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# Key Findings Living on the Edge

Longitudinal study on post-COVID-19 impact assessment among low-income households in Kuala Lumpur

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Cover photo by Khairil Yusof. The picture shows four pots at the edge of a low-cost flat corridor.

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# Living on the Edge

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All remaining errors and weaknesses in this document are our responsibility.

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## Abbreviations

BNM	Bank Negara Malaysia (Central Bank of Malaysia)
DBKL	Kuala Lumpur City Hall
EPF	Employees Provident Fund
FOE	Families on the Edge
GDP	Gross Domestic Product
HOH	Head of households
JKM	Jabatan Kebajikan Masyarakat (Community Welfare Department)
KL	Kuala Lumpur
LPPKN	National Population and Family Development Board Malaysia
MCO	Movement Control Order
MOE	Ministry of Education, Malaysia
MOF	Ministry of Finance, Malaysia
MOH	Ministry of Health, Malaysia
NHMS	National Health and Morbidity Survey
PPR	Program Perumahan Rakyat (People's Housing Programme)
PWD	Persons With Disabilities
SCA	Systematic Content Analysis
SOCSSO	Social Security Organisation
SRHR	Sexual and Reproductive Health and Rights
STR	Sumbangan Tunai Rahmah (Rahmah cash assistance)
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNICEF	United Nations Children's Fund

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# Living on the Edge

## Key Highlights:

### Income and Social Protection



#### Key Highlight 1

While there have been improvements in the labor market and earnings, the prevalence of poverty persists, particularly among women, children, and those with disabilities.



Median monthly household earnings have recovered to pre-pandemic levels. Median monthly household earnings have increased by 32% to nearly RM3,000. Among female-headed households, median earnings are RM1,600 or 23% higher than in 2019. Monthly household earnings among households headed by a person with a disability are the lowest at RM1,550.



Poverty remains high at 41% in Oct 2023, albeit lower than 45% in March 2021. Among female headed households, poverty rate is at 59% (March 2021: 62%). Poverty rate is highest households headed by a person with a disability at 67%. Hardcore poverty rate is 8%, and it is highest among households headed by a person with a disability, at 17%.



Majority of heads of households (HoH) are back at work. Unemployment rate has reduced from 12% in March 2021 to 5.9% in October 2023. The unemployment rate among female headed households also declined, from 16% to 7.4% during the same period. The unemployment rate for heads of households with disability is the highest at 10%.



Children remain vulnerable. Almost all (95%) of children live in relative poverty, and 40% live in households below the poverty line.

#### Key Highlight 2

There is a pressing need for enhancements to social protection and assistance programs.



Majority of the HoH are employees. The percentage of self-employed dropped from 1 in 4 to 1 in 5 between March 2021 and October 2023.



72% received some form of social assistance, 68% received STR, and 23% received zakat.



However, 40% of workers have no employment-based social protection (38% for females), including those who are employees (26%), and highest among self-employed (92%).



However, coverage can be improved as about 1 in 3 households with income below RM5,000 per month do not receive STR.

## Living on the Edge

### Key Highlights:

#### Cost of Living and Education



### Key Highlight 3

#### The rise in food prices is causing significant financial strain for the households.



Currently, 8 out of 10 households struggle to generate adequate income to meet their basic needs, higher than 7 out of 10 reported during the pandemic.



To cope with the escalating expenses, families work harder, cut back on spending, and even reduce their food intake. Their children, who are already facing health challenges, are also eating less, with 1 out of 2 eating less than three meals per day.



Majority of all households (90%) are grappling with the impact of the soaring cost of living, particularly concerning food prices, while approximately 50% perceive their financial situation as deteriorating compared to 2022.

### Key Highlight 4

#### Low-income families face greater challenges in accessibility and quality of education.



Parents are increasingly concerned about the future prospects of their children, particularly regarding the accessibility and quality of education.



The cost of providing a child's education has seen a notable rise, with 78% of households indicating an increase in costs for transportation, co-curricular activities, and school canteen meals since the onset of the pandemic.

## Living on the Edge

### Key Highlights: Mental Health and Government Intervention



#### Key Highlight 5

### Parents are experiencing heightened mental stress, surpassing levels observed during the pandemic.

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The majority of households (3 out of 4) have expressed that the increased cost of living is adversely impacting their mental well-being, with approximately 1 in 4 reporting heightened feelings of depression compared to during the pandemic.



1 in 3 households believe that their financial circumstances will further deteriorate, contrasting with 1 in 4 in 2021.

#### Key Highlight 6

### Higher wages are preferred, not petrol subsidies.

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Increasing wages and maintaining ongoing cash assistance programs are the preferred policy measures for households in alleviating the impact of the rising cost of living.



Cash assistance and price controls on food items are deemed the most beneficial measures for households, whereas the petrol subsidy is not widely regarded as helpful, with only 7% expressing support for it.

# Executive Summary

This study is a continuation of the Families on the Edge (FOE) project. During the COVID-19 pandemic, UNICEF and UNFPA conducted a four-phase mixed-methods longitudinal study undertaken during various periods of the COVID-19 pandemic and post-pandemic to measure the impact of the pandemic on women and children in low-income families in Kuala Lumpur.

This study focuses on a survey undertaken post-pandemic, conducted from October 14, 2023, to November 16, 2023, with data collected from a total of 755 low-income households living in sixteen low-cost public housing in Kuala Lumpur. The sample consists of 501 households with approximately 30% representing respondents previously interviewed under the FOE project. Additionally, a booster sample of 254 households were added, specifically households led by females, to add depth to the analysis.

The overarching objective of this study is to support evidence-based insights conducive to policy formulation and public discourse concerning the post-COVID-19 landscape, particularly in light of the increased cost of living.

This research aims to capture the intricate interplay between the escalating cost of living and its ramifications on household dynamics, with a special emphasis on the experiences of women, children, and persons with disabilities.

This study aspires to furnish stakeholders with a better understanding of the evolving challenges faced by vulnerable households in the wake of the pandemic. By bringing attention to these important issues, it aims to generate informed interventions and policies aimed at mitigating the adverse impacts and fostering resilience within these communities.

## Key Findings

The key findings of the study illuminate complex and persistent challenges, particularly concerning the socioeconomic status of women, children, and low-income households. The summary of the key findings is highlighted below.

**1. While there have been improvements in the labor market and earnings, the prevalence of poverty persists, particularly among women, children, and those with disabilities.**

Encouragingly, there have been improvements in the labor market, reflected in a notable uptick in median monthly household earnings. Median monthly household earnings have recovered to pre-pandemic levels. Median monthly household earnings have increased by 32% to nearly RM3,000. Among female-headed households, median earnings are RM1,600 or 23% higher than in 2019. Monthly household earnings among households headed by a person with disability are the lowest at RM1,550.

Moreover, as the economy recovers, the majority of individuals have returned to work. The unemployment rate, a crucial metric of economic health, has reduced from 12% in March 2021 to 5.9% by October 2023. Similarly, the unemployment rate among female-headed households has also seen a considerable decline, plummeting from 16% to 7.4% over the same period. In comparison, the unemployment rate for heads of households with disability is 10%, the highest compared to other groups.

Despite improvements in labor market participation and earnings, poverty continues to loom large, disproportionately impacting women and children. As of October 2023, the absolute poverty rate among households is 41%, a slight improvement from its peak of 45% in March 2021. Among the female-headed households, the absolute poverty rate is 59%, a modest decrease from 62% in March 2021. Absolute poverty of households headed by a person with disability is the highest, at 67%. Notably, hardcore poverty, indicative of the most severe form of deprivation, persists at 8%, and it is highest among households headed by a person with disability, at 17%.

Children, as the most vulnerable demographic within these households, bear a disproportionate burden of poverty. Alarmingly, almost every child, about 95% of them, are living in relative poverty. Furthermore, a staggering 40% of children reside in households below the poverty line, underscoring the urgent need for interventions to alleviate their plight and break the cycle of intergenerational poverty.

## **2. There is a pressing need for enhancements to social protection and assistance programs.**

The majority of heads of households are gainfully employed, reflecting a robust labor force participation. The proportion of self-employed individuals has seen a decline from 1 in 4 to 1 in 5 between March and October 2023, indicating a shift towards formal employment opportunities. However, 40% of workers, encompassing both employees and the self-employed, lack essential employment-based social protection coverage. This vulnerability is particularly acute among the self-employed, with a staggering 92% lacking adequate safeguards against economic shocks.

A significant proportion of households, constituting 72%, receive various forms of social assistance. The Sumbangan Tunai Rahmah (STR) support is the most prevalent, with 68% of households benefiting from it. Additionally, 23% of households receive zakat. However, the coverage of social assistance programs remains suboptimal, with disparities persisting across income brackets. Approximately 1 in 3 households earning below RM5,000 per month do not receive STR, highlighting gaps in outreach and accessibility.

## **3. The escalation in food prices has emerged as a pressing concern, exacerbating financial strain for households and amplifying the struggle to meet basic needs.**

Presently, 8 out of 10 households find themselves grappling with inadequate income levels to sustainably cover essential expenses, surpassing the figure of 7 out of 10 reported during the height of the pandemic. The pervasive impact of the soaring cost of living, particularly food prices, casts a long shadow over the economic stability of communities, with nearly all households (90%) feeling the pinch. Female-headed households (74%) and households headed by a person with disability (92%) find that their current income is insufficient.

To cope with the escalating expenses, families undertake multiple jobs, cut back on spending, and even reduce their food intake. Consequently, their children, who are already facing health challenges, are also eating less, with 1 out of 2 eating less than three meals a day.



**4. Low-income families face greater challenges concerning the accessibility and quality of education.**

Parents are increasingly worried regarding the future prospects of their children, especially concerning the accessibility and quality of education. The cost of educating a child is becoming expensive, with 78% of parents now find themselves grappling with escalated expenses related to education, encompassing not only tuition fees but also daily allowances, transportation costs, co-curricular activities and meals at the school canteen, which have surged since the onset of the pandemic.

**5. Parents are experiencing heightened mental stress, surpassing levels observed during the pandemic.**

As parents grapple with the escalation of living expenses, their mental well-being is significantly affected. 3 in 4 of households have voiced concerns that the spiraling cost of living is taking a toll on their psychological health, signaling widespread distress among communities. Perhaps most concerning is that approximately 1 in 4 households now report heightened feelings of depression, compared to 1 in 5 during the pandemic.

This surge in mental health challenges is compounded by a sense of pessimism about the future. 1 in 3 households believe that their financial circumstances will further deteriorate, higher than 1 in 4 during the pandemic. It underscores a heightened sense of economic uncertainty and vulnerability.

**6. Households prefer higher wages over other forms of assistance.**

Higher wages are the most preferred intervention by the households to mitigate the higher cost of living. Additionally, cash assistance initiatives and price controls on essential food items are identified as an effective support mechanisms, resonating strongly with households as optimal measures to alleviate financial burdens. The provision of direct cash aid offers immediate relief, providing families with the flexibility to allocate resources according to their most pressing needs, while price controls on essential food commodities serve to buffer against inflationary pressures, ensuring access to essential items.

In contrast, the current petrol subsidy is less preferred among households, with a mere 7% expressing support for such measures. Instead, households advocate for policy interventions that address the root causes of financial strain, namely inadequate wages and the erosion of purchasing power.

These perspectives and inputs from the households underscores the imperative for policymakers to heed the preferences and priorities of households in crafting effective interventions to tackle the cost-of-living crisis. By aligning policy measures with the expressed needs and preferences of the communities, policymakers can ensure that interventions yield meaningful and sustainable outcomes for those most impacted by economic hardship.

## Recommendations

The study proposes six key recommendations:

### 1 **Universal Childcare Allowance**

Introduce a universal childcare allowance for children from pre-birth to 2 years (1,000 days) as the initial step in expanding social protection for children in Malaysia during their most vulnerable period. These monthly allowances should be channelled directly to the mother.

### 3 **Enhancements to Social Assistance**

Broaden social assistance to encompass all poor households and not only to the hardcore poor, as many families face challenges beyond food insufficiency.

### 5 **Provide Fair Wages**

The current level of minimum wage is too low and insufficient for the workers.

The current level of minimum wage is too low and insufficient for the workers. Taking into consideration key factors such as cost of living, poverty line income, median wage, and productivity, our calculation shows that the minimum wage should be set at RM2,102 per month, instead of RM1,500 per month currently. This revised new minimum wage is slightly lower than the living wage of RM2,700 as proposed by the Central Bank of Malaysia.

### 2 **Universal Allowance for Person with Disabilities**

Universal allowances for all persons with disabilities and their caregivers are essential to provide adequate income security and complement existing healthcare and employment support systems.

### 4 **Improve SRH Awareness and Mental Well-being**

Improve sexual and reproductive health awareness through community outreach for informed decision-making, and invest in mental health support through community-based interventions.

### 6 **Improve Social Protection**

EPF and SOCSO contributions must be mandatory for all self-employed individuals.

All workers, regardless of status of employment must be covered by social protection. While workers in the formal sector are protected by EPF and SOCSO, employees in the informal sector are not protected.

It must be mandatory for all workers, especially those in the informal sector, to be covered by EPF and SOCSO, to protect them against injury, unemployment and inadequate or no income during old age.

# Background

During the COVID-19 pandemic, UNICEF and UNFPA conducted a four-phase study – between 2020 and 2022 titled Families on the Edge (FOE) in Kuala Lumpur. The goal of the study was to see how COVID-19 affected low-income households, their coping strategies, and if government social protection programs and assistance measures helped to reduce the negative impact of the pandemic- both in fiscal, as well on non-fiscal matters.

The FOE study was conducted from May 2020 to March 2021 involving 500 households in 16 low-cost housing areas in Kuala Lumpur through phone interviews, along with in-depth interviews with 50 individuals. The study found that these households were very vulnerable to COVID-19's impact due to the Movement Control Order (MCO) that denied the households access to their regular work and other income-generating activities. There was also lack of access to social protection particularly among female-headed households and head of households living with disability. The study's findings helped advocate for more social support for the poor and provided evidence for pandemic policies.

While the pandemic is no longer prevalent, new challenges emerged. The substantial surge in prices for food, fertilizers, and energy in the first half of 2022 due to Russia-Ukraine war contributed to global market disruptions and worsening the ongoing supply chain disruptions resulting from COVID-19. Inflation rose across nearly all nations, resulting in reductions in real disposable incomes of household that triggered a cost-of-living crisis in many countries, especially in the low-income countries.<sup>1</sup>

Poverty has also increased, with 783 million left unsure where their next meal would come from, 349 million people experienced acute hunger, and 772,000 people were on the edge of famine globally.<sup>2</sup> The suffering occurred in mostly low-income countries, and about half were already in vulnerable situations due to severe economic challenges.<sup>3</sup> IMF estimates that highly vulnerable countries would need around USD7 billion to assist low-income households.<sup>4</sup> In response to higher inflation, most economies increased its interest rates, which has created adverse effects on households, in particular the vulnerable groups.

