



Social Wellbeing Research Centre
(SWRC)



BELANJAWANKU EXPENDITURE GUIDE - A REFERENCE BUDGET FOR MALAYSIAN 2022 / 2023

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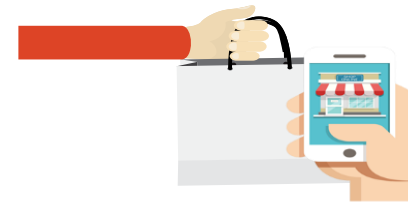
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REFERENCE BUDGET DEFINED

Reference budgets are expenditures of households containing a list of baskets of goods and services and its cost thereof, that are needed for various households to live at a designated level of wellbeing (Warnaar & Luten, 2009).



The Malaysian Reference Budget was constructed based on **ACTUAL SPENDING PATTERNS on common goods and services by urban households**



WHAT IS BELANJAWANKU?









An expenditure guide, providing estimated **MINIMUM** monthly expenses on various types of goods and services for Malaysians in order to attain a **reasonable and acceptable standard of living**

A REASONABLE STANDARD of Living is...

“Having adequate financial resources to afford not just the minimum basics but also the ability to participate in a society for a decent and dignified living”---
(Social Wellbeing Research Centre, 2018)

ISSUES AND CHALLENGES

POOR FINANCIAL WELLBEING

SYMPTOMS	 Low savings	 Over-indebtedness	 Youth bankruptcy
REASONS	 Low financial literacy	 Rising cost of living	
CONSEQUENCES	 Poverty	 Low quality of life	 Social issues

The need to have a detailed guide for personal and family budgeting

OBJECTIVES OF BELANJAWANKU

1

**Investigate
spending
behaviour**

2

**Analyse
expenses
required**

3

**Develop a
suitable
personal
budget**

4

**Guide for
informed
decision**



USE OF BELANJAWANKU



NATIONAL

- **Measurement Of Poverty**
- **Design Of Social Policy**
- **Purchasing Power Calculation**



EPF

- **Basis for Comfortable Savings Threshold Level**
- **Reference for Retirement Advisory Services**



INDIVIDUALS

- **Guide To Personal Finance & Debt Management**
- **Estimating Buffer for Emergencies**



FINANCIAL INSTITUTIONS

- **Credit Scoring**
- **Debt Counselling**
- **Private Retirement Schemes Consultancy**

DATA & METHOD



QUESTIONNAIRE SURVEY

- Structured **questionnaires**



FOCUS GROUP DISCUSSION

- **Academics**
- **Govt Agencies Representatives** from EPF, AKPK, EPU, National Wage Council, BNM, NGOs
- **Industry specialists** and **experts** from financial institutions
- **Reference persons** from different households



PRICE SURVEY

- At **actual business premises**, catalogues and online



PUBLISHED DOCUMENTS

- Data from **Department of Statistics** and **Bank Negara Malaysia**
- Household Expenditure and Income Survey (**HEIS**)
- Data on prices from KPDNKK, LKIM, FAMA and relevant **agencies**

BASIS OF CONSTRUCTION



Accommodation
for a single
person is based
on
ROOM RENTAL

Housing for
couples is based
on monthly
**MORTGAGE
REPAYMENT** or
RENTAL VALUE
(whichever is lower)



Couples own a
CAR and a
MOTORCYCLE



Average **travel
distance** to work
is within
30km RADIUS
from place of
residence



People have
access to
**PUBLIC
HEALTHCARE
& EDUCATION**



People are
**generally
HEALTHY**



People are
RATIONAL
and are able to
**MAKE
INFORMED
DECISION**

Note: Expenses that are not incurred monthly (example annual expenses and festive celebrations expenses are averaged out monthly (divided by 12)

STAGES OF CONSTRUCTION

1

Orientation group

Define standard of living

Establish an indication of acceptable minimum

2

Expert consultation & researchers

Identify and develop item baskets; Classifying household components;

