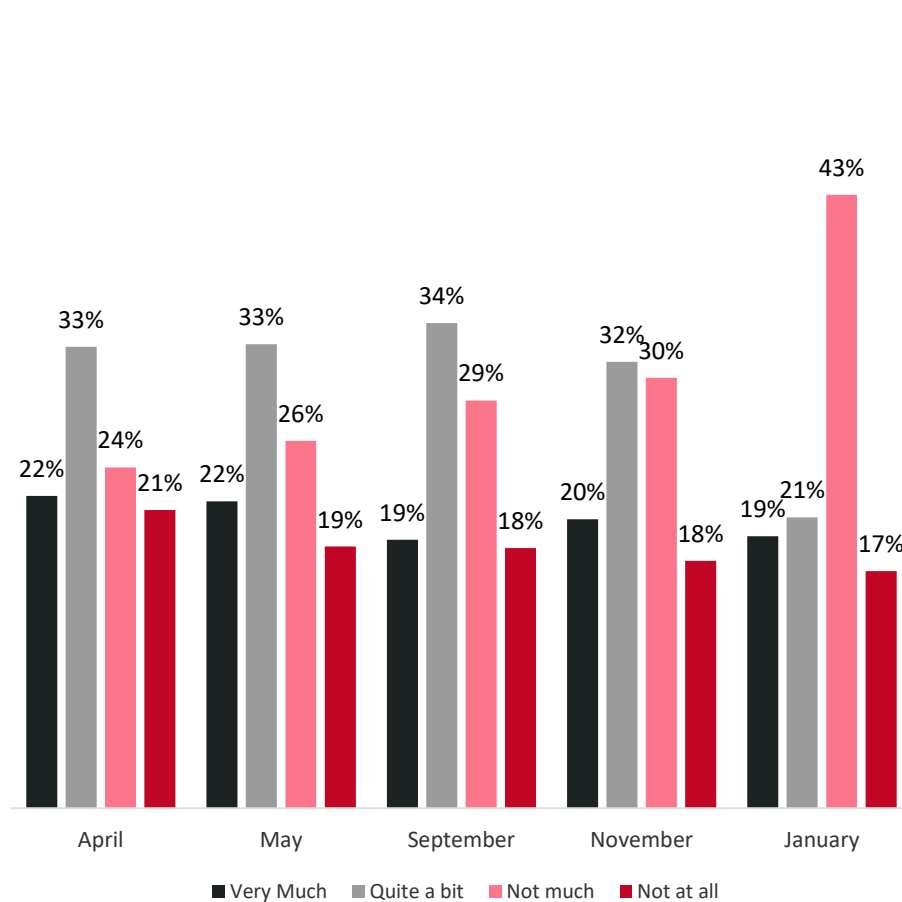


- 76% of singles living with parents have been able to save over the past 3 months
- The segments that least managed to save being those married/ with partner and kid/s (47%).

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 447



- January results illustrate that individuals are worrying much less than they did in the past. In the previous studies it was more pronounced.
- 44% of females indicated to worry as opposed to 36% males.

- 61% of those aged 45 – 54 worry

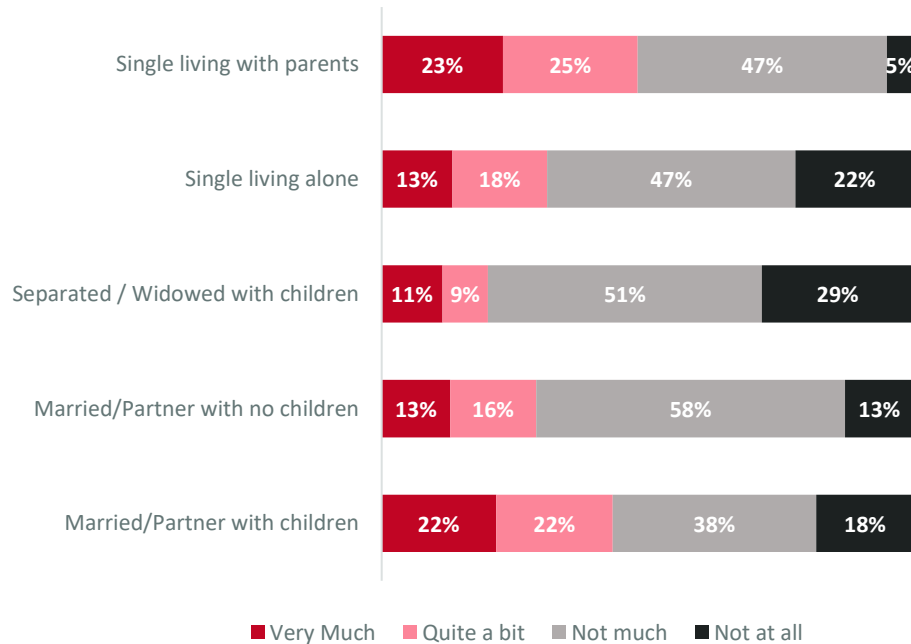
- In all studies, those aged 65 and over were the least to worry (19% in January).