There are limited comprehensive studies on the impact of higher cost of living post-pandemic to vulnerable households. In Australia, a study in 2022 shows that rising cost of living affected about 40% of the population, with young adults, individuals with low level of education, and those facing mobility-limiting health conditions or disabilities were more affected fiscally compared to others.<sup>5</sup> The rising cost of living also has impact on mental health. A study done in the United Kingdom shows that in order to make ends meet, many respondents have resorted to significant cutbacks in food and heating expenditures at the expense of their overall health condition, where almost 3 in 5 reported that they are in distress, 1 in 3 experiencing sleep difficulties, and 1 in 4 had worsening pre-existing mental health conditions.<sup>6</sup> While government and non-governmental support is available, more than half (53%) of participants refrained from seeking support due to societal stigma and a lack of awareness about available support, particularly among the lowest income groups.

1 IMF. 2023. World Economic Outlook: A rocky recovery.

2 WFP. 2023. WFP Annual Review 2022.

3 Georgieva, K., et al. 2022. Global Food Crisis Demands Support for People, Open Trade, Bigger Local Harvests.

4 Ibid.

5 Seivwright, Ami; Kocar, Sebastian (2022). Inflation, Inflation, Inflation: How Tasmanians are Coping with Rising Costs of Living. University Of Tasmania.

6 Harley, O. 2023. The cost of living Crisis: How has the Covid-19 affected the mental health of people on low incomes, and what forms of support have been effective? Glasgow: Mental Health Foundation.

During the pandemic, some countries de-prioritised sexual and reproductive health and rights (SRHR) due to the fiscal constraints by the government. A study done in India, Kenya and Nigeria finds that females across all age groups, particularly among the younger generations, encountered difficulties in obtaining crucial SRHR services and adequate information, resulting in unwanted pregnancies.<sup>7</sup> The study also finds that public policy responses during the pandemic curtailed of the rights of girls and women, with married women and girls, as well as those living with disabilities, encountered heightened levels of violence, bias, and obstacles to access SRHR services, information, and products. The disparities in SRHR outcomes are clearly visible among vulnerable populations.

A study by UNFPA in 2023 in North America and Latin America finds that non-Hispanic African American women and girls encounter pronounced inequities in terms of maternal health and SRHR outcomes – they face a mortality risk three times greater during pregnancy or within 42 days after childbirth compared to their non-Hispanic white counterparts.<sup>8</sup> The issue of maternal mortality persists regardless of varying income and education levels; even African American women with college degrees exhibit a maternal mortality rate 1.6 times higher than white women with an educational attainment below a high school diploma.

Malaysia is not immune to the pandemic and its implication, as well as to global inflationary pressure despite that economy is recovering. While the size of the economy has recovered with GDP in 2022 was 2% higher than 2019 and unemployment rate has been declining, the recovery has been uneven with poor and vulnerable households experiencing slower growth compared to other groups. Overall poverty incidence remains high at 6.2% in 2022 compared to 5.4% in 2019 and inequality, as measured by Gini coefficient widening to 0.417 from 0.416 during the same period.

The increases in food and energy prices, and Ringgit depreciation worsen the lingering pandemic effects on the poor households.<sup>9</sup> Overall inflation rose to 3.3% in 2022 compared to 2.5% in 2021, with the food components shooting up to 5.8% from 1.7% during the same period, hitting low-income households hard as they spent more of their income on foods (38%) compared to higher income households (27%). Low-income households in the urban areas are more likely to be affected as inflation in urban areas is higher at 3.6% compared to rural areas (2.6%). The increase in prices in urban areas is also much higher at 6.1% compared to 4.3% in rural areas.<sup>10</sup>

7 Women Deliver. 2022. The Impact of Covid-19 On Sexual and Reproductive Health and Rights: Youth-led Perspectives and Solutions for a Gender-Equal World.

8 UNFPA. 2023. Maternal Health of Women and Girls of African Descent in the Americas.

9 The World Bank. 2023. Malaysia Economic Monitor February 2023: Expanding Malaysia's Digital Frontier.

10 DOSM. 2023. Analysis of Annual Consumer Price Index (CPI) 2022 and DOSM. 2023. Household Expenditure Survey 2022.

The World Bank study also shows that 7 in 10 of low-income households in Malaysia struggled to meet monthly basic needs, while 6 in 10 do not have savings.<sup>11</sup> The high cost of living affects real income growth for the low-income households. In 2019, average real income for the B40 households increased by almost RM150 per month compared to their monthly income in 2016. However, the increment was lower in 2022, with increase in income of about RM100 per month compared to 2019. Poor urban households in Kuala Lumpur are badly affected. After adjusting for inflation, real average gross household income for the B10 households went down by about RM700 per month, from RM4,146 in 2019 to RM3,431 in 2022.<sup>12</sup>

The government has initiated several policy measures to alleviate the burden of high cost of living on the households. The government has allocated more than RM70 billion (USD 16 billion)<sup>13</sup> for subsidies, assistances, and incentives in 2023.<sup>14</sup>

Among the direct measures introduced were RM2.4 billion for chicken and eggs subsidy, RM500 million for Cooking Oil Stabilization Scheme (COSS), RM1.6 billion for subsidy and incentives on the price of rice, rice fertilizer, and upland rice paddy fertilizer, RM10.8 billion for electricity subsidy, RM51 billion for fuel subsidy, and RM8 billion for cash assistance programs.<sup>15</sup>

However, the bulk of the subsidies are regressive and tend to benefit the rich more compared to the poor, in particular electricity and fuel subsidies. For every RM100 fuel subsidy allocated for the poor, the high-income group (T20) received RM35 compared to only RM24 for the low-income groups (B40).

Regressive subsidies are not unique in Malaysia; a study across 43 emerging and low-income countries shows that the richest 20% enjoyed 43% of energy subsidies, much higher than other income classes.<sup>16</sup> The total amount of subsidies in Malaysia for 2022 were nearly RM80 billion, which is much higher than the budget allocated for future investment – namely healthcare and education, which received budget allocation of RM32bil and RM52bil respectively.<sup>17</sup>

There was only one specific COVID-19 special measure that was targeted towards low-income household, which was a one-off cash assistance of RM1,600 to households' earnings less than RM4,000.<sup>18</sup> The other cash assistance program was a continuation of yearly cash assistance to low- and middle-income households, which started in 2013 and continues until today.

In mitigating the impact of higher cost of living post COVID-19, yearly cash assistance and food and energy subsidies remained, but with smaller allocation.<sup>19</sup> In addition, the government introduced *Jualan Rahmah* which offers essential goods that are up to 30% cheaper than the market price in all 222 parliamentary constituency with the budget allocation of RM100 mil. However, several programs introduced in 2022 were discontinued in 2023 such as the electricity bill discounts (RM6.5 billion) and COVID-19 related cash assistance such as *Bantuan Prihatin Nasional* (BPN) for the M40 and B40 households (RM40 million). During the 2020-2022 period, total government spending for these programs stood at RM47 billion.<sup>20</sup>

11 The World Bank. 2023. Malaysia Economic Monitor February 2023: Expanding Malaysia's Digital Frontier.

12 DOSM. 2023. Household Income & Expenditure Survey 2022.

13 Based on RM4.4011 USD/MYR exchange rate (Average for period).

14 Ministry of Finance. 2023. Budget 2023 Speech.

15 BERNAMA. 2023. The government's proactive measures to help the people cope with the chicken supply are necessary; Ministry of Finance. 2023. Govt saves RM4.1 billion with implementation of targeted electricity subsidy; Ministry of Finance. 2023. RM17 bln saved if T20 not given fuel subsidy; Ministry of Finance. 2022. Budget 2023 Speech.

16 Cottarelli. C. 2013. Subsidizing Energy Consumption: Why it's Wrong and What Can Be Done About it. IMF Blog.

17 Ministry of Finance. 2022. Federal Government Expenditure – 2023 Budget.

18 Ministry of Finance. 2020. Federal Government Expenditure – 2021 Budget; Ministry of Finance. 2021. Federal Government Expenditure – 2022 Budget.

19 Ministry of Finance. 2022. Budget 2023 Touchpoints.

20 Ministry of Finance. 2021. Federal Government Expenditure – 2022 Budget.



While the government aims to eradicate hardcore poverty by 2025, it remains a challenge given the lingering impact of the pandemic.<sup>21</sup> Between 2019 and 2022, absolute poverty rate increased from 5.6% to 6.2% (following an increase in urban poverty from 3.8% to 4.5%), and hardcore poverty doubled from 0.2% to 0.4% during the same period.<sup>22</sup>

Poorer regions were badly impacted, with absolute poverty rate in Sabah, Sarawak, Kelantan, Kedah and Terengganu remain high. In Kuala Lumpur, while official absolute poverty rate is low at 1.4% in 2022 (2019: 0.2%), pockets of poverty could still exist especially among households reside in low-cost flats. A study by UNICEF in 2018 shows that poverty rate among the households in the low-cost flats in KL stood at 7%, despite official figures reporting zero poverty for the state.<sup>23</sup>

The post-pandemic challenges of rising cost of living would have a negative impact on the already vulnerable households, affecting their ability to fulfil their basic needs.

It is imperative to attain a comprehensive understanding of how the surge in living expenses affects households, including their coping strategies and the efficacy of current social protection measures in shielding them from sustained economic strain. This study is dedicated to exploring precisely these dimensions, delving into the interplay between escalating costs of living and household resilience. By building upon the groundwork laid by Families on the Edge (FOE) project, this study aims to construct a longitudinal analysis, enabling a comparison over time. Through this approach, we seek to expose the evolving dynamics of poverty, while also examining the broader impacts on household well-being, health, and sexual and reproductive health and rights (SRHR). By harnessing longitudinal data and employing a multidimensional lens, this study aims to provide insights into the multifaceted challenges faced by households amidst the economic adversity.

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21 Following DOSM's definition of poverty in the HIES 2022, Hardcore poverty refers to household with a monthly income less than RM1,198. It means that the household is not able to meet minimum basic amount of food needed to have a balanced and nutritious food. Absolute poverty refers to a household not able to meet basic minimum requirement not only food but also other non-food items such as clothing, education, housing, and transportation. The household need to earn at least RM2,589 per month to not fall into absolute poverty.

22 DOSM. 2023. Household Income and Basic Amenities Survey Report 2022.

23 UNICEF. 2018. Children Without: A study of urban child poverty and deprivation in low-cost flats in Kuala Lumpur.

# Objectives

The aim of this study is to conduct a follow-up analysis using data from the previous Families on the Edge (FoE) sample in order to produce evidence that can inform policy formulation and advocacy efforts in response to the current challenges posed by the heightened cost of living.

This is especially crucial for vulnerable urban populations, including children, women, and persons with disabilities, who are disproportionately affected by the impact of rising living expenses.

## Main Objective

To understand poverty and vulnerability dynamics through assessing the impact of increased cost of living which followed the COVID-19 pandemic on poor households in Kuala Lumpur.

## Specific Objectives

- 1** To observe and assess how the shock of the COVID-19 pandemic followed and compounded by the shock of current increased cost of living is affecting the well-being and health of low-income households.
- 2** To understand the responses of these households to these compounded crises, including their coping mechanisms.
- 3** To observe and understand the differences (if any) in this impact (objective 1) and responses (objective 2) between male-headed households and female-headed households.
- 4** To observe and understand the impact and responses of households that have persons living with disability.
- 5** To study the link between COVID-19 policies that were deployed in 2020-2021 to current outcomes, and their intersection with current policies in the context of increased cost of living/ compounded shocks.
- 6** To assess the extent to which the social protection system is able to respond to the economic shock of increased cost of living, that compounds the health shock brought on by the pandemic.
- 7** To develop robust and evidence-based recommendations for strengthening a social protection system that is capable of responding to compounded/ recurrent shocks and that responds to the reality of dynamic poverty situation of households.

## ***The study seeks to answer the following questions...***

How is the well-being and health of households being affected by the combination of the COVID-19 pandemic shock and the current increased cost of living?

What coping mechanisms are households employing in response to the compounded crises of the COVID-19 pandemic and the higher cost of living?

Are there any differences in the impact on well-being and health and the responses between male-headed households and female-headed households?

What impact and responses are being observed among households that include persons with disabilities?

How do the COVID-19 policies implemented in 2020-2021 intersect with current policies in the face of the increased cost of living and compounded shocks, and what are the resulting outcomes?

To what extent is the current social protection system capable of addressing the economic shock from the higher cost of living, which compounds the health shock from the pandemic?

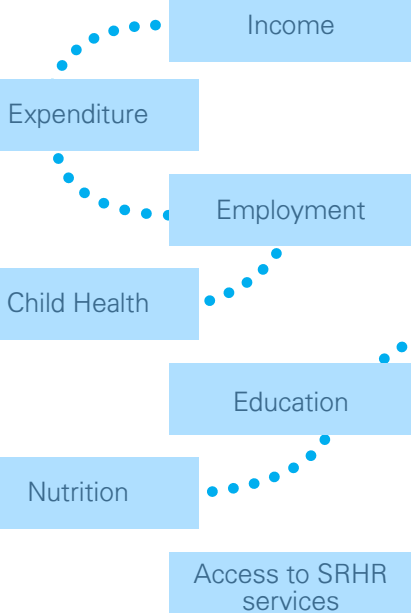
What evidence-based recommendations can be developed to enhance the social protection system, making it more resilient to compounded or recurrent shocks and reflective of the evolving poverty dynamics within households?

# Areas Covered

This study focuses on the impact of the increased in cost of living on household, their coping strategies as well as an analysis of the adequacy, accessibility and effectiveness of key social policy and service delivery responses specifically to the rising levels of inflation and increased cost of living on children and women.

Among the areas to be covered are as follows: income, expenditure, employment, child health, education, nutrition, access to SRHR services, and other emerging issues.

## *Living on the Edge Areas of Study*



This study covers three major areas related to the impact of rising cost of living:



### **Area 1: Economic well-being**

Economic well-being covers typical socioeconomic indicators such as income, expenditure, employment status, and occupational groups.



### **Area 2: Social well-being**

Social well-being consists of access to quality healthcare and education, familial relations and parenting practices which includes child protection, gender relations and distribution of house chores, and psychosocial wellbeing, including the impact of rising cost of living on mental health.



