

B40 :

WHAT STATISTICS SAY ?



Economic Planning Unit
Prime Minister's Department, Putrajaya
28 October 2015



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Background



Household Income Structure



B40 Profiling



RMKe-11



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RMKe-11



Background....



Poverty

Incidence of poverty in general was reduced from **49.3% (1970)** to **0.6% (2014)**

Mean household monthly increased from **RM264 (1970)** to **RM6,141 (2014)**

Income



Gap

Income disparity narrowed, Gini Coefficient from **0.513 (1970)** to **0.401 (2014)**

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Household Income Structure