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 447

January results



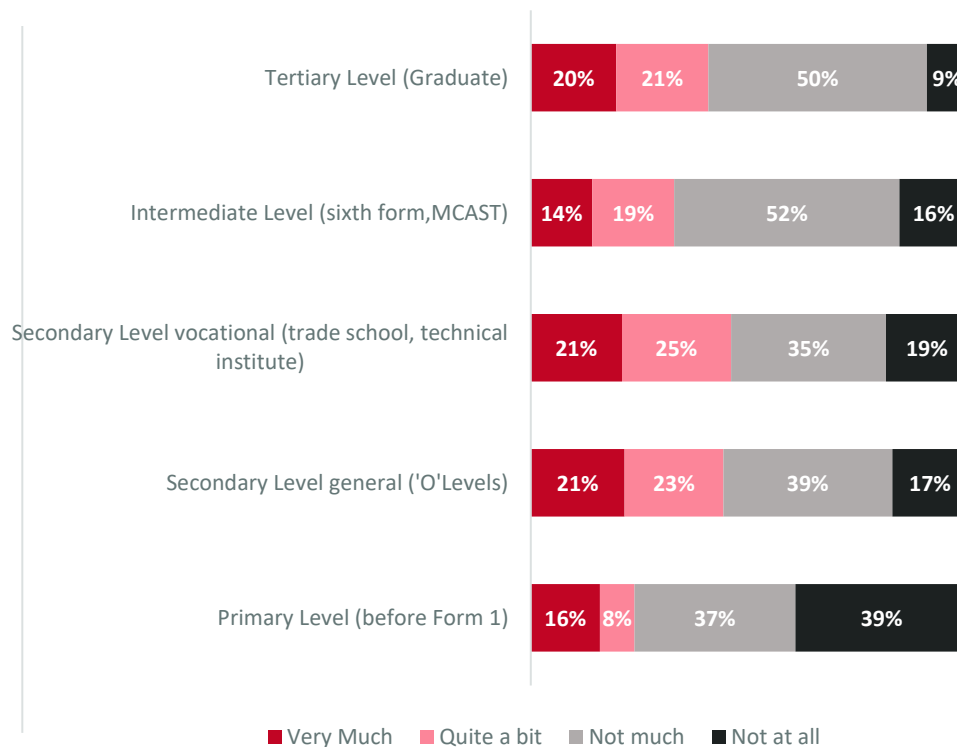
- **48%** of singles living with parents worry about their financial future, followed by 44% of those married/ living with partner and kid/s.
- **80%** of separated/widowed with kid/s tend not to worry.

Perceptions on the financial future

How much do you worry about your financial future?

Sample Size: 447

January results



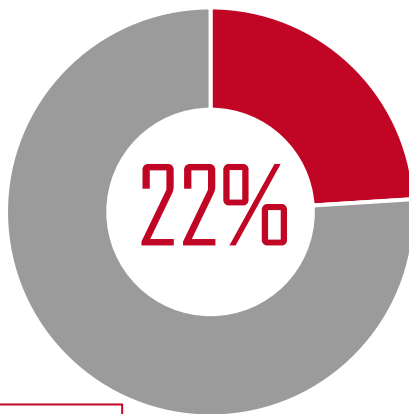
- **76%** of individuals that have completed primary education do not worry about their financial future.

- **21%** of individuals that have secondary level vocational education and 'Secondary level general (O' Level) worry very much about their financial future, as do 20% of individuals that have completed Tertiary level education.