### **Area 3: Other components**

Other components include coping strategies and access to as well as adequacy of the existing social protection measures such as zakat, Rahmah Cash Assistance (STR), and JKM assistance, and the effectiveness fuel subsidies and price controls.

The Approach and Methodology are described in Appendix 2, while the Ethical Considerations are described in Appendix 3, and the Study Limitations are described in Appendix 4.



# ***Key Findings***



# Part 1

## Employment and Income

The median monthly household earnings have rebounded to nearly RM3,000, marking a 32% increase compared to pre-COVID levels, signaling a significant recovery for households grappling with the economic fallout of the pandemic (Figure 1.1). Notably, monthly earnings among female-headed households have also seen a substantial increase, rising by 23% or RM300. Monthly household median earning for heads of households with disability is the lowest (RM1,550) compared to female headed households (RM2,000) and total households (RM2,500). Their earnings are very close to minimum wage level (Figure 1.2).

The increase in earnings is reflected in the improvements in the labour market. A significant proportion of households have successfully re-entered the workforce, resulting in a notable improvement in the unemployment rate among heads of households (Figure 1.3). HoH with disability have the lowest unemployment rate compared to total HoH and female headed households. This shows that although HoH with disability are able to get jobs, their wage level is extremely low (Figure 1.4).

This improvement in employment opportunities signifies a return to economic stability but also underscores the resilience of individuals and families in overcoming the challenges posed by the pandemic-induced downturn.

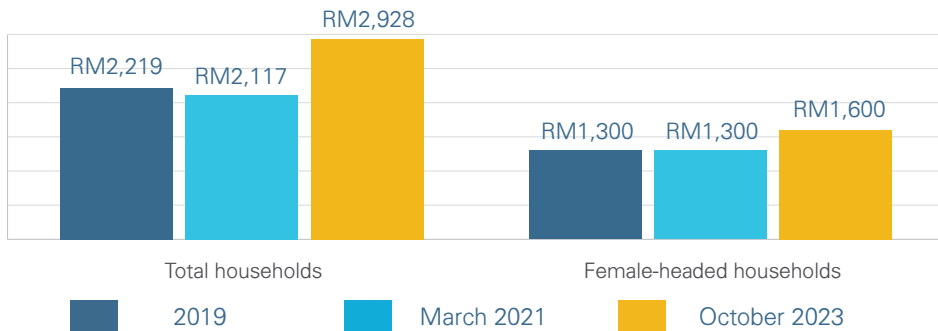
The household unemployment rate has seen a notable improvement, declining from 12% during the peak of the pandemic in early 2021 to 5.9% in October 2023. However, it still surpasses the pre-pandemic rate of 5% and remains higher than the national unemployment rate of 3.4%.

Notably, the unemployment rate for female heads of households has experienced a significant improvement, dropping to 7.4% in October 2023. This is substantially lower than the pre-pandemic rate of 9% and the 15.9% recorded in March 2021.



**Median monthly household earnings have rebounded to nearly RM3,000,** marking a 32% increase compared to pre-COVID levels. Earnings among female-headed households have also increased, by 23% or RM300.

Figure 1.1: Longitudinal: Household monthly median earnings (RM)

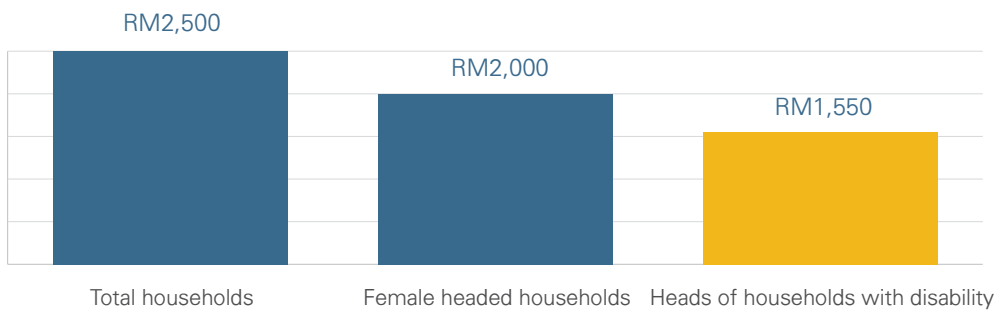


Note: Earnings include wages, self-employment income, and income from property and investment. They exclude transfers and pensions received periodically. Longitudinal sample of heads of household with disability is too small (N=2). Therefore, it is not reported here.

Absolute poverty refers to a situation where a household income is insufficient to meet basic life needs such as food, shelter and clothing. measurement method has been implemented since 1977 by using the Cost of Basic Needs approach. This method applies a minimum requirement level known as Poverty Line Income (PLI). The PLI component consists of two categories which are food PLI and non-food PLI. Food PLI value is obtained by determining the calorie requirement for a household. The PLI value used for this study is RM2,816 per month to reflect the PLI value in Kuala Lumpur. Any household living below RM2,816 will be considered as absolute poor.

**Median earnings for households headed by persons with a disability are the lowest, compared to female headed households (RM2,000) and total households (RM2,500).**

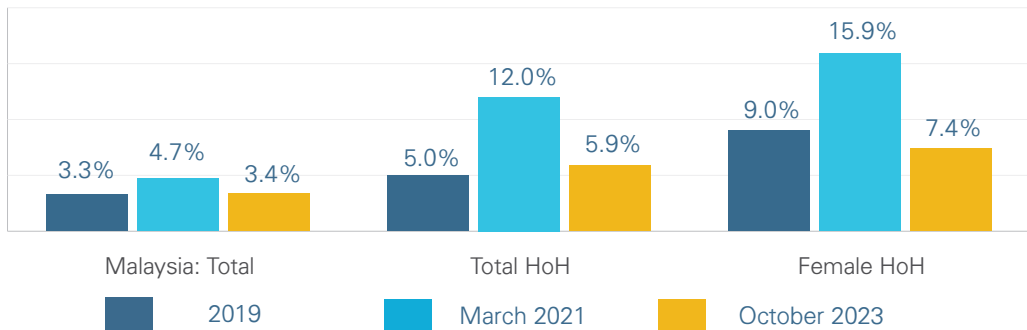
Figure 1.2: Household median earnings (RM)



Note: Earnings include wages, self-employment income, and income from property and investment. They exclude transfers and pensions received periodically

The majority of households have returned to work, leading to an **improvement in the unemployment rate** among heads of households.

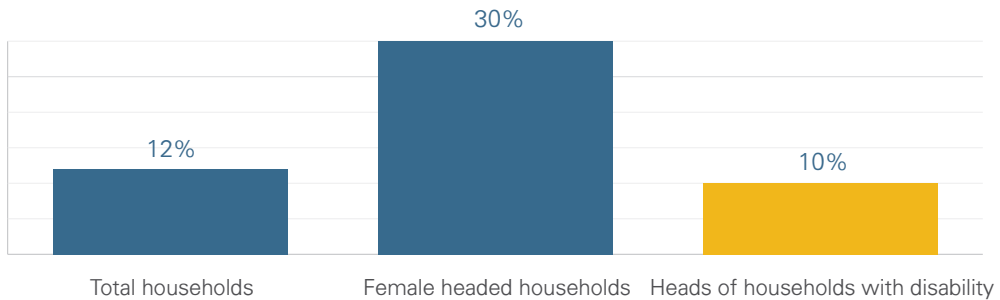
Figure 1.3: Longitudinal: Unemployment rate (%)



Note: The latest unemployment figures for Malaysia are as of October 2023. Longitudinal sample of heads of household with disability is too small (N: 2). Therefore, it is not reported here. The unemployment rate is calculated out of total Heads of Households aged 15-64 years old, who are either employed or actively and inactively unemployed (Labour Force).  
 Source:  
 1. Department of Statistics Malaysia (DOSM). 2020. Labour Force Survey Report 2019. Putrajaya, Malaysia  
 2. Department of Statistics Malaysia (DOSM). October 2023. Labour Force Malaysia, October 2023. Putrajaya, Malaysia

HoH with disability have the lowest unemployment rate compared to total HoH and female headed households. It shows that **although HoH with disability are able to get jobs, their wage level is low.**

Figure 1.4: Unemployment rate (%)



Note:  
 Unemployment rate is calculated out of total Heads of Households aged 15-64 years old, who are either employed or actively and inactively unemployed (Labour Force).

As earnings stabilize, there is a modest improvement in poverty rates, yet they persist at alarmingly high levels. Currently, 41% of households live below the poverty line, a slight improvement from the pre-pandemic rate of 44%. The poverty rate is particularly pronounced among female heads of households, with 59% falling below the poverty line, albeit showing a decline from the pre-pandemic figure of 66%. Similarly, 40% of children reside in poor households, compared to 45% before the pandemic (Figure 1.5).

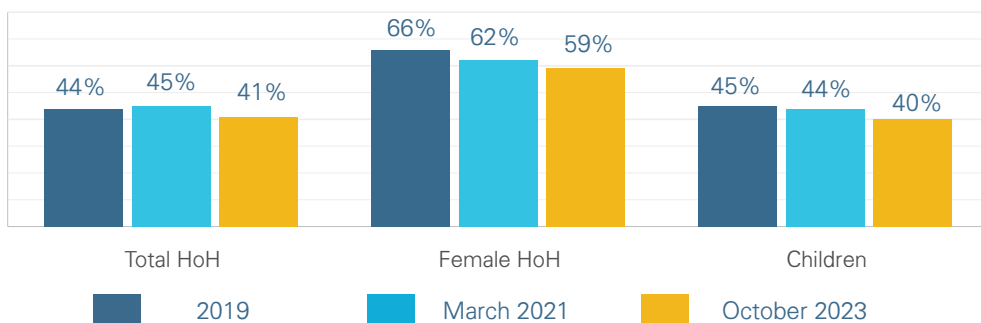
The presence of hardcore poverty persists, as illustrated in Figure 1.9. While the incidence of hardcore poverty in Kuala Lumpur is almost zero, it remains a pressing issue among our respondents. The hardcore poverty rate is 17% for households headed by persons with disabilities, 10% for female heads of households, and 7% for all children.

However, almost all female-headed households and children find themselves in relative poverty, as depicted in Figure 1.6. Relative poverty serves as a crucial metric, reflecting the progress in the standard of living that should ideally accompany economic growth. Although there is a decrease in the overall relative poverty rate for households, dropping from 92% before the pandemic to 78%, relative poverty among female-headed households and children remains almost universal. It should also be noted that the highest incidence of poverty both in absolute (67%) and relative terms (92%) is recorded among heads of households with disability (Figure 1.7 and Figure 1.8)

**Poverty declined marginally, but remains high.**

41% of total households live below the poverty line, and the rate is higher among female HoH (59%). 4 in 10 children live in poor households.

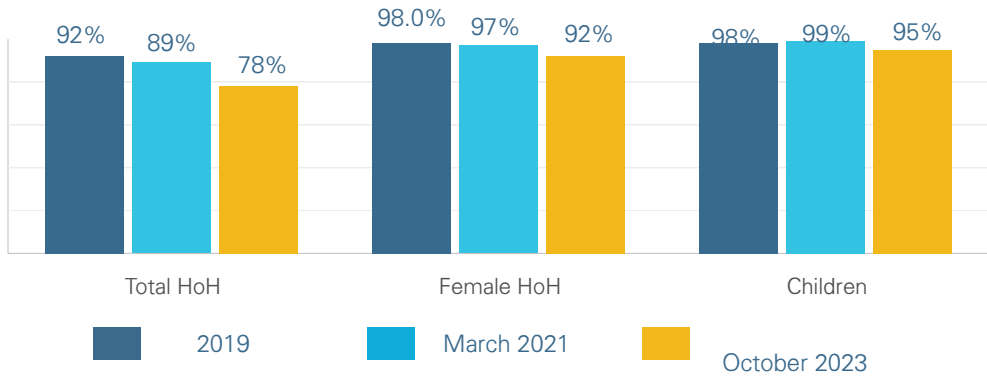
Figure 1.5: Longitudinal: Incidence of absolute poverty (%)



Note: Absolute poverty refers to a situation where a household income is insufficient to meet basic life needs such as food, shelter and clothing. measurement method has been implemented since 1977 by using the Cost of Basic Needs approach. This method applies a minimum requirement level known as Poverty Line Income (PLI). The PLI component consists of two categories which are food PLI and non-food PLI. Food PLI value is obtained by determining the calorie requirement for a household. The PLI value used for this study is RM2,816 per month to reflect the PLI value in Kuala Lumpur. Any household living below RM2,816 will be considered as absolute poor.

**Almost all female headed households and children live in relative poverty.**

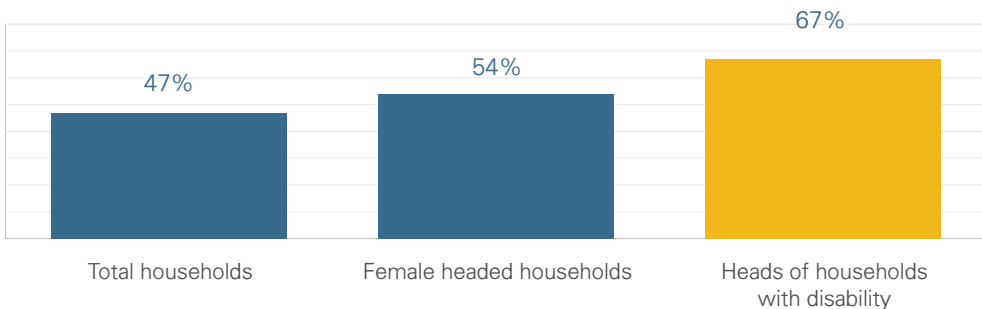
Figure 1.6: Longitudinal: Relative poverty rates among households and children (%)



Note: Relative poverty measures progress made in standard of living that should benefit from economic growth. Children relative poverty rate is calculated based on equivalized household income and defined as a percentage of children (0-17 years old). Total household income is divided by the square root of household size. The threshold for children relative poverty rate is derived from 50% of KL's equivalized median household income at RM2,860. Equivalised household incomes are used because all members of a given household are assumed to pool and share earned income. Relative poverty rate for total and female headed households are derived based on the threshold at RM5,117; 50% of KL's gross median household income. Source: OECD. 2021. Child Poverty: Definitions and methodology. OECD family database; DOSM. 2023. Poverty in Malaysia 2022.

