

**FOR IMMEDIATE RELEASE**

**Covid-19 taught us something about money,  
but are Malaysians behaving any differently?**

RMFLS 2020 dived deep into financial literacy, personal finance habits and how Covid-19 has impacted Malaysians and their spending behaviors

**KUALA LUMPUR, 3 November 2020** - Say what you want about 2020. Unprecedented. Different. Challenging. Yet, when it comes to the way Malaysians managed their money, the RinggitPlus Malaysian Financial Literacy Survey (RMFLS 2020) discovered that nothing much has changed.

76% of Malaysians claimed that they are in control of their money (a slight increase from last year's 69%). However, 46% (from last year's 43%) of Malaysians also spend exactly what they earn or more, while 53% revealed that they would not be able to survive more than 3 months with their savings. The figures are more alarming among the youth (respondents under 35) as 60% of them admitted that they would not survive longer than 3 months.

“When the Movement Control Order (MCO) was enforced in March, we experienced a significant halt in our nation's economy. It affected the income of many Malaysians who could not go to work, had to take pay cuts, or were even let go as companies were forced to downsize. For the past two years, we had hoped that our survey results would act as a wake-up call but it really was this tragic event in our lives that became the true test to our personal financial habits,” said Hann Liew, co-founder and executive director of RinggitPlus.

From the pandemic, 27% of Malaysians realised the importance of an emergency fund. The automatic loan moratorium also pointed to this sentiment as the Association of Banks Malaysia (ABM) reported that over 7.7 million borrowers took the loan moratorium. Meanwhile, 16% of the RMFLS respondents admitted that they are not prepared to resume their repayments.

On a brighter note, the pandemic also caused a shift in their spending behaviours. 88% of Malaysians have stated to be consciously choosing contactless or cashless payment methods. In fact, 90% of the respondents say that they have e-wallets on their mobile devices.

“We would like to thank our partners - Financial Education Network (FEN), Experian and Nanyang Siang Pau for their support and knowledge sharing to make our survey better. The results certainly have given

us a more in-depth understanding of how Covid-19 has affected the nation. We hope that when our economy slowly recovers, Malaysians would take their finances more seriously so that we can all be more prepared in case the next rainy season ever comes,” Liew added.

The RMFLS is in support of the financial literacy efforts driven by FEN and the implementation of the National Strategy for Financial Literacy 2019 – 2023 (NS) to improve financial well-being of Malaysians. The NS aims to elevate financial literacy and promote responsible financial behaviour and rational attitudes towards financial management. “FEN is committed to work collaboratively with partners across the public and private sectors to achieve the NS’s inclusive and sustainable desired outcomes”, said FEN. In addition, the survey, which helps to assess Malaysians’ financial literacy and resilience during the pandemic, will further help RinggitPlus and its partners to better understand, develop and promote effective financial education initiatives to Malaysians.

This is RinggitPlus’ biggest survey since the inception of RMFLS in 2018, with 10,628 respondents nationwide – from which stratified sampling was conducted to achieve a more representative sample of the Malaysian population.

#### **RMFLS 2020: Key Findings**

- Compared to last year, Malaysians haven’t changed their personal finance habits much.
- 53% of respondents cannot survive more than 3 months with their savings, if they lose their job, showing no improvement since last year’s survey.
- E-wallet adoption continues to grow. 90% of respondents share that they have e-wallets. A combination of government incentives as well as concern with physical cash handling in the time of Covid-19 are likely drivers of this behaviour.
- Malaysians are more receptive to online transactions. 39% of our respondents do more online transactions now. Covid-19 could be the catalyst for higher and faster adoption.
- The automatic loan moratorium has had a positive impact on certain income groups during this trying time, as 14% of the respondents manage to save RM2,001 and above, compared to last year’s 9%.
- The moratorium also introduced Malaysians to new financial terms such as “loan moratorium”, “debt restructuring”, and “Rescheduling & Restructuring (R&R)”. 61% of respondents admitted that they do not know or are unsure of what R&R means.
- For the youth (below age 35) specifically, 64% of them do not know what R&R is.
- Majority of Malaysians (70%) continue to claim that EPF savings alone is not sufficient for retirement. However, 45% of them have yet to start planning for their retirement.



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### **Our continuous effort to saving Malaysia one wallet at a time**

As part of the ongoing effort to improve financial literacy in the country, RinggitPlus also announced the launch of myRinggitHealth - a brand new free service that allows Malaysians to instantly access and understand their financial health anytime, anywhere.

A first in Malaysia, myRinggitHealth is a fully integrated service on WhatsApp that allows consumers to interact with a chatbot that will assist them to check their credit score. What's more interesting is that the chatbot is able to guide users and provide them financial tips and solutions, based on their financial status.

“We are excited to introduce myRinggitHealth to Malaysians. Credit score is a critical aspect in personal finance and accessibility is always the main hurdle for consumers to understand their financial health better. We believe that myRinggitHealth will be one of the solutions to address this,” concluded Liew.

Click [here](#) to download the full RMFLS 2020 report.

Visit [myRinggitHealth](#) to access your financial health today and get personalised financial guides to stay on top of your financial goals.

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### **About RinggitPlus**

RinggitPlus.com is Malaysia's leading financial comparison website. Every day, we help you get more for your money – whether you're applying for a credit card, personal loan or a new insurance plan, planning the best mortgage for your dream house and much more.

Headquartered in Kuala Lumpur, RinggitPlus is one of several brands owned and operated by FinTech company Jirnexu Sdn Bhd (co. no. 1081989-D). We made our start back in 2012 when the company's co-founders met and realised that they share a mutual passion for giving individuals the financial advice and tools they needed to spend, manage and save money wisely.

### **About Financial Education Network (FEN)**

Established in 2016, the FEN serves as an inter-agency platform comprising institutions and agencies to increase the impact of financial education initiatives and identify new opportunities to elevate financial literacy among Malaysians through greater alignment, closer collaboration and a strong focus on impact assessments. Its members include the Ministry of Education, Ministry of Higher Education, Bank Negara Malaysia, Securities Commission Malaysia, Employees Provident Fund, Agensi Kaunseling dan Pengurusan Kredit, Perbadanan Insurans Deposit Malaysia and Permodalan Nasional Berhad. The FEN formulated the National Strategy for Financial Literacy 2019-2023, a five-year plan that sets out strategic priorities and broad action plans to develop a financially literate nation.



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