Retirement pension plan

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

Sample Size: 447

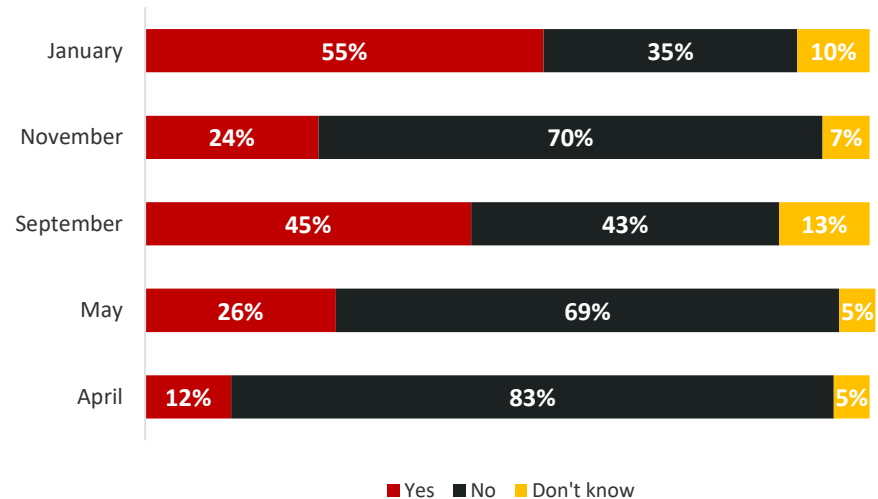


21% in November

In line with previous studies, those aged 24 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: 100

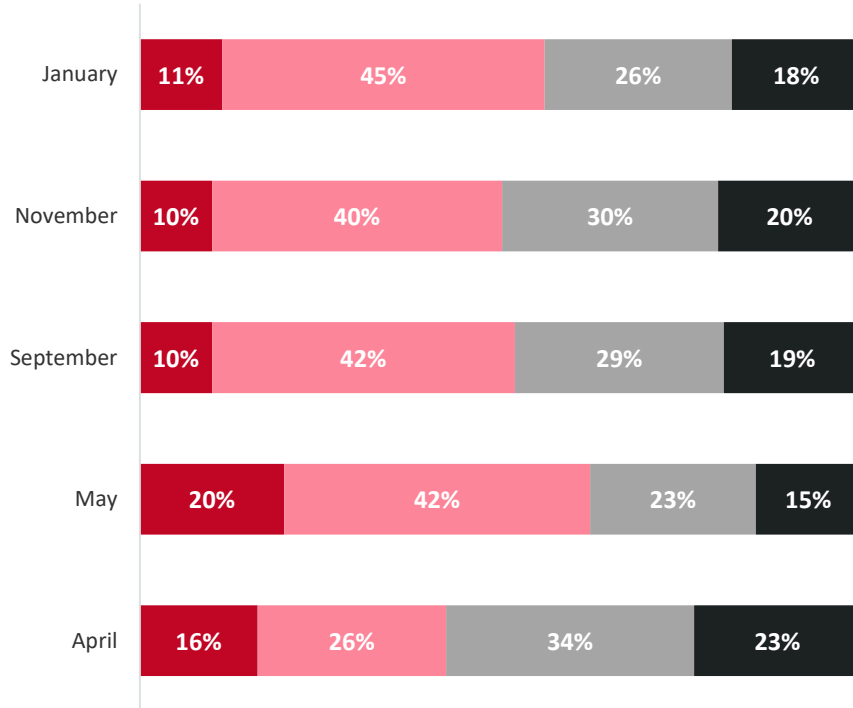


- Those with a pension plan and considering increasing their level of investment has increased when compared with previous studies.
- 11% of those without a plan indicated that they were likely to start a pension plan over the next 3 months. Such figure indicates a marginal increase over previous studies (previously under 10%).

Knowledge on money matters

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

Sample Size: 447



- Those indicating to be knowledgeable was marginally higher than November results (56% as opposed to 50% in November).
- 44%** indicated not to be knowledgeable.

Those aged 45 to 64 are least knowledgeable this time round (34% indicated being slightly/very knowledgeable).