**The highest incidence of absolute poverty among all households is among households headed by a person with a disability, at 67%, followed by female headed households at 54%.**

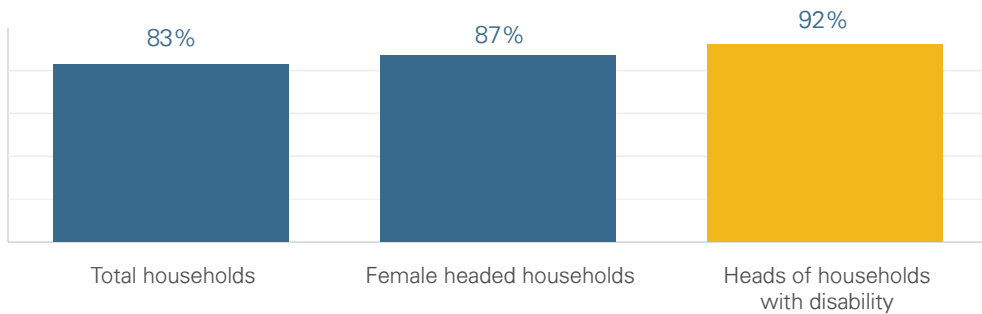
Figure 1.7: Incidence of absolute poverty (%)



Note: Relative poverty measures progress made in standard of living that should benefit from economic growth. Relative poverty rate for total and female headed households are derived based on the threshold at RM5,117; 50% of KL's gross median household income. Source: OECD. 2021. Child Poverty: Definitions and methodology. OECD family database; DOSM. 2023. Poverty in Malaysia 2022.

**The highest incidence of relative poverty among all households is among households headed by a person with a disability, at 92%, followed by female headed households at 87%.**

Figure 1.8: Incidence of relative poverty (%)



Note:

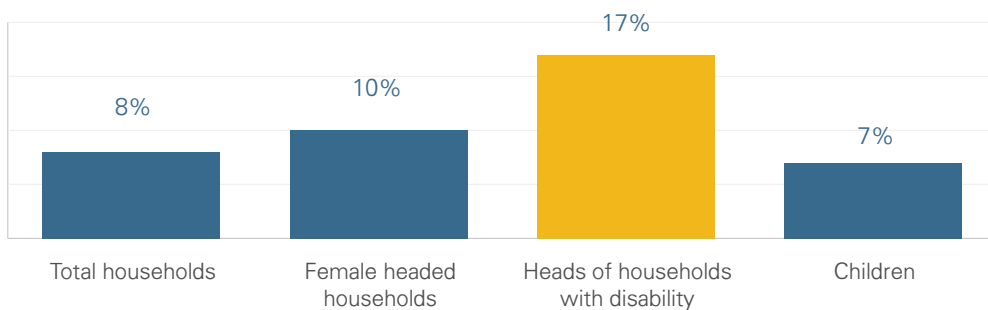
Relative poverty measures progress made in standard of living that should benefit from economic growth.

Relative poverty rate for total and female headed households are derived based on the threshold at RM5,117; 50% of KL's gross median household income.

Source: OECD, 2021. Child Poverty: Definitions and methodology. OECD family database; DOSM, 2023. Poverty in Malaysia 2022.

**Hardcore poor still exist, with the highest incidence among households headed by a person with a disability.**

Figure 1.9: Incidence of hardcore poverty (%)



Note: Hardcore poverty is defined based on Food Poverty Line Income (PLI) of RM1,109

## Employment Status

The majority of heads of households and their family members have re-entered the workforce as wage earners, signaling a notable recovery in employment rates (Figure 1.10). Concurrently, there has been a decline in the proportion of self-employed individuals among heads of households, dropping from approximately 1 in 5 in 2021 to 1 in 4 in 2023.

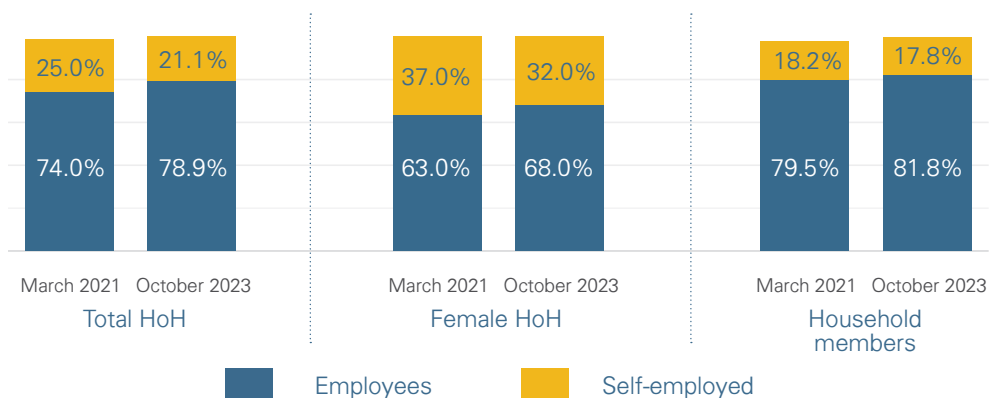
A similar trend is observed among female-headed households during the same period, with the proportion decreasing from 37% to 32%. Among all working household members, there has been a slight decrease in the share of self-employed individuals, declining from 18.2% in March 2021 to 17.8% in October 2023.

However, a concerning trend persists as 40% of workers lack employment-based social protection, as illustrated in Figure 1.11. This gap in coverage is notable across various employment categories and is particularly pronounced among the self-employed, where a staggering 92% are without such protection, as depicted in Figure 1.12.

In Malaysia, employment-based social protection is primarily provided by the Employment Provident Fund (EPF) and the Social Security Organization (SOCSO), which are mandatory for formal sector employees. However, participation in these schemes is voluntary for the self-employed and those in the informal sector, leaving a significant number of individuals without coverage. This lack of social protection exposes them to heightened vulnerability during economic shocks, making it more challenging to withstand financial hardships.

**The majority of heads of households and their family members have returned to employment as wage earners**, while the proportion of self-employed individuals among heads of households has decreased from approximately 1 in 5 in 2021 to 1 in 4 in 2023.

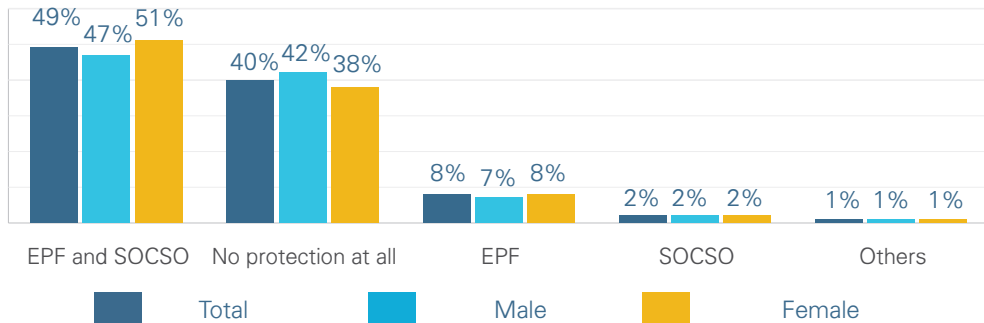
Figure 1.10: Longitudinal: Employment status (%)



Note: Some percentages does not add up to 100%, excluding unpaid family workers and employers (ranging only from 1%-2%).  
 Employees include private employees and civil servants.  
 Self-employed represents own account workers.

**However, 40% of workers lack employment-based social protection, which includes both employees and the self-employed.**

Figure 1.11: Formal and informal employment among total workers (%)

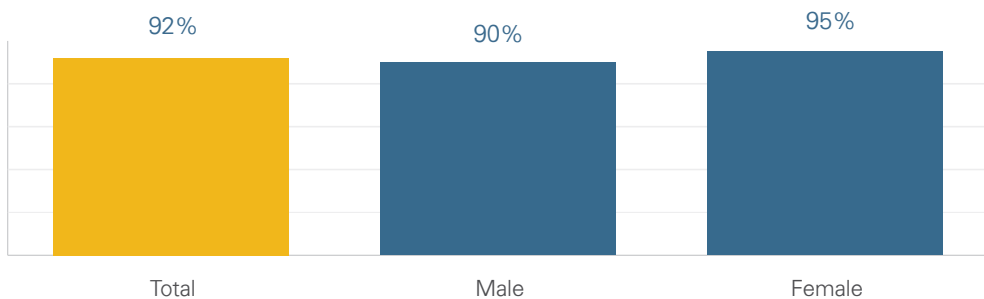


Note: DOSM. 2020. Informal Sector Workforce Survey Report 2019. Putrajaya, Malaysia

\* A worker in informal employment refers to any worker who does not have access to at least one social security scheme or employment benefit. The social security schemes and employment benefits referred to are the following: pension fund; basic health insurance; injury insurance; disability benefits; survivors' benefits; paid annual leave; paid sick leave; paid maternity leave; and unemployment insurance.

**Among the self-employed, 92% are without any coverage.**

Figure 1.12: Informal employment among total self-employed (%)



Note: DOSM. 2020. Informal Sector Workforce Survey Report 2019. Putrajaya, Malaysia

\* A worker in informal employment refers to any worker who does not have access to at least one social security scheme or employment benefit. The social security schemes and employment benefits referred to are the following: pension fund; basic health insurance; injury insurance; disability benefits; survivors' benefits; paid annual leave; paid sick leave; paid maternity leave; and unemployment insurance.



## Assistance

Approximately 7 out of 10 households receive at least one form of social assistance (Figure 1.13). Notably, the government cash transfer program, known as STR, extends its coverage to nearly 68% of households residing in the surveyed low-cost flats, indicating a significant reach. Additionally, other forms of assistance received include zakat, with approximately 1 in 4 households benefiting from this support. Furthermore, about 1 in 10 households receive assistance from other family members, while a similar proportion relies on assistance from the Social Welfare Department.

Despite these efforts, there remains a segment of vulnerable households that are not adequately covered by existing social assistance programs, underscoring the necessity for further expansion and outreach initiatives, as depicted in Figure 1.14. Specifically, coverage for the government’s cash transfer program, STR, is lacking. Data collected in October 2023 reveals that about 30% of households with incomes of RM2,000 and below did not receive STR, highlighting exclusion errors in the program’s targeting mechanisms. The inadequacy of social assistance coverage is not new. A study conducted by the World Bank found that nationwide, a third of eligible households did not receive any cash assistance during the pandemic, further emphasizing the existing gap in the targeted social assistance delivery systems.<sup>21</sup>

**Roughly 7 out of 10 households receive at least one form of social assistance.** However, there is a pressing need to enhance coverage for cash assistance programs.

Figure 1.13: Households by type of assistance received (%)

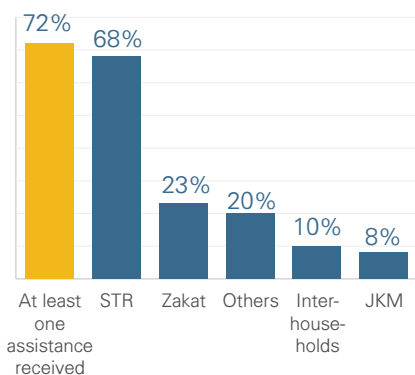
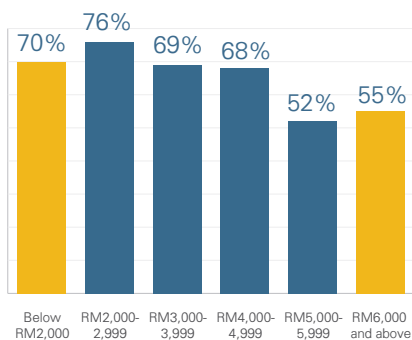


Figure 1.14: Households receiving STR by income class (%)



Note: At least one assistance received can include STR, Zakat, or JKM. Others include assistances under the Food Basket Programme and E-wallet programme. Multiple answers possible.

21 World Bank, 2021. Malaysia Economic Monitor, December 2021: Staying Afloat.

Similarly, the vast majority of hardcore poor households—referring to those with a monthly income per capita of less than RM1,000, a figure closely aligned with the Poverty Line Income (PLI) per capita in Kuala Lumpur set at RM880 per month—remain without social welfare assistance from the Social Welfare Department (JKM). Alarming, only approximately 1 in 10 households with a monthly income below RM1,000 receive this critical support, as depicted in Figure 1.15. It is crucial to emphasize that JKM assistance is specifically aimed at assisting hardcore poor individuals or households with a monthly household income below RM1,109, or RM347 per capita in Kuala Lumpur.

Among households with persons with disabilities, more than half of those earning below RM1,000 per month are excluded from this program as highlighted in Figure 1.16. This underscores the pressing need for interventions and policy adjustments to ensure that the assistance reaches the most vulnerable segments of society.

**Coverage for social assistance needs to be enhanced.**

Figure 1.15: Households receiving JKM assistance by income class (income per capita) (%)

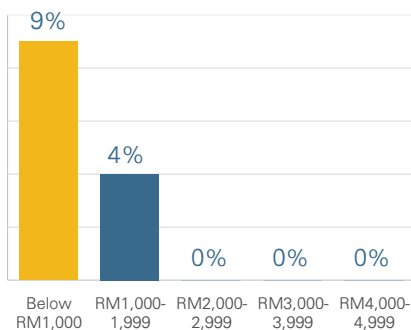
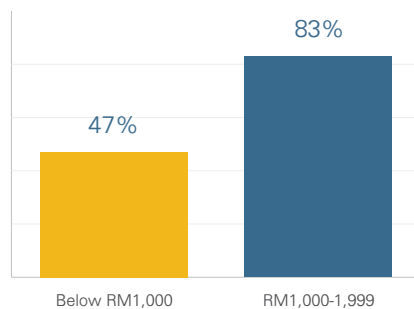


Figure 1.16: Households with person with disability receiving JKM assistance by income class (income per capita) (%)



Note: Poor households are households with monthly income per capita of less than RM1,000, as it is close to the PLI per capita in KL at RM880 per month. JKM assistance are provided to hardcore poor individuals or households with monthly household income less than RM1,109 or RM347 (per capita) in KL.

# Part 2

## Cost of Living

The impact of the escalating cost of living is felt by the majority of heads of households (Figure 2.1). An overwhelming 93% of all heads of households, including female-headed households (91%) and households headed by persons with disabilities (83%), are distressed over the increase of the cost of living.

Notably, 46% of household heads believe their current financial situation is worsening compared to the previous year. The situation is more serious among households headed by persons with disabilities, where nearly 6 in 10 indicate a worsened financial condition, while only approximately 1 in 10 report an improvement. Similarly, nearly half of female-headed households report a deterioration in their fiscal well-being compared to the previous year.