Price survey of identified items

3

Task groups

Discuss, negotiate, and agree among the group members on an acceptable minimum items required and its cost thereof

4

Consensus group

To review and adjust items compositions, prices and life spans of baskets of goods and services and obtain consensus among the group members

5

Checkback/review groups

To review the budgets, look at anomalies in budget patterns on the total budget costs and challenge the consensus, for a final draft of budget estimates

6

Research team & stakeholders

Workshops and discussion for presentation and approval by stakeholders

7

Research team

Final draft of budget estimates for approval by stakeholders

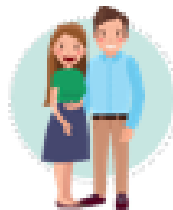
HOUSEHOLD CATEGORIES



Single (Public Transport User)



Single (Car Owner)



Married Couple (Without Children)



Married Couple (With 1 Child)



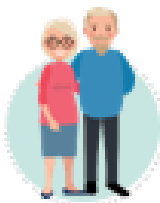
Married Couple (With 2 Children)



Single Parent (With 1 Child)



Single Parent (With 2 Children)



Senior Couple














Senior Single

Characteristics of Household

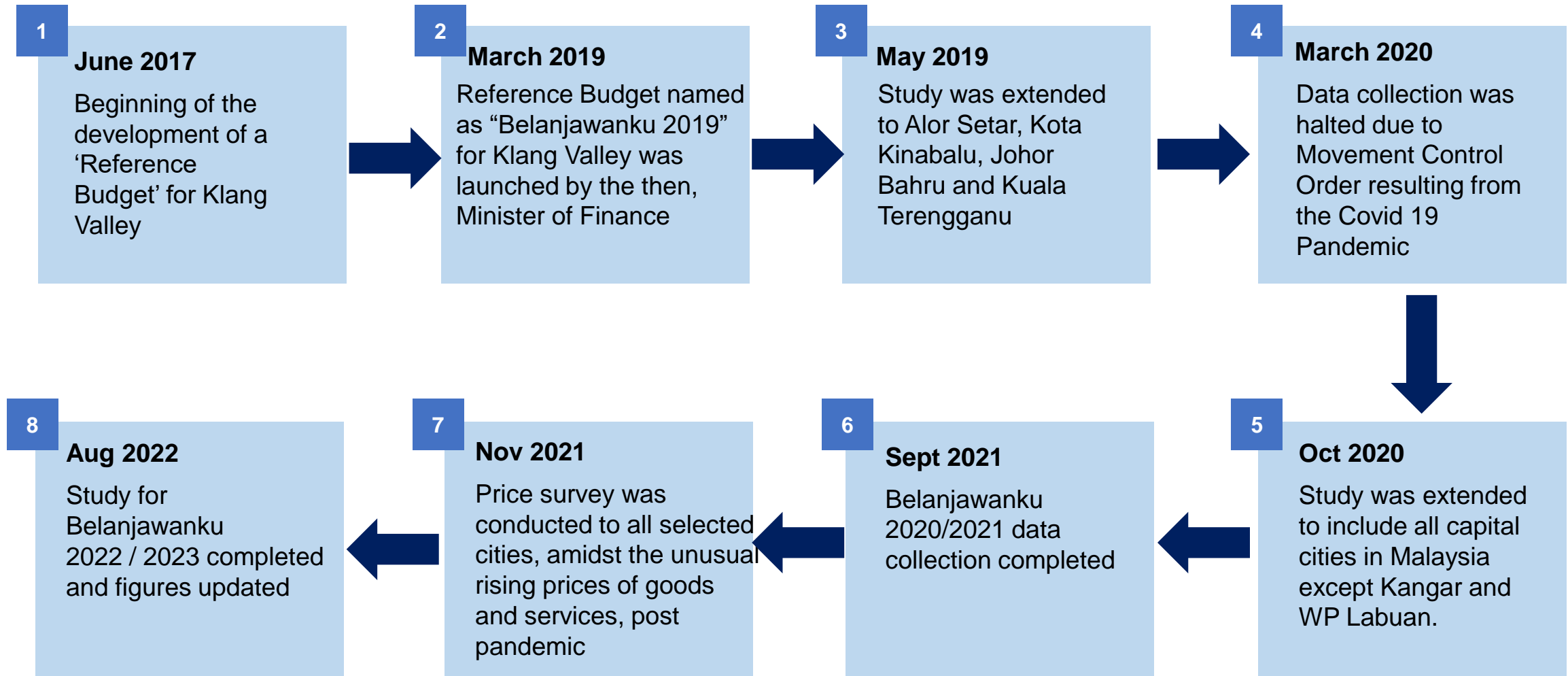
Household members	Characteristics
Single persons, married couples and single parents	18 to 40-year-old male and female, working living in the respective cities
Younger child	Newborn to 6-year-old male and female
Older child	7 to 13-year-old male and female
Senior single and couple	60-year-old and older male and female