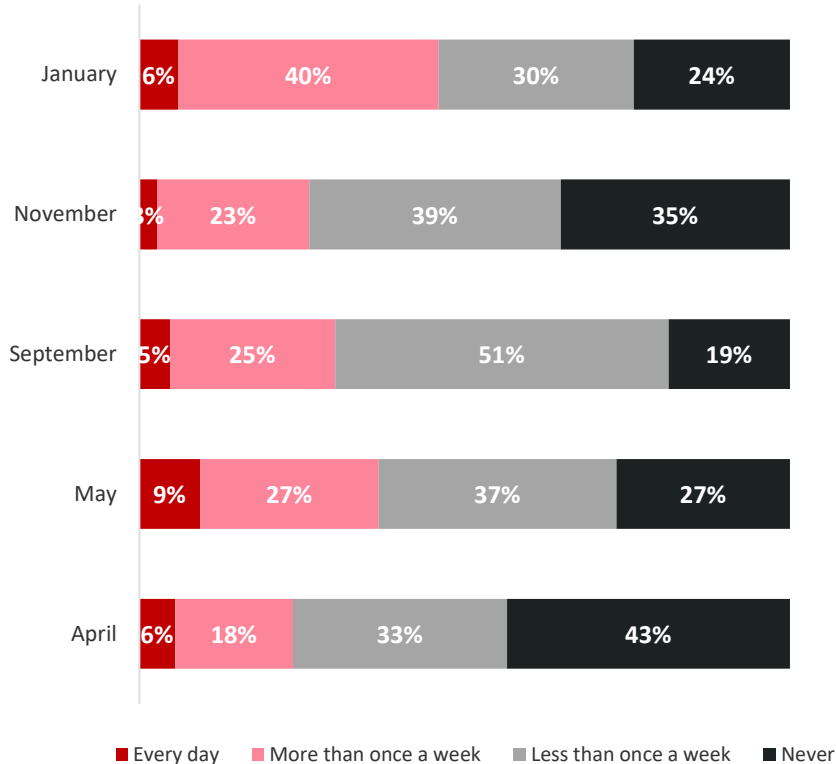
For previous studies it was the 65+ age group that were least knowledgeable..

■ Highly knowledgeable ■ Quite knowledgeable ■ Not really knowledgeable ■ Not knowledgeable at all

Read up on personal finance matters

How often do you read up on personal finance matters?

Sample Size: 447



With **24%** responses, results illustrate that those that never read upon their personal financial matters has decreased this time round.

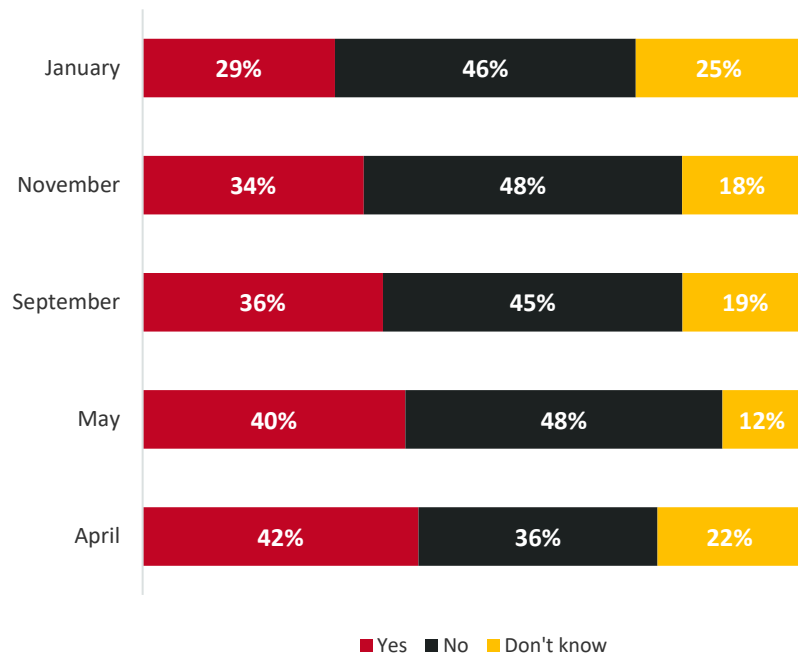
- Overall and in line with previous studies, males tend to read more often than their female counterparts on personal financial matters.
- In line with previous studies, those aged 55+ are least likely to read on personal financial matters.

Future attitudes towards saving

Some respondents did not reply

Sample Size: 322

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.

- 25% of those aged 65+ intend to save more (21% in November).
- This is in line with previous studies with the elders being the least likely to save.