Families are confronted with substantial hurdles in fulfilling their daily necessities (Figure 2.2). Approximately 7 in 10 total heads of households express that their existing income falls short of meeting their family's daily needs adequately. This challenge is intensified for female-headed households and households led by persons with disabilities, where 74% and 92% respectively report that their income is insufficient.

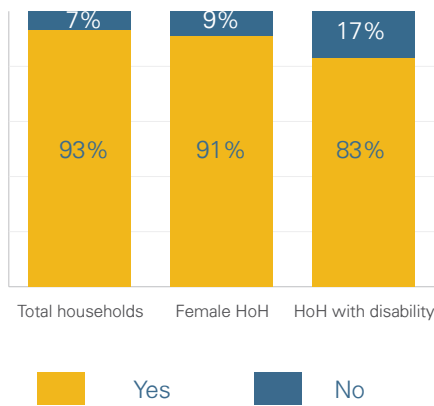
In fact, their current financial vulnerability surpasses what was experienced even during the height of the pandemic. Amidst the pandemic in September 2020, 30% of heads of households believed their income to be sufficient. However, this figure has plummeted by half to 15% compared to October 2023, with 81% of heads of households indicating that they are now worse off financially.



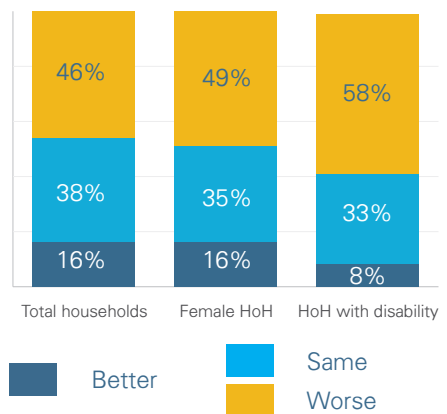
**The majority of heads of households are struggling** to cope with the rising cost of living and find themselves in a more financially demanding situation than the previous year.

Figure 2.1: Impact of cost of living (%)

Q: Are you affected by the high cost of living?



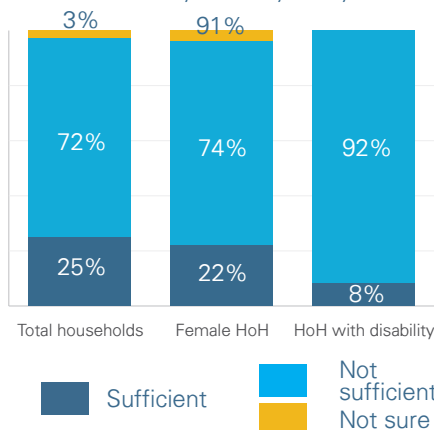
Q: Thinking about your current financial situation, how does it compare to a year ago?



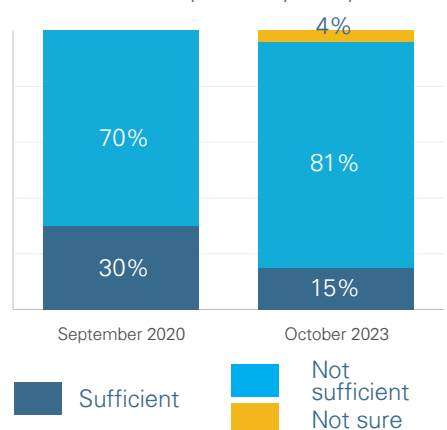
Families are facing significant challenges in meeting their daily needs, with **vulnerability levels now surpassing those experienced during the pandemic.**

Figure 2.2: Current income on meeting daily needs (%)

Q: Do you think your current household income is sufficient to cover your family's daily needs?



Q: Do you think your current household income is sufficient to cover your family's daily needs?



## **Voices from the Ground: Cost of Living**

***Looking at price of rice makes me want to cry.***

(Ms M., 35, widow, kuih seller, mother of a small child with disability)

***Previously, RM50 can buy a lot. Now [RM50] is only enough for two, three items... Rice and [cooking] oil.***

(Ms. S., 25, retail worker, mother of a small child)

***Previously we [can] buy rice RM13 for 5kg, right? But now it's RM20, [more expensive].***

(Ms R., 45, fulltime housewife, mother of a small child)

***[The rising cost of living] has had a huge impact... The price has gone up for all items now.***

(Ms R., 55, full time housewife, grandmother of a small grandchild)

***We spend more on milk, pampers...The price of these things has gone up. Our baby takes Annum milk, 1kg is RM80, he consumes 5kg a month.***

(Ms. S., 20, fulltime housewife, pregnant mother)

***I have not increased [the price] otherwise people will not buy it (my product). It's already hard for us [small traders], we don't want to trouble people. If I can reduce the price, I will.***

(Ms M., 35, widow, kuih seller, mother of a child with a disability)

***Baby products are expensive – I don't know how to deal with it after my baby is born [later].***

(Ms. H., 20, fulltime housewife, pregnant mother)

## Nutrition

Children are disproportionately affected by the prevailing circumstances, with a significant portion of them enduring food insecurity, a situation that has intensified since the pandemic (Figure 2.3).

More than half of the children (52%) eat less than three meals a day, higher than the 45% reported pre-pandemic. This nutritional deficit extends to children in female-headed households and those in households led by persons with disabilities, highlighting the universality of the challenge.

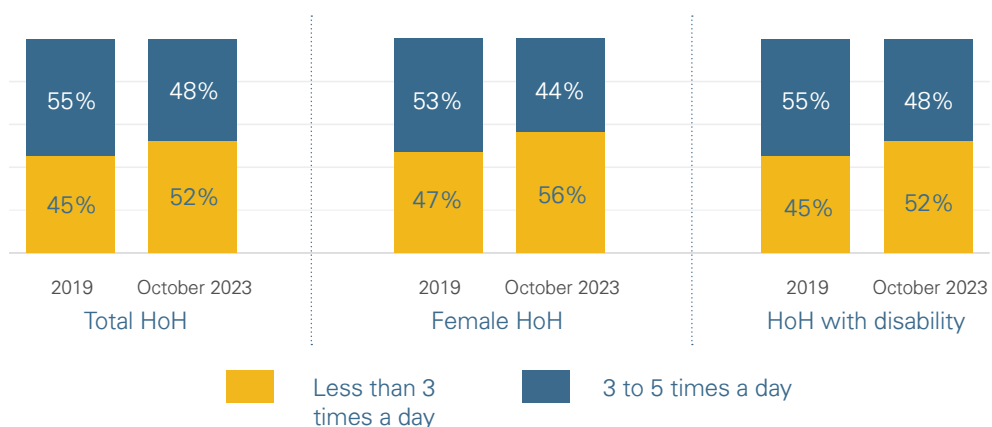
The challenge of inadequate food intake among children is exacerbated by the additional burden of insufficient access to nutritious meals. High food prices and financial constraints serve as significant barriers for parents striving to provide balanced and healthy nutrition to their children (Figure 2.4).

Approximately 6 in 10 heads of households, including those within female-headed households and households led by persons with disabilities, identify high prices as a major obstacle hindering their ability to offer nutritious meals to their children. Furthermore, 1 in 4 heads of households and female-headed households report that their income is insufficient for this purpose. This figure is higher among households headed by persons with disabilities, with nearly 1 in 3 expressing that their income falls short of providing adequate nutrition.

Approximately 2 in 10 respondents across all households cite time constraints and the affordability of fast food as further obstacles in providing nutritious meals to their children.

**Children are bearing the brunt of the impact**, with over half of them eating less than three meals a day, worse than during the pandemic.

Figure 2.3: Food consumption among children (%)



Note: Referring to main meals, which are breakfast, lunch and dinner

Households have resorted to various coping mechanisms in response to the escalating cost of living, although some of these strategies, such as reducing food intake, have adverse effects on nutritional outcomes (Figure 2.5).

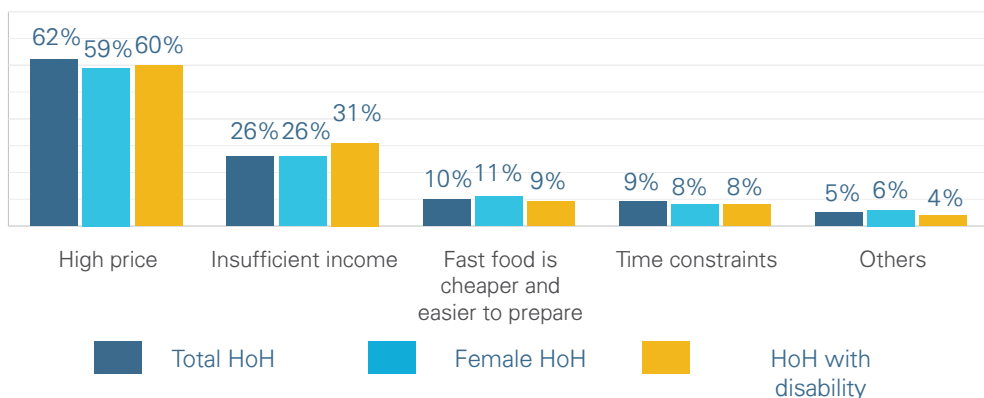
During the initial stages of the pandemic, the most common coping mechanism among all heads of households was reliance on government assistance, at 39%, followed by utilizing their savings. However, the coping mechanisms have changed post-pandemic.

Nearly 40% of all heads of households, including those within female-headed households, reported having to cut back on non-food items. This proportion is even higher among households led by persons with disabilities, at 50%. Additionally, approximately 1 in 3 households have had to tap into their limited savings, likely due to a lack of substantial government assistance compared to the initial pandemic phase.

Furthermore, around 1 in 3 households continue to grapple with reducing their food intake. Other coping mechanisms include taking on extra work, withdrawing retirement savings from the Employees Provident Fund (EPF), seeking financial assistance from family and friends, and selling personal items such as mobile phones. These strategies underscore the significant economic strain experienced by households and the lengths they are willing to go to in order to make ends meet.

**High food prices and financial constraints** are major obstacle for parents in providing nutritional meals to their children.

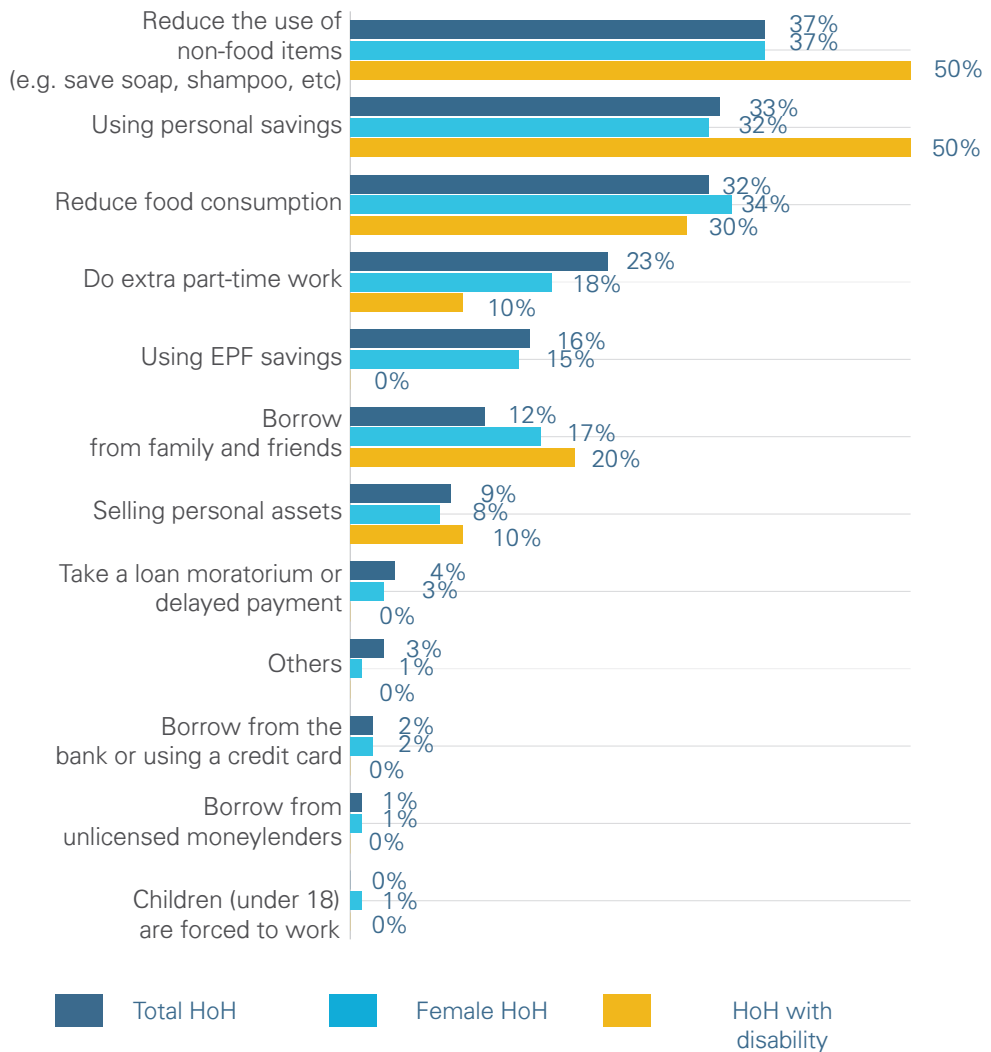
Figure 2.4: Challenges in preparing a nutritious meal (%)



Note: Multiple answers possible.

**To counteract the impact of the escalating cost of living,** households are reducing their spending, cutting back on food consumption, increasing their work hours, tapping into their savings, borrowing from family or friends, or selling personal belongings.

Figure 2.5: Strategy for mitigating rising cost of living



Note: Multiple answers possible.