THE ITEMS BASKETS

Basket	Description
 Food	Food & non-alcoholic beverages consisting of groceries for home cooking, eating out and takeaways
 Housing	1. Single persons – monthly rental for fully furnished rooms 2. Married/Families/ Senior Single/Couples /Single Parents - monthly housing loan repayment/rental , whichever is lower
 Utilities	Monthly bills for water, electricity, pre/postpaid telephone/ internet/personal data plan & Astro TV
 Transportation	1 Public - monthly pass / ticket for all public transport 2. Private vehicles – monthly cost for vehicle loan instalment, fuel, highway tolls & parking charges
 Personal Care	Average monthly cost for care for body, hair and feminine hygiene, oral hygiene, and basic personal grooming
 Healthcare	Average monthly cost of annual visits to GPs (4 x) and dentist (1x) for treatments of non-acute illness (annual total divided by 12 months)

Basket	Description
 Childcare	1. Younger Child (<6 years old) – monthly cost for babysitting, diapers, milk & baby food 2. Older Child (7-13 years old) – monthly cost for daycare, pocket money, tuition, religious classes and extracurricular activities
 Ad-hoc / One off	Average monthly cost of Ad-hoc/one off expenses consisting of vehicle maintenance, road tax & insurance, school registration fees, clothing & footwear, instalment of furniture & domestic appliances, (annual total divided by 12 months)
 Social Participation	Average cost of festive celebrations , birthdays, anniversaries, invitations to weddings etc.. (annual total divided by 12 months)
 Discretionary Expenses	Includes contribution to parents, medical insurance, sports & recreation and vacation depending on individual priority (annual total divided by 12 months)
 Savings	Amount of savings allocated is based on the focus group participants' consensus

PHASES OF STUDY



BELANJAWANKU 2022/2023: SUMMARY

(By Cities & Household Categories)

Cities Household Categories	Single P.T.U (RM)	Single C.O (RM)	Married w/o Children (RM)	Married (1 Child) (RM)	Married (2 Children) (RM)	Senior Single (RM)	Senior Couple (RM)	Single Parent (1 Child) (RM)	Single Parent (2 Children) (RM)
Klang Valley*	1930	2600	4630	5980	6890	2520	3210	4740	5650
Alor Setar	1530	2060	3680	4760	5430	2020	2630	3660	4340
K. Kinabalu	1710	2230	4000	5130	5840	2290	2930	4000	4710
Johor Bahru	1760	2290	4110	5360	6100	2330	3020	4200	4940
K. T'ganu	1630	2160	3820	4920	5610	2090	2730	3820	4510
Kuching	1680	2210	3920	5020	5720	2160	2790	3890	4590
Kuantan	1710	2230	3910	5030	5740	2130	2780	3900	4610
Kota Bharu	1540	2110	3750	4830	5520	2050	2690	3720	4400
Georgetown	1830	2430	4360	5640	6370	2450	3140	4460	5190
Ipoh	1680	2270	3970	5140	5850	2190	2840	4020	4730
Seremban	1720	2300	4170	5400	6130	2250	2910	4250	4980
Malacca City	1730	2270	4010	5140	5850	2180	2830	4020	4720