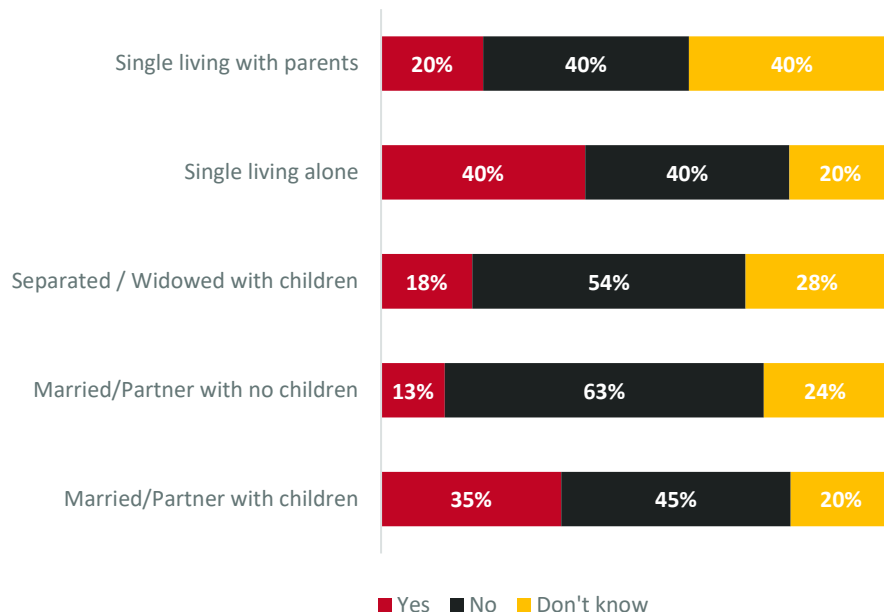
Future attitudes towards saving

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?

January results



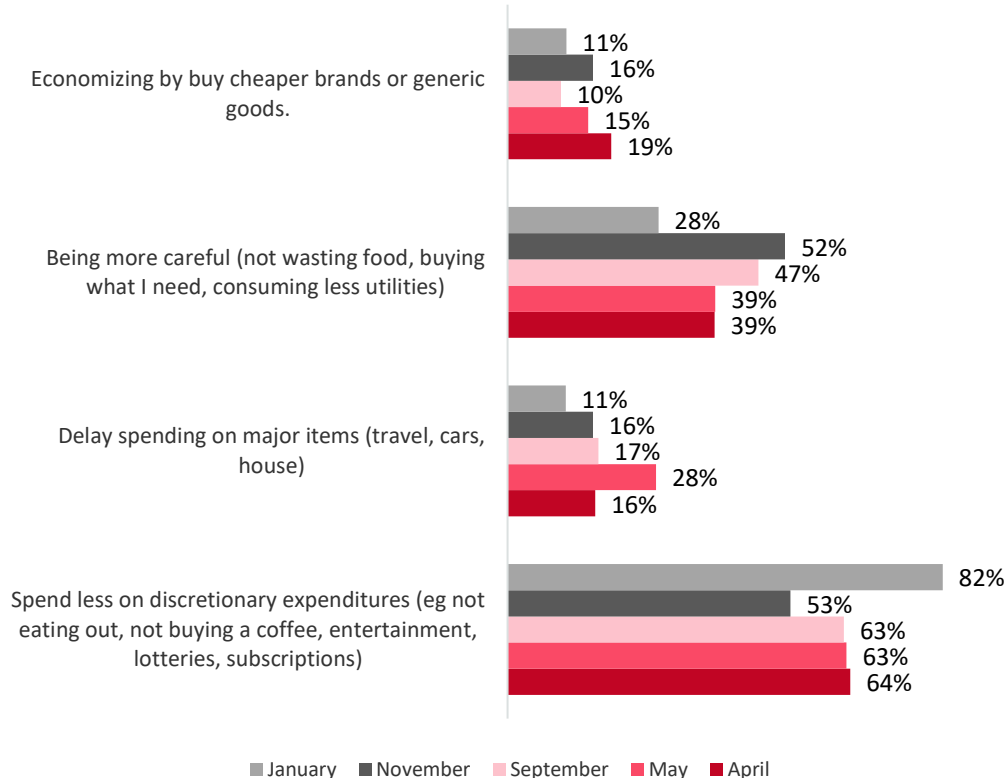
- **13%** of 'married/ with partner and no kid/s' intend to save more for a rainy day once things return to normal.
- **40%** of 'singles living alone' intend to save more for a rainy day once things return to normal.

Perceptions and attitudes towards finances

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

Respondents could give multiple replies

Sample Size: 92



- '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, though more pronounced this time round.
- 'Being more careful' has decreased considerably.
- Conversely, people are less likely to renounce their preferred brand/s.



Conclusions

Conclusions

Perceptions and attitudes towards finances

- Overall, locals feel that they are in control of their current financial situation, with 79% answering in the affirmative. Such figure represents a marginal decrease over November results (then 84%). Males felt that they were relatively more in control than their female counterparts (82% as opposed to 75% of females).
- Those aged 18 to 24 felt most in control (92%). Conversely, 68% of those aged 45 to 54 felt that they were in control of their current financial situation.