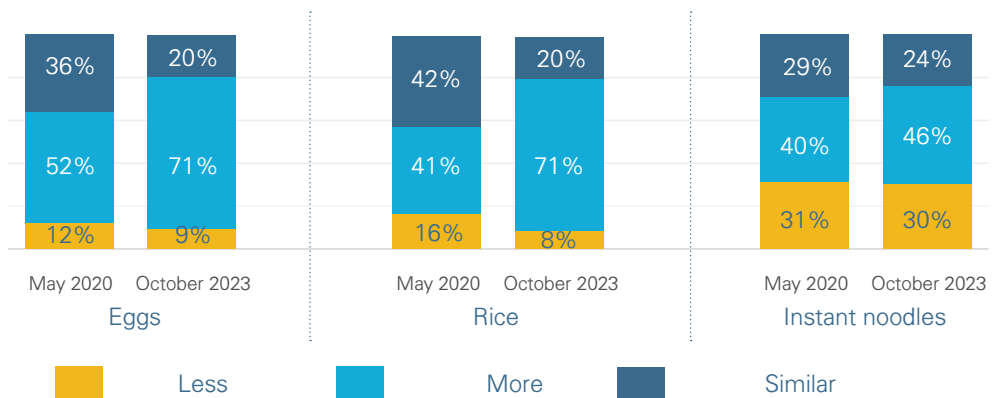
Dietary habits have undergone notable changes, characterized by increased consumption of eggs, rice, and instant noodles (Figure 2.6). Approximately 7 in 10 households now report spending more on eggs - being the most affordable protein source, compared to 52% during the pandemic. Similarly, 7 in 10 households also indicate increased spending on rice compared to 4 in 10 during the same period.

These shifts in dietary patterns reflect the adaptive measures taken by households to navigate the challenges posed by the rising cost of living, prioritizing affordability over nutritional considerations.

However, the consumption of unhealthy food options has increased, with 46% reporting eating more instant noodles compared to 40% during the pandemic.

**Dietary habits have shifted, with higher consumptions of eggs, rice, and instant noodles.**

Figure 2.6: Consumption patterns by food items (%)



## ***Voices from the Ground: Coping Mechanisms***

***We sell our possessions, for example, [our] children's items that we don't use anymore, or clothes that are still in good condition. We sold a lot of the items online.***

(Ms M., 35, widow, kuih seller, mother of a child with a disability)

***My husband sold his handphone because he was desperate, we [did not] have any food at that time.***

(Ms. R., 33, fulltime housewife)

***We delay first [from paying rent]. We only pay at the end of the month. We also delay [the payment] for [the] motorcycle.***

(Ms R., 45, fulltime housewife, mother of a small child)

***During my son's checkup I did not eat because I want to save money .. I didn't buy new clothes, sometimes I buy used clothes.***

(Ms. N., 30, self-employed, mother of a child with autism)

***We used to borrow from Ah Long once. But we paid a high interest. It is just too much [for us to handle].***

(Ms. Z., 30, fulltime housewife, pregnant mother)

# Part 3

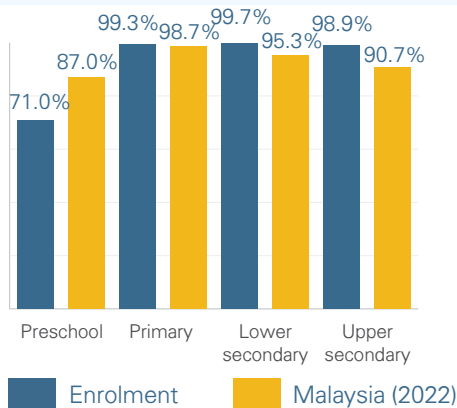
## Education

Access to early education remains a pressing concern, as the preschool enrollment rate currently stands at 71%, which is lower than the national average of 87% (Figure 3.1). However, enrollment rates at other levels of education either match or surpass the national average. For instance, the enrollment rate among students from the households surveyed in these areas is nearly 99%, significantly surpassing the national average of approximately 91%.

Despite relatively high enrollment rates in primary and secondary education, the prevailing sentiment among the majority of heads of households is that the cost of education has escalated since the onset of the pandemic, with approximately 8 in 10 reporting increased expenditure on educational expenses (Figure 3.2).

**Access to early education remains a concern.** However, enrollment rates at other levels of education are either on par with or exceed the national average. The majority of heads of households believe that the cost of education has risen since the onset of the pandemic.

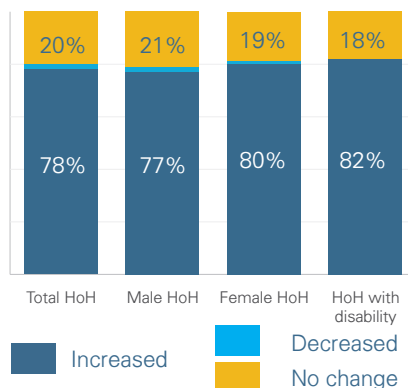
Figure 3.1: Gross enrolment rate (%)



Source: MOE 2023: Quick Facts 2022; Ministry of Economy, 2023. Twelfth Malaysia Plan Midterm Review

Figure 3.2: Cost of education (%)

Q: Do you think the current cost of education has increased since the pandemic (2020/2021)? (%)

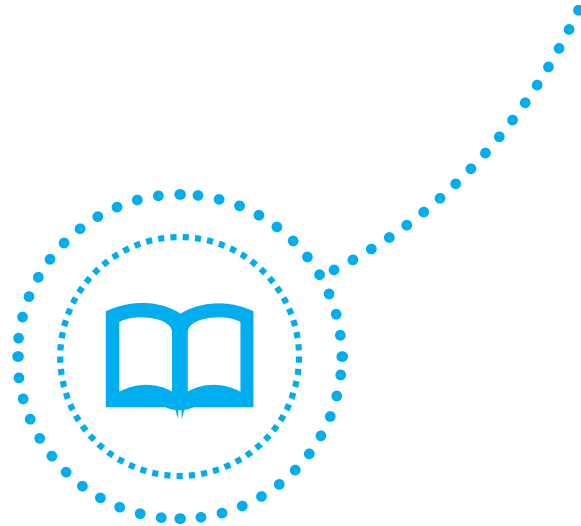


The cost of education includes the cost of daily pocket money, transportation, co-curricular activities, and meals at the school canteen.

This sentiment is particularly pronounced among households led by persons with disabilities, reflecting the added financial strain experienced by these families compared to others. These additional costs further exacerbate the financial burden on families, particularly those already grappling with economic challenges exacerbated by the pandemic and highlight the need for targeted interventions to ensure equitable access to quality education, particularly at the early childhood level (Figure 3.2).

unique challenges encountered by these households must be addressed, and adequate support must be provided, to ensure their children’s academic success and well-being.

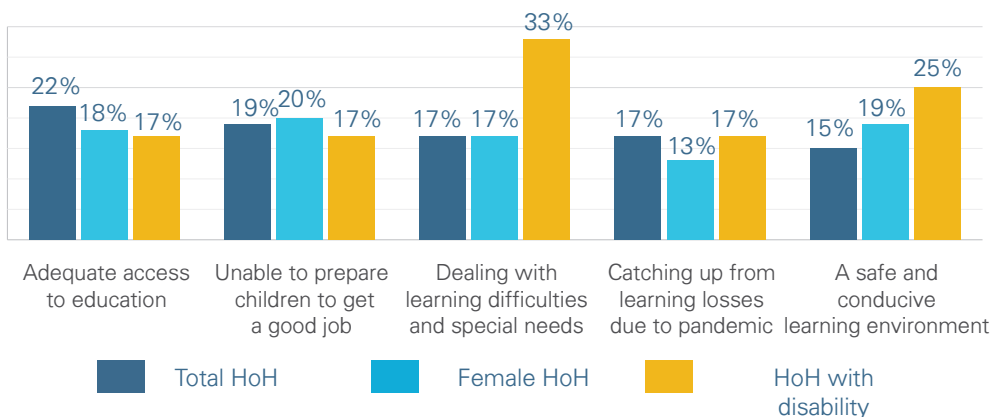
Parents are deeply concerned about various aspects of their children’s education, as highlighted in Figure 3.3. These concerns encompass access to education, securing employment opportunities post-completion, addressing learning difficulties, recovering from learning setbacks exacerbated by the pandemic, and ensuring a safe and conducive learning environment. However, households headed by persons with disabilities exhibit a heightened focus on addressing learning difficulties and ensuring a safe and conducive learning environment for their children, compared to other parents. The



**Parents express significant concern regarding access to education and its quality.**

Households headed by persons with disabilities prioritize addressing learning difficulties and ensuring a safe and conducive learning environment for their children.

Figure 3.3: Biggest concern on children’s education (%)



Note: Multiple answers possible.

## Voices from the Ground: Education

***My son doesn't go to school... I can't afford it.***

(Ms. R., 33, fulltime housewife)

***[I'm] stuck. Because the [child] has to be sent for extra classes... [It costs] RM700 a month. I have applied for Baitulmal.***

(Ms. F., 38, housewife, part time tailor, caretaker to a child with a disability)

***It used to be okay [enough] to bring RM5 [to school]. Now I have to give RM6-7.***

(Ms. Z., 42, housewife and working as security guard, caretaker of a small child)

***A School Student Cadet (KRS) shirt costs RM200. Activities cost money... Paying for a school van is RM100 for one person.***

(Ms. Z., 30, fulltime housewife, pregnant mother)

***[It costs] a lot. His (child with disability) needs are many.***

(Ms. N., 62, cleaner, caretaker to a child with a disability)

***We don't want to complain, but [nowadays] books are expensive, sportswear is also expensive.***

(Ms. F., 27, fulltime housewife, pregnant mother)

***When [the child] comes back [from school] he asks us for help [with homework], we can't help. We feel stressed. To be honest, I don't know how to help my children. I want to send them to tuition, but it is expensive. It is stressful for me.***

(Ms. M., 30, widow, small kuih trade from home, mother of a child with a disability)

***He [child with disability] needs money. I need to allocate expenditure for my other kids as well. Yes, my disabled child receives his disability allowance. But sometimes I have to use the allowance to buy pampers for my other children. I spend RM10 a day for my disabled child if he goes to school, excluding costs of his activity at school.***

(Ms. N., 30, self-employed, mother of a child with autism)

# Part 4

## Health

The majority of heads of households, approximately 3 in 4, perceive that their health condition has either remained the same or deteriorated since the onset of the pandemic, with only 1 in 4 reporting an improvement (Figure 4.1). However, the situation differs significantly for households led by persons with disabilities as 58% indicate that their health conditions have deteriorated compared to during the pandemic, while only 8% report a significant improvement. It indicates the continuing vulnerability of households led by persons with disabilities, who face unique health challenges, exacerbated by the ongoing cost of living pressure.

Sexual health awareness remains deficient, with just over half of female heads of households being aware of where to access sexual and reproductive health and rights (SRHR) services and information (Figure 4.2).

This lack of awareness is particularly troubling among those with lower levels of education, as illustrated in Figure 4.3. Only 40% of female-headed households with lower levels of education know how to access information or services related to sexual health and fertility, compared to nearly 70% among those with tertiary education.

However, even among tertiary-educated female-headed households, 3 in 10 were unable to accurately identify how to obtain this vital information and access services. The households are mainly reliant on healthcare providers to obtain information of SRHR (Figure 4.4). It shows that current sexual health education and awareness campaigns, particularly targeting marginalized groups with lower levels of education, have gaps and needs to be improved. Investing in SRHR education has proven to provide positive socioeconomic impacts such as increasing labour force participation and preventing unwanted pregnancy.<sup>24</sup> Increasing access to accurate information and SRHR services is essential for promoting sexual health and well-being among all segments of the population.



24 UNFPA Malaysia, 2022. Enhancing Human Capital Through Sexual & Reproductive Health Investments and Family Support Policies in Malaysia.

**The majority of heads of households with disabilities feel that their health condition has deteriorated since the pandemic.**

Figure 4.1: Health conditions (%)

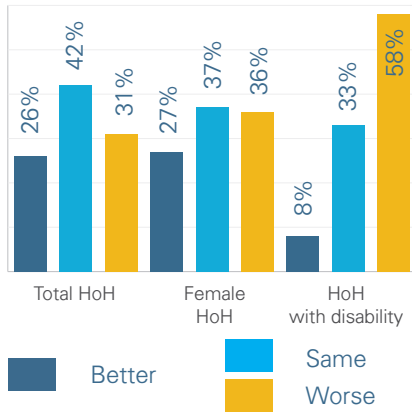
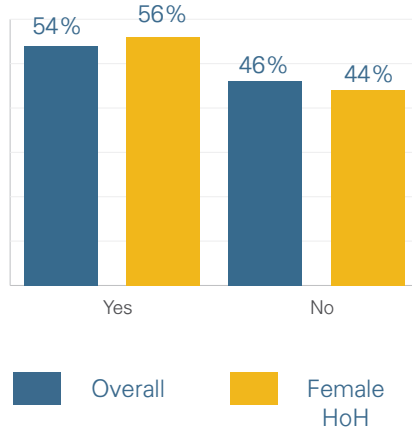


Figure 4.2: Information on SRHR (%)

Q: Do you know where you can find sexual health and fertility services and information? (%)



Roughly 2 in 5 female heads of households lack knowledge about where to access sexual and reproductive health and rights (SRHR) services and information, particularly among those with lower levels of education. **Approximately 7 out of 10 heads of households obtain SRHR information from healthcare providers.**

Figure 4.3: Information on SRHR, by education level (%)

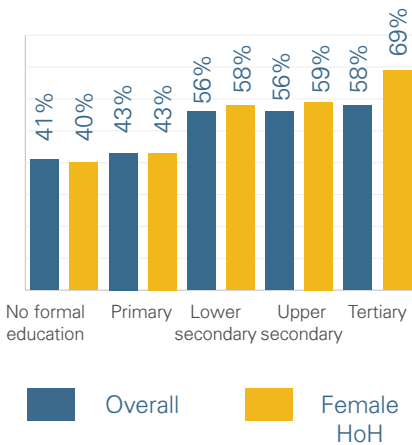
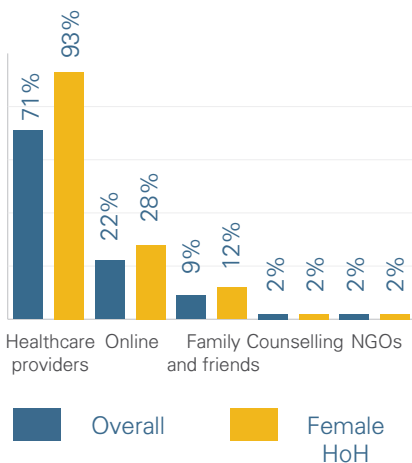


Figure 4.4: Source of information of SRHR (%)



## **Voices from the Ground: Health**

***[The doctor] advised us on family planning...and on child's health, healthy food, and learning development.***

(Ms. H., 20, fulltime housewife, pregnant mother)

***I have a child with asthma. He needs medical attention and I do send him to hospital. Fortunately, the hospital bill is affordable, because there is assistance to those from the B40 community.***

(Ms. Z., 42, housewife and working as security guard, mother of a small child)

***I know about the pap smear. After I gave birth, the doctor always reminded me that I have to do checkup every 6 months.***

(Ms. Z., 42, housewife and working as security guard, mother of a small child)

***[I] just take pills [for family planning]... provided by the clinic. I don't buy [the pills].***

(Ms. S., 20, fulltime housewife, pregnant mother)

***[Prenatal and postnatal service] is good here [Health Clinic]. I can get all the vitamins. I get complete services.***

(Ms. Z., 25, self-employed, pregnant mother)

***If we're sick, we will only take Panadol. Going to a private clinic [is] expensive.***

(Ms. R., 33, fulltime housewife, mother of a small child)

***If the grandchildren are seriously ill... I have to think about it [the cost]... How much does it [Grab/Taxi] costs. if I can take the MRT, [I'll] take the MRT.***

(Ms. A., 58, kuih seller, caretaker of bed-ridden household member)



# Part 5

## Psychosocial Wellbeing

During the pandemic, respondents grappled with significant anxiety and other negative psychosocial consequences, largely stemming from financial insecurity. Female-headed households were particularly hard-hit, reflecting their heightened economic vulnerability. Post-pandemic, the majority of heads of households report that the rising cost of living adversely affects their mental well-being (Figure 5.1). Approximately 3 in 4 households state that the escalating cost of living has a negative impact on their mental health, with slightly higher rates observed among households headed by persons with disabilities.

