

In May 2020, UNICEF and UNFPA jointly commissioned the Families on the Edge (FoE) study to explore the impact of the COVID-19 crisis on women and children in low income urban families in Malaysia.

FoE1 analysed the immediate socio-economic impact of COVID-19, with a focus on the MCO period (March 18, 2020 – May 3, 2020) and the relevance, adequacy and accessibility of key COVID-19 mitigation policies and other critical social services for these vulnerable groups.

FoE2 explored the extent to which families recovered from after the MCO ended in May 4, 2020, while also providing more in-depth analysis of the experiences of children, single mothers and households affected by disability and chronic illness.

FoE3 continued to track the impact of the dynamic COVID-19 crisis on low income families, focusing on how key socio-economic indicators changed over the CMCO period (October 14, 2020 – December 23, 2020). Insecurity of employment among female headed households is particularly highlighted. It also provides insights on fiscal pressures experienced by households, especially for single mothers, the disabled and those with chronic illness.

Families on the Edge 3 has three main components:



#### 1. Socio-economic study

500 heads of households were interviewed, with questions focusing on their financial situation.



#### 2. Video documentary

7 respondents with 4 different criteria were interviewed with respect to different challenges faced by each households.



#### 3. Photography and videography

10 children documented their lives during this period to using photography and videography to visualise the impact of COVID-19 as seen from their perspective.

1

Recovery among the households is uneven. Many households have not yet recovered to pre-crisis level with many even worse off than in September 2020.



Although overall median household income recovered to pre-crisis level, 1 in 2 (46%) of the households\* have not yet recovered to pre-crisis level. The median household income for female headed household and disabled-headed households remained 24% and 36% lower respectively than the pre-crisis level.



Incomes among female headed households and disabled-headed households fell since September by one-fifth (-20%) and one-third (-31%) respectively. As a result, about half of disabled headed households and 56% of female-headed households still registering less income compared to pre-COVID.

2

Unemployment among heads of household has doubled between September to December 2020. Poverty rate remained high.



Unemployment among heads of household has doubled from 7% in September 2020 to 15% in December 2020. Unemployment among female HoH and PWD HoH also increased to 13.4% and 50%, respectively. Overall unemployment among adults in these households remains high, with 1 in 3 unemployed.



The poverty rate among these families remains high at 42%, although government assistance during the period helped to mitigate the severity of their deprivation. Poverty is more prevalence among PWDs HoH (55%) and female HoH, with a 1 in 2 and 6 in 10 lives in poverty.

Poverty incidence among female HoH increased from 47% in September 2020 to 61% in December 2020. Similar trend is observed among PWD HoH, where more than half (55%) live in absolute poverty. Almost all live in relative poverty (98%).

### 3

Reduced employment opportunities and lack of precautionary savings have made it difficult for these households to cope with the economic impact of COVID-19.



7 in 10 (70%) have no savings, in particular among PWDs HoH (83%), followed by female HoH (80%).



3 in 5 HoH (63%) claimed they had difficulties to meet their essential expenses. The incidence is higher among female HoH (66%) and PWD HoH (68%).



About 57% of households were unable to purchase enough food and 56% were unable to pay bills on time. The situation is worse among female HoH and PWD HoH at 64% and 58%, and 60% and 47%, respectively.

### 4

Temporary government and Zakat assistance helped, but the coverage of mainstream social protection needs to expand to provide more sustained support.



Current transfers or government assistance constitute 16% of the total household income, which is doubled compared to pre-crisis level (8%).



The average amount of assistance received has increased, mainly from BPN2.0 and Zakat. Since May 2020, the average amount of Zakat assistance received has increased by 27% to RM144 per month.



2 in 5 (37%) of total households receive Zakat, higher than September 2020 which was at 27%. It is higher among PWD HoH and female HoH. Half of PWD HoH (52%) receive Zakat and 45% among female HoH.

Only 3 out of 100 self-employed received PRIHATIN Special Grants (GKP). Almost 9 in 10 (87%) didn't received any self-employment-related-assistance

### 5

Social safety nets for the self-employed need to be urgently expanded.



1 in 5 (20%) of the HoH are self-employed. The percentage is higher among female HoH at 32% (1 in 3).



3 in 5 (63%) cited that the reason for their income reduction is due to lack of demand. About 7 in 10 (69%) female HoH reported reduction of income due to less business activities.



2 in 3 of self-employed household members worked in informal sectors; not registered with Companies Commission of Malaysia (SSM). 4 in 5 do not have permit or license from the local authorities to do business.

Only 1 in 20 self-employed are registered with either EPF or SOCSO.

### 6

The families are more pessimistic about the future.



There has been an increase in pessimism from 37% in September 2020 to 41% in December 2020. Only 10% expect their financial status to be better, a reduction from 14% during the same period (September 2020 - December 2020).



PWDs HoH are the most pessimistic; 1 in 2 (55%) expect their financial situation to worsen over the next six months. Almost unchanged compared to September.



Almost 1 in 2 (46%) of female HoH expect their financial situation to be worsened in the next 6 months, a significant increase from 34% recorded in September 2020.

### 7

Mental health remains a major concern.



The prevalence of stress among the respondents has increased in the past 3 months from 1 in 5 (19%) in September to 1 in 4 (27%) in December 2020. It is higher among female HoH where 1 in 3 (33%) is stressed, higher than 23% in September 2020.



Major concerns are the inability to provide enough food for the family, and lack of employment opportunities. Half (52%) of HoH and 3 in 5 (59%) of female HoH are worried about not being able to provide enough food for the family, higher than 25% and 32% in September 2020. 1 in 4 of female HoH are worried about lack of employment opportunities for their family which is higher than 14% in September 2020.



2 in 5 (43%) of HoH and 37% among female HoH are worried about not having enough money to provide proper education for their children. Both concerns are higher than the 7% and 17% recorded in September 2020.