Planning & emergency funds

- Respondents tend to plan out monthly expenditures by making budgets (41% always and 35% sometimes). Conversely, 24% of the population do not plan monthly expenditures. Such figure representing a marginal decrease from previous study (29% in November) though in line with September wave.
- With 51% positive responses, those aged 25 to 34 are most inclined to plan.
- In the case of an emergency, 18% of respondents have funds to last them for less than a month. Such figure is an increase over the previous 2 waves (12% in November and 16% in September) and in line with May results. the lowest to date.
- The number of individuals having funds to last them more than 3 months stands at 34%, and is in line with September results. Such figure evidences that November was an outlier in comparison to the other studies. Furthermore, those having funds to last them two months or more stands at 68%. Such figure being slightly lower than November results (73%), and in line with September results, though better than April and May results.

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.
- 29% of those residing in the South Eastern region indicated having funds to last them less than a month.
- 90% of those 'married/ with partner and no kids' have funds to last them for more than 2 months.

Financial situation

- For 59% the population, their financial situation has not altered over the past three months.
- On the other hand, 23% indicated that it had deteriorated. A review of such result with previous waves indicates that this figure is the lowest to date.
- When asked about their perception on their financial situation over the coming 3 months, people were marginally more optimistic than they were in September that their financial situation will improve (then 10% were positive, now 16%).
- 32% of those having only completed primary education indicated that their financial situation had improved.

Attitudes towards daily living expenditure

- When asked about their daily living expenditure, responses varied, though overall 23% indicated that it had decreased. Such figure representing a 15% decrease over November results, and being the lowest to date.
- Variances were observed when analysing data by region, with 34% of those residing in the Western Region indicating a decrease in expenditure.
- Conversely, 37% of South Harbour residents indicated an increase in expenditure.

Conclusions

Perceptions towards major purchases

- 42% 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. This figure is the lowest to date and illustrates that people are less pessimistic than they were in the past. That said, those indicating 'don't know' increased considerably when compared with past studies (now 30%, 19% in November).
- Furthermore, those indicating that now is a right time to purchase stands at 28% a marginal increase of 3% over November results.
- 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 (with 53% answering in the negative).

Ability to save

- 55% of respondents indicated that they have been able to save over the past three months.
- In line with previous studies, the young and 'single living with parents' were most able to save.
- 78% of those aged 18 to 24 managed to save as did 76% of those who were single and living with their parents.

Conclusions

Perceptions on the financial future

- 40% of the population tends to worry about their financial future (with 19% indicating to worry very much). Such figure evidence that individuals are worrying much less than they did in the past.
- 44% females as opposed to 36% of males worry about their financial future.
- 61% of those aged 45 – 54 worry. Furthermore, in all studies, those aged 65 and over were the least to worry.

Retirement pension plan

- 22% of respondents 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.
- In line with the previous study, the vast majority of those without a plan indicated no likelihood of them starting a pension plan over the next 3 months (11% indicated a likelihood to start a pension plan in the near future).
- Furthermore, and also in line with previous studies, those aged 24 and under were less likely to have a retirement pension plan than other age groups

Conclusions

Knowledge on money matters

- Overall, 56% of respondents consider themselves to be knowledgeable on money matters (11% 'highly knowledgeable' and 45% 'slightly/quite knowledgeable'. Such figure being marginally higher than November results.
- Those indicating to be highly knowledgeable was in line with September and November figures though lower than for previous studies (16% in April and 20% in May).

Read up on personal finance matters

- 46% of respondents tend to read up on personal financial matters regularly (daily/ more than once a week). Conversely, 24% never do so.

Awareness on GEMMA

- 28% of the target audience had heard of GEMMA. Such figure representing a marginal decrease over November results (than 32%).
- That said, among those that heard of GEMMA, few had actually engaged with the site (8% of those that had heard about GEMMA engaged with the website).

Conclusions

Awareness on GEMMA

- Among the those that heard of GEMMA, 'retirement planning' (51% responses) was the most sought after topic.

Future attitudes towards savings

- Following their experience of the crisis brought about by the COVID-19 pandemic, 29% of respondents are more inclined to save for a rainy day once things return to normal. Such figure is the lowest to date.
- A review of responses by age indicates that 25% 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 (82%) intend to do so by spending less on discretionary items. This response attaining the highest score among the four 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** or contact: **info@gemma.gov.mt**