Highest expenses is observed in **Klang Valley**, while **Alor Setar** is the lowest

Highest

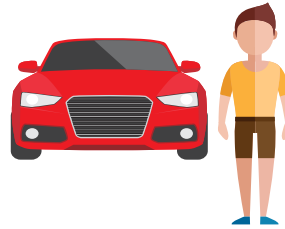
Lowest

*Klang Valley covers the major areas of Kuala Lumpur, Putrajaya and the urban districts in the state of Selangor which include Gombak, Hulu Langat, Petaling, Klang, Kuala Langat and Sepang

KLANG VALLEY AT A GLANCE : What it costs...



SINGLE
PUBLIC TRANSPORT USER
RM1,930



SINGLE
CAR OWNER
RM2,600



MARRIED COUPLE
WITHOUT CHILDREN
RM4,630

THIS IS HOW MUCH I NEED A MONTH IF I LIVE IN KLANG VALLEY



MARRIED COUPLE
WITH ONE CHILD
RM5,980



MARRIED COUPLE
WITH TWO CHILDREN
RM6,890



**SENIOR
SINGLE**
RM2,520



**SENIOR
COUPLE**
RM3,210



SINGLE PARENT
WITH ONE CHILD
RM4,740



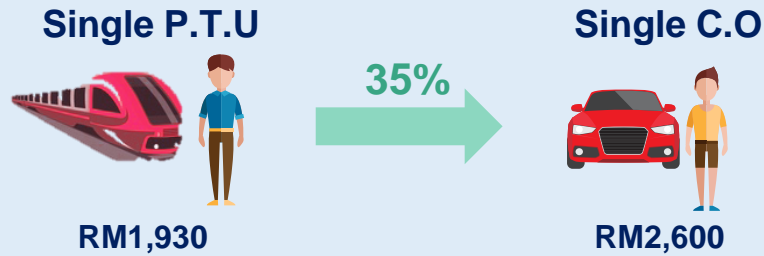
SINGLE PARENT
WITH TWO CHILDREN
RM5,650

INCREASE IN COST FOR ADDITIONAL HOUSEHOLD MEMBERS

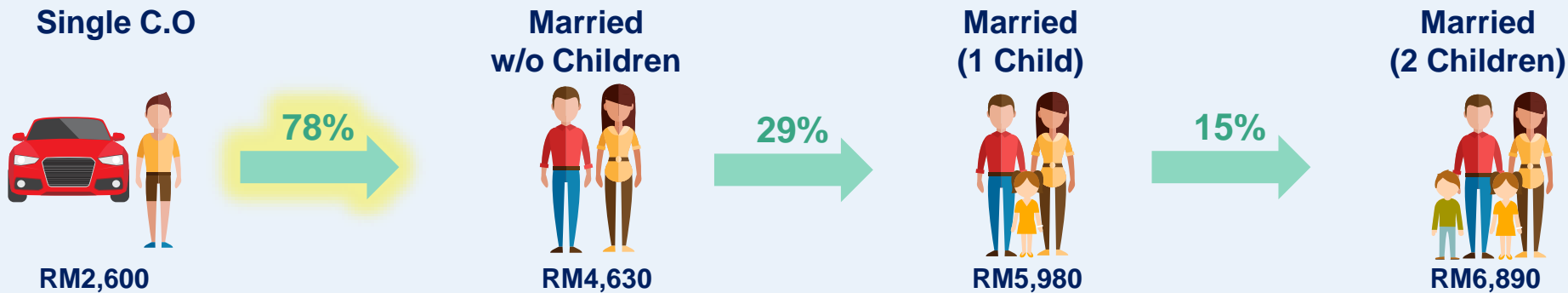
Klang Valley (%)