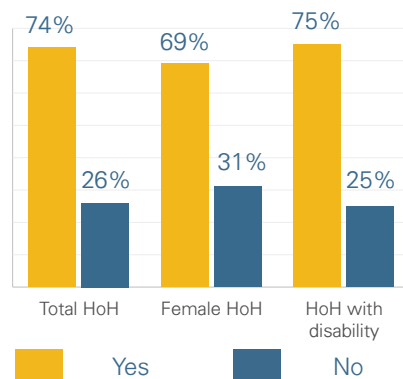
Depression rates have also worsened (Figure 5.2). The proportion of households reporting feelings of depression increased from 21% in September 2020 to 28% in October 2023. This trend remains consistent for female-headed households, with rates hovering around 28% to 29% during this period, although there was a notable increase from 22% in March 2021.

Approximately 30% of heads of households believe that their financial conditions will continue to deteriorate, compared to 25% in 2022, although this is lower than the 40% registered in 2021 (Figure 5.3). Conversely, 24% are optimistic that their fiscal situation will improve, while 31% remain uncertain about what the future holds.

**The majority of heads of households state that the rising cost of living negatively impacts their mental well-being.**

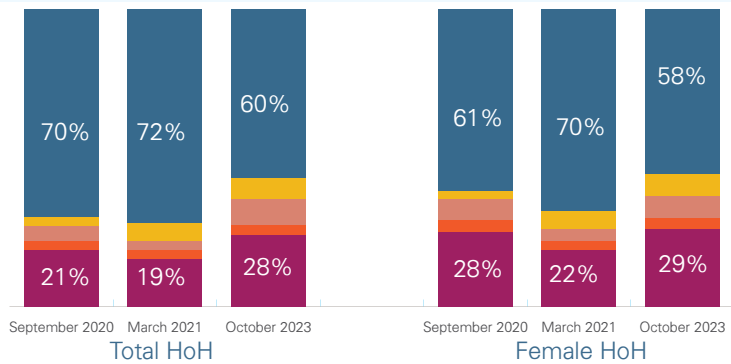
Figure 5.1: Incidence of mental stress

Q: Does rising cost of living affect your mental well-being?



**Depression rates have worsened, increasing from 21% pre-pandemic to 28% among heads of households.**

Figure 5.2: Current mental health (%)



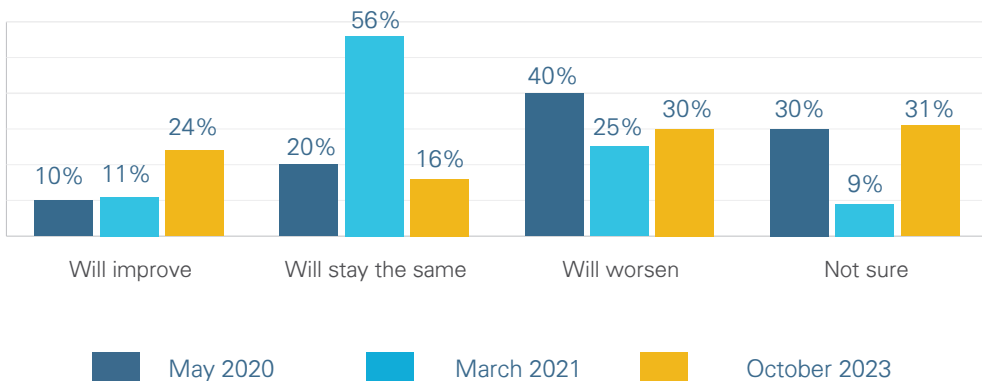
Depression
  Uncontrollable behaviour
  Unstable emotions
  Difficulty to concentrate
  No problem

Note: Since multiple answers are possible, the chart bars exceed 100%.

**One in three HoH believe that their financial conditions will continue to deteriorate, compared to one in four in 2021.**

Figure 5.3: Expectation on financial situation in the future

Q: How do you expect your financial situation to change in the future? (%)



Note: Multiple answers possible.

## **Voices from the Ground: Psychosocial Wellbeing**

***We are really stressed now... Husband is also stressed. [When stressed] I just pray. We have no money, it is not possible [to go for holiday].***

(Ms. F., 38, housewife, part time tailor, caretaker to a child with a disability)

***[To reduce stress] Usually I will walk around. I used to go to [nearby] lakes... Sometimes like twice a month.***

(Ms. I., 25, clerk, mother of a small child)

***I go to clinic to treat my depression. I do take sedative medicine... Then only I can sleep.***

(Ms. A., recently unemployed)

***[To reduce stress] I attend religious classes.***

(Ms. R., 55, fulltime housewife, grandmother of a small grandchild)

***[I have anxiety. To control emotions] sometimes I pray, hold my chest and pray that Allah bless our lives. I take medicine [given by KL Hospital]... medicine for me to be calm... But now I have baby, I haven't taken it [medicine].***

(Ms. J., 30, fulltime housewife, mother of a small child)

# Part 6

## Policy Choices

Higher wages are the most preferred intervention by the households to mitigate the increase in the cost of living (Figure 6.1) especially among female headed households. About 40% of total households and female headed households stated that they prefer higher wages and salary. However, among heads of households with disability, the most preferred assistance needed is cash assistance, followed by capital assistance for their small businesses.

Additionally, cash assistance and price controls on essential food items resonate strongly with households as pivotal measures to alleviate financial burdens (Figure 6.2). The provision of direct cash aid offers immediate relief, providing families with the flexibility to allocate resources according to their most pressing needs. Simultaneously, price controls on essential food commodities serve to buffer against inflationary pressures, ensuring access to essential items.

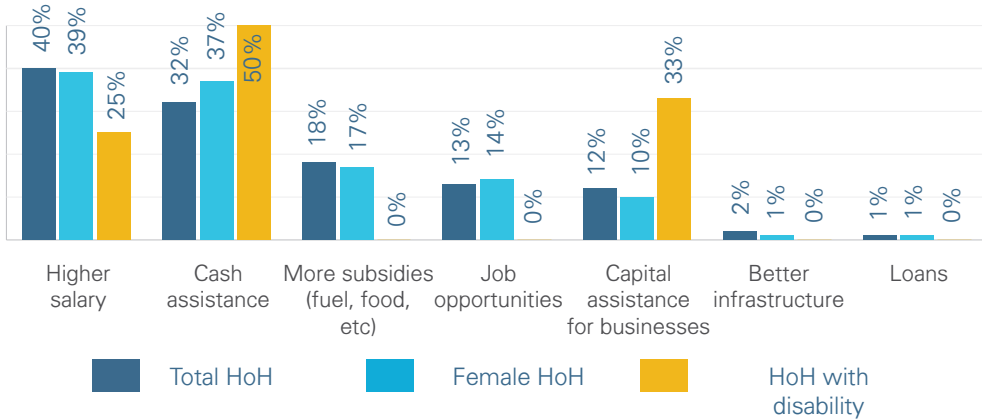
In contrast, the current petrol subsidy fails to garner widespread endorsement among households, with 7% of households expressing support for such measures. Instead, households advocate for policy interventions that address the root causes of financial strain, namely inadequate wages and the erosion of purchasing power.

Health and education assistances are likely not as prioritised by the households since health coverage is universal and public schooling is readily available.



**Heads of households prefer higher wages over cash assistance or subsidies.**

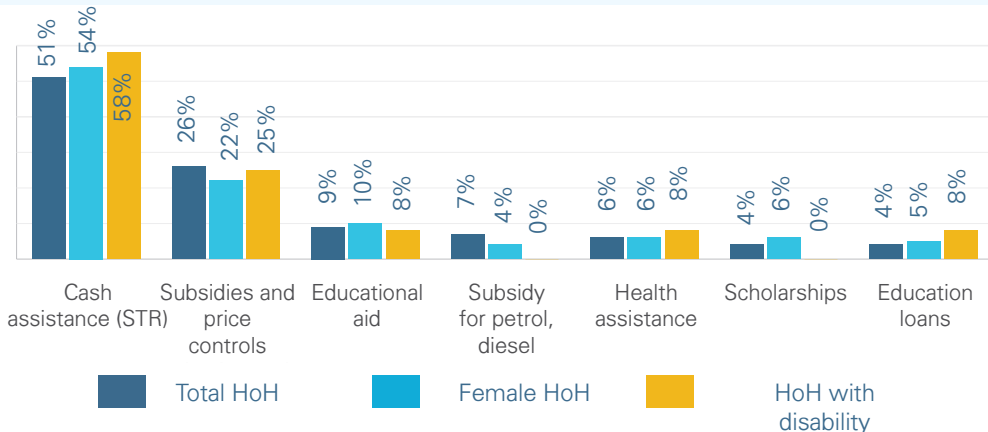
Figure 6.1: Most needed policy (%)



Note: Multiple answers possible.

**Cash assistance and price controls on food items have proven most beneficial for households, with only 7% citing the petrol subsidy as most helpful.** Similarly, health assistance and scholarships/loans for higher education are not widely regarded as the most beneficial forms of support.

Figure 6.2: Current policies that are most useful (%)



Note: Multiple answers possible.

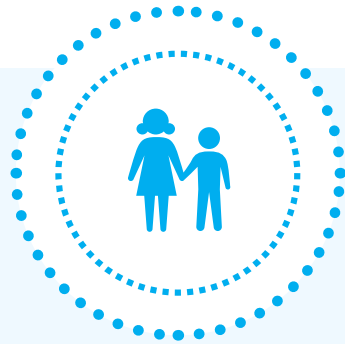
***Way Forward  
and Policy  
Recommendations***

# Policy Recommendations

## 1. Universal Childcare Allowance

The period of greatest vulnerability for the development of the child is from pre-birth to 2 years, in other words, the first 1,000 days. A universal childcare allowance during this period would be the first step in a progressive expansion of social protection floors for children in Malaysia.

The cost is affordable; allocating RM200 per month for all pregnant mothers and children under-2 will require an annual allocation of about RM2.2 billion, equivalent to 0.12% of GDP. These monthly allowances should be channeled directly to the (expecting) mothers.



## 2. Universal Allowance for Persons with Disabilities

Compared to other groups, persons with disabilities face greater economic vulnerabilities as less likely to be in full-time employment and face extra healthcare costs related to disability including transportation and assistive devices and services.<sup>25</sup> A universal allowance is crucial to provide an adequate level of income security and complement the existing healthcare and employment protection.

It is estimated that fiscal cost of providing universal cash allowance for all registered persons with disabilities in the country is about RM3.2 billion per year or 0.17% of GDP.

There should also be special caregivers' allowance to primary caregivers (whom mostly are women) of the disabled family members. Primary caregivers of the disabled family members often have to give up or reduce their personal income-generating/ economic activities. Without full time employment, they also lose out on relevant employment benefits such as healthcare and pension/ provident fund. While assistance for the disabled are available, concurrent assistance for their primary caregivers are not.

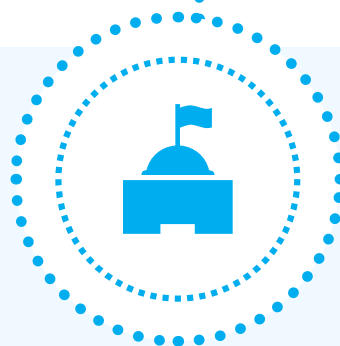


25 United Nations. 2017. Social Protection for Person with Disabilities.

### 3. Enhancements to Social Assistance

It is proposed that social assistance for the poor be revamped, in particular the JKM assistance program. Currently, JKM assistance is provided for hardcore poor households (households with monthly income of less than RM1,198 per month or RM315 per capita). The assistance should be extended to at least those below the poverty line income, or those households with monthly income less than RM2,589 (RM681 per capita). In 2022, JKM spends RM2.5 billion on financial assistance, and expanding this financial assistance to all poor households will require additional RM5 billion. The annual fiscal cost to the government is equivalent to 0.4% of GDP, or 2.6% of total 2024 government operating expenditure.<sup>26</sup> Given the large exclusion errors, strengthening the social service workforce will also be crucial for ensuring households that fall into poverty are rapidly identified, included in any relevant social assistance programs and supported over time.

26 Berita Harian. 2020. RM5 billion untuk bantuan Kebajikan; Department of Social Welfare. 2023. Statistics Report 2022: Table 1.1 Financial Assistance by State 2022; Ministry of Finance. 2023. Budget 2024: Economic Reform, Empowering People.



### 4. Improve SRHR Awareness and Mental Well-being

The findings reveal a significant gap in knowledge among female heads of households, particularly among those with lower levels of education, regarding the accessibility of sexual and reproductive health and rights (SRHR) services and information. Additionally, a substantial number of individuals seek SRHR information from alternative sources instead of healthcare providers.

Community outreach programs need to be expanded, as it offer valuable opportunities to increase awareness of SRHR within these communities. It has positive outcomes by equipping men, women, and families with essential knowledge, facilitating early planning, informed decision-making, and ensuring access to preventive care.

Additionally, there is a pressing need to bolster community-based interventions, including support groups, to effectively tackle mental health challenges and cultivate overall mental well-being in communities. These interventions serve as vital platforms for individuals to seek support, exchange experiences, and access resources, thereby fostering stronger community networks and nurturing a culture of care and resilience.