Main Contributor for the Increase in Expenses

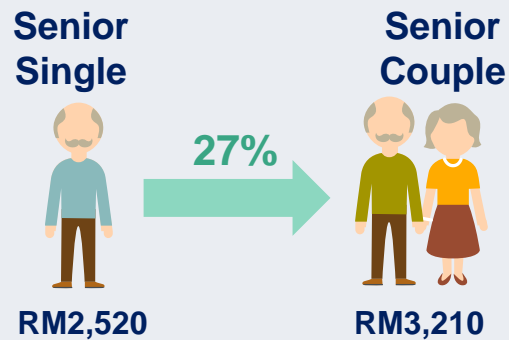
- **Single P.T.U to Single C.O**
Transportation and Ad-hoc



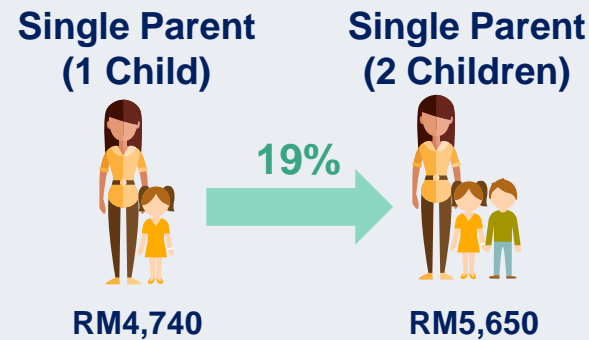
- **Single C.O. to Married (w/o Children)**
Food, Housing and Transportation



- **Married (w/o Children) to Married with Children**
Childcare and Food



- **Single Senior to Senior Couple**
Food



- **Single Parent (1 Child) to Single Parent (2 Children)**
Childcare and Food

DIFFERENCE BETWEEN CITIES AS COMPARED TO KLANG VALLEY

(e.g: Single Public Transport User (RM))



DIFFERENCE BETWEEN CITIES AS COMPARED TO KLANG VALLEY

(All Household Categories)

% Difference in Estimated Expenses for All Household Categories as Compared to Klang Valley									
Cities Household Categories	Single P.T.U (%)	Single Car Owner (%)	Married w/o Children (%)	Married (1 Child) (%)	Married (2 Children) (%)	Senior Single (%)	Senior Couple (%)	Single Parent (1 Child) (%)	Single Parent (2 Children) (%)
Klang Valley	REF	REF	REF	REF	REF	REF	REF	REF	REF
Alor Setar	-21	-21	-21	-20	-21	-20	-18	-23	-23
K. Kinabalu	-11	-14	-14	-14	-15	-9	-9	-16	-17
Johor Bahru	-9	-12	-11	-10	-11	-7	-6	-11	-13
K. T'ganu	-15	-17	-18	-18	-19	-17	-15	-19	-20
Kuching	-13	-15	-15	-16	-17	-14	-13	-18	-19
Kuantan	-11	-14	-16	-16	-17	-15	-13	-18	-18
Kota Bharu	-20	-19	-19	-19	-20	-19	-16	-22	-22
Georgetown	-5	-6	-6	-6	-7	-3	-2	-6	-8
Ipoh	-13	-13	-14	-14	-15	-13	-11	-15	-16
Seremban	-11	-11	-10	-10	-11	-11	-9	-10	-12
Malacca City	-10	-13	-13	-14	-15	-13	-12	-15	-16

Difference compared to Klang Valley: Smallest Largest

CONCLUSION AND WAY FORWARD

- There are three main contributors to Belanjawanku basket expenses namely, **food, housing, transport and utilities costs.**
- Belanjawanku study have shown in detail what are the impacts on expenses **when an individual move from one category of household to another along their life cycle.** This information is also important for individuals to compare their situation **before and after a big financial decision is made**
- Belanjawanku can be a **valuable guiding tool for an individual's prudent financial management** and for the policy intervention where/ whenever necessary for adequate income support to ensure social inclusion for all Malaysians
- EPF and SWRC Belanjawanku team will continue to update the figures on regular basis taking into consideration the inflation and / or fluctuation in prices of goods and services

Belanjawanku will be kept up to date parallel to changes in government policies or significant major events