## 5. Provide Fair Wages

The current level of minimum wage is too low and insufficient for the workers. Taking into consideration key factors such as cost of living, poverty line income, median wage, and productivity, our calculation shows that the minimum wage should be set at RM2,102 per month, instead of RM1,500 per month currently.<sup>27</sup>

This revised new minimum wage is slightly lower than the living wage of RM2,700 as proposed by the Central Bank of Malaysia.<sup>28</sup>



27 National Wages Consultative Council Malaysia. 2018. Minimum Wages Policy in Malaysia.  
28 Bank Negara Malaysia. 2018. The Living Wage: beyond making ends meet.

## 6. Improve Social Protection

All workers, regardless of status of employment must be covered by social protection. While workers in the formal sector are protected by EPF and SOCSO, workers in the informal sector are not protected.

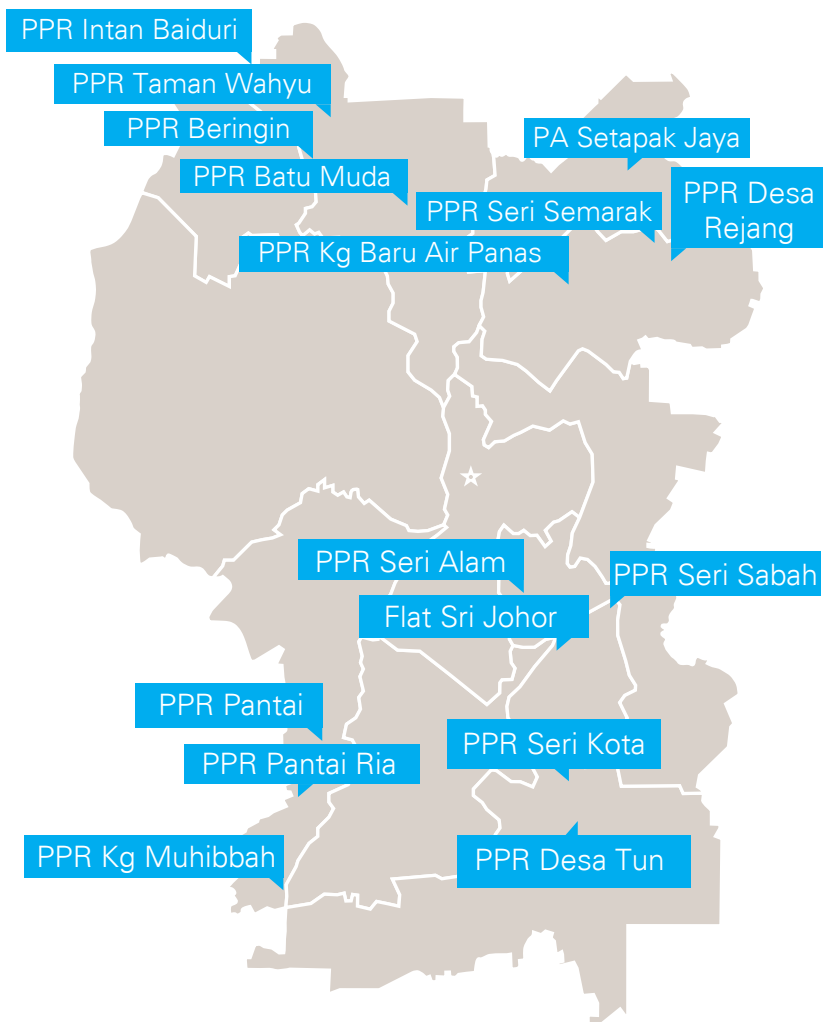
It must be mandatory for all workers to be covered by EPF and SOCSO, to protect them against injury, unemployment and inadequate or no income during old age.



# Appendices

## Appendix 1: Map of surveyed households

Figure A.1: Map of surveyed households



## Appendix 2: Approach and Methodology

For this study, a mixed-methods approach is employed, utilizing quantitative and qualitative surveys.

### Quantitative Survey



#### Targeted Sample

1. A longitudinal sample that covers 501 households involved in FOE 2020-2021.
2. A booster sample of 254 respondents in female-headed households.

#### Sampling Design

The sampling design is based on the longitudinal component gathered from the previous FoE. It consists of 501 households in 16 low-cost flats in Kuala Lumpur.

The sampling method employed in the previous FoE was Restricted Area Sampling which is designed to represent 25,096 households in low-cost flats under the Kuala Lumpur City Hall (DBKL) with head of households aged 30 years old and above, with 4% margin of error at 95% confidence level.

In addition to the primary sample of 501 households, a booster sample comprising 254 female-headed households was incorporated into this study.

Following the sampling design of the Families on the Edge (FoE) project, the sample selection targeted a subset of 5,772 female-headed households aged 30 years and older, with a margin of error set at 6% and a confidence level of 95%.

A crucial prerequisite for inclusion in the study was that each household must include at least one child aged 17 years or younger as a member. It is important to note that this study exclusively focuses on Malaysian respondents only.

#### Survey Method

Phone interviews were utilized for the quantitative survey to expedite data collection and streamline the survey implementation process, offering a cost-effective solution.

### Survey Analysis

A comprehensive analysis of household surveys was undertaken to quantify the effects of the escalating cost of living on various demographic groups, including overall households, those led by females, and households with members who have disabilities. This analysis delved into multiple facets, encompassing income dynamics, expenditure patterns, employment trends, access to essential health and education services, as well as the coping mechanisms adopted by households. Furthermore, it scrutinized the efficacy of existing social protection measures in mitigating the adverse impacts of higher cost of living.

### Data Collection

A structured questionnaire was employed, designed to take approximately 20-30 minutes to complete. The questionnaire primarily targeted the heads of households, who provided responses to the majority of the questions. However, to ensure inclusivity and sensitivity to gender-specific issues, certain questions necessitated input from female household members. Consequently, in households headed by males, select questions were answered by female members to capture their perspectives and experiences accurately.

**Table 1**  
**Descriptive Statistics**

Sociodemographic Characteristic	Overall	Primary	Booster (Female-headed households)
Surveyed households	755	504	254
Number of household members	3,934	2,646	1,288
Number of children	1,691	1,166	525
<b>Head of household statistics</b>			
Age category	<20	0%	0%
	20 – 29	5%	5%
	30 – 39	24%	26%
	40 – 49	31%	31%
	60 and above	40%	39%
Ethnicity	Bumiputera	82%	85%
	Chinese	2%	2%
	Indian	16%	14%
Marital status	Married	74%	94%
	Separated/Divorced	9%	2%
	Single	3%	2%
	Single Father/ Mother	15%	2%
Gender of HoH	Male	66%	100%
	Female	34%	0%

Sociodemographic Characteristic		Overall	Primary	Booster (Female-headed households)
<b>Head of household statistics</b>				
HoH education level (Highest certificate obtained)	No formal education	4%	3%	7%
	Primary	10%	8%	16%
	Lower secondary	16%	17%	16%
	Upper secondary	59%	63%	53%
	Tertiary	9%	10%	7%
	No information	1%	0%	1%
HoH activity	Working (including part-time jobs)	86%	94%	70%
	Not working (including active and inactive job seekers, retirees, and housewife)	14%	6%	30%
Household income class	Less than RM2,000	27%	23%	37%
	RM2,000 - RM2,999	22%	24%	19%
	RM3,000 - RM3,999	19%	20%	17%
	RM4,000 - RM4,999	11%	11%	11%
	RM5,000 - RM5,999	9%	10%	7%
	RM6,000 and above	11%	13%	8%
<b>Household members</b>				
Household Members	Adult	57%	56%	59%
	Children	43%	44%	41%
Average household size		5.2	5.3	5.1
Average number of children		2.2	2.3	2.1
Average age of HoH		47	46	49
Average age of child		10	10	11
Households with three generations		21%	15%	33%
Households with a grandparent as the HoH		16%	10%	28%
Children under their grandparents' care		15%	8%	30%
Households with at least 1 pregnant woman		2%	3%	0%
Household with at least one person with chronic disease		45%	41%	52%
Household with at least one person with disability		8%	7%	9%
Household members with at least one person with disability or chronic disease		14%	13%	16%
Vaccinated children (primary vaccination)		94%	93%	97%

## Qualitative Survey



### Targeted Sample

1. 10 households comprising persons with disabilities
2. 10 households including pregnant women
3. 10 households with children under the age of 2

### Sampling Design

A purposive sampling method is utilized for the qualitative survey to ensure that sample selection aligns with specific criteria, namely households with persons with disabilities, pregnant women, and households with children under the age of 2. It is important to note that this sampling method is not intended to be representative of the entire population.

### Survey Method

A Participatory Assessment (PA) assessment approach is used as it will give 'voice' to the poor to express issues relating to the impact of high cost of living on their income, spending pattern, access to quality education (spending on their child's education and their aspirations for the children), care-work (including those caring for ill family members, persons with disabilities, older persons or parents, house chores, and learning for the children), poverty and vulnerability (perceptions and personal experience on poverty during the crisis; reasons they are in poverty; and willingness to come out from poverty), psychosocial wellbeing (impact of high cost of living and their struggles to meet their ends meet on self-confidence, emotions, stress levels or depression, violence), and social safety net (the relevancy, equity, adequacy, accessibility and effectiveness of key social policy and service delivery responses to the cost of living crisis).

PA helps this study to:

- a) Enable poor households to effectively participate in the design of policies targeting them.
- b) Generate new insights about opportunities, access, and availability of essential services.
- c) Gain inputs as policy recommendations.

### Survey Analysis

In undertaking the analysis for the semi-structured interviews, a Systematic Content Analysis (SCA) were deployed during the data analysis process through four different stages:

- a) De-contextualisation
- b) Re-contextualisation
- c) Categorisation, and
- d) Compilation.

### Data Collection

Data collection was conducted via a semi-structured questionnaire, with an estimated completion time of 30-40 minutes.

Each target group had different respondents assigned to answer the questionnaire:

- a) For households with persons with disabilities: Either the caretaker or the person with disabilities themselves.
- b) For households with pregnant women, women in the postpartum period, and women who have experienced a miscarriage or abortion.
- c) For households with children under the age of 2: Either the caretaker or the mother.

### **Appendix 3: Ethical Considerations**

The research strictly adheres to the UNICEF Procedure on Ethical Standards in Research, Evaluation, Data Collection, and Analysis (2021) at all times.

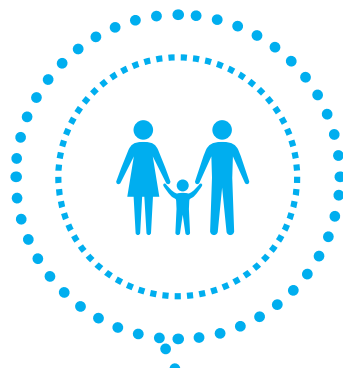
Enumerators conducting interviews via phone were provided with interview guidelines to ensure adherence to established procedures. Given the remote nature of phone interviews, concerns regarding privacy were mitigated, although sensitive questions were still handled with care.

For qualitative surveys, questions regarding gender and sexual and reproductive health (SRH) were drawn from the WHO Multi-Country Study questionnaire and other relevant studies.

Prior to commencing interviews, each respondent was informed of the study's objectives and their rights to participate or withdraw. They were assured that all information provided would be kept strictly confidential and not shared with any third parties.

During analysis, the names and personal details of respondents were anonymized to safeguard their privacy. Data were stored on a password-protected cloud server, with access restricted to the lead researcher and with the UNICEF program manager via a password-protected pen drive.

Both surveys were conducted in Bahasa Malaysia, Tamil, and Mandarin. The original questionnaire was adapted and modified to suit the local context, drawing from similar studies conducted in Malaysia.



## Appendix 4: Study Limitations

### Study Attrition

Longitudinal surveys will naturally incur attrition, but efforts to minimize attrition rates were successful through several strategic measures.

Firstly, the provision of incentives, in the form of honorariums, played a crucial role in incentivizing respondents to remain engaged throughout the survey process. Drawing from the lessons learned in previous FOEs, 56% of respondents were retained across all four survey rounds, surpassing the acceptable threshold of 50% for longitudinal studies. This response rate is deemed adequate for ensuring the reliability and validity of the longitudinal data. For perspective, the Malaysia Cohort (TMC) project, a six-year survey focusing on morbidity and mortality events, experienced an attrition rate of 42.7%.

Secondly, the consistent use of predefined household criteria, mirroring those utilized in the FOE, ensured continuity in respondent selection. Specifically, households headed by individuals aged 30 years and above with children under the age of 18 were targeted. This approach maintained demographic homogeneity within the sample and preserved the integrity of the sampling frame.

Thirdly, the ample availability of potential respondents within the sample frame further mitigated attrition concerns. The sample frame encompassed a substantial pool of households, with 50 times the size of the main sample (501 households) and 23 times the size of the additional sample of 250 female-headed households. This ensured that sufficient replacements could be drawn from the existing pool of households if the need arose, thereby sustaining the robustness of the study's sample composition.

### Income Bias Reporting

Responses on income gathered from probability sampling are susceptible to sampling error. The error can be assessed by calculating Relative Standard Error (RSE) which serves as an indicator of the accuracy of the estimated reported income. RSE offers understanding regarding the degree of difference between the estimated income as reported in the survey and actual income among the population. This error is inherent in all surveys, including the Household Income and Expenditure Survey (HIES) 2022.

This study applies RSE figures in accordance with established guidelines:

- a. Figures with RSE less than 25%: Considered as sufficiently reliable.
- b. Figures with RSE of between 25% to less than 50%: Could be reported but be preceded by an asterisk and should be used with caution.
- c. Figures with RSE of 50% or more: Could be preceded with a double asterisk, indicating that these estimates are considered unreliable.



Following a similar approach adopted in the HIES 2022, Table 2 shows the estimates for mean monthly household income for total households, female headed households, and heads of households with disability are sufficiently reliable where the RSE is less than 25%. The average household income for total households falls within the range of RM2,831 to RM3,389 per month.

From the three main household categories, heads of households with disability registered the highest RSE at 23%. The RSE for average household income of total households and female headed households stood at 2% and 5%, respectively. In comparison, the RSE for monthly average household income for Kuala Lumpur in the HIES 2022 stood at 1.7% .

## Table 2

### *Relative standard error of estimates for mean of monthly household gross income by group of heads of households*

Household category	Mean of Monthly Household Gross Income (RM)	Standard error of estimates		Range of average income at 95% confidence interval (RM)	
		Relative value (%)	Standard error (RM)		
Total households	RM3,443	2%	RM83	RM3,281	RM3,605
Female-headed households	RM3,110	5%	RM142	RM2,831	RM3,389
Heads of households with disability	RM2,717	23%	RM637	RM1,468	RM3,966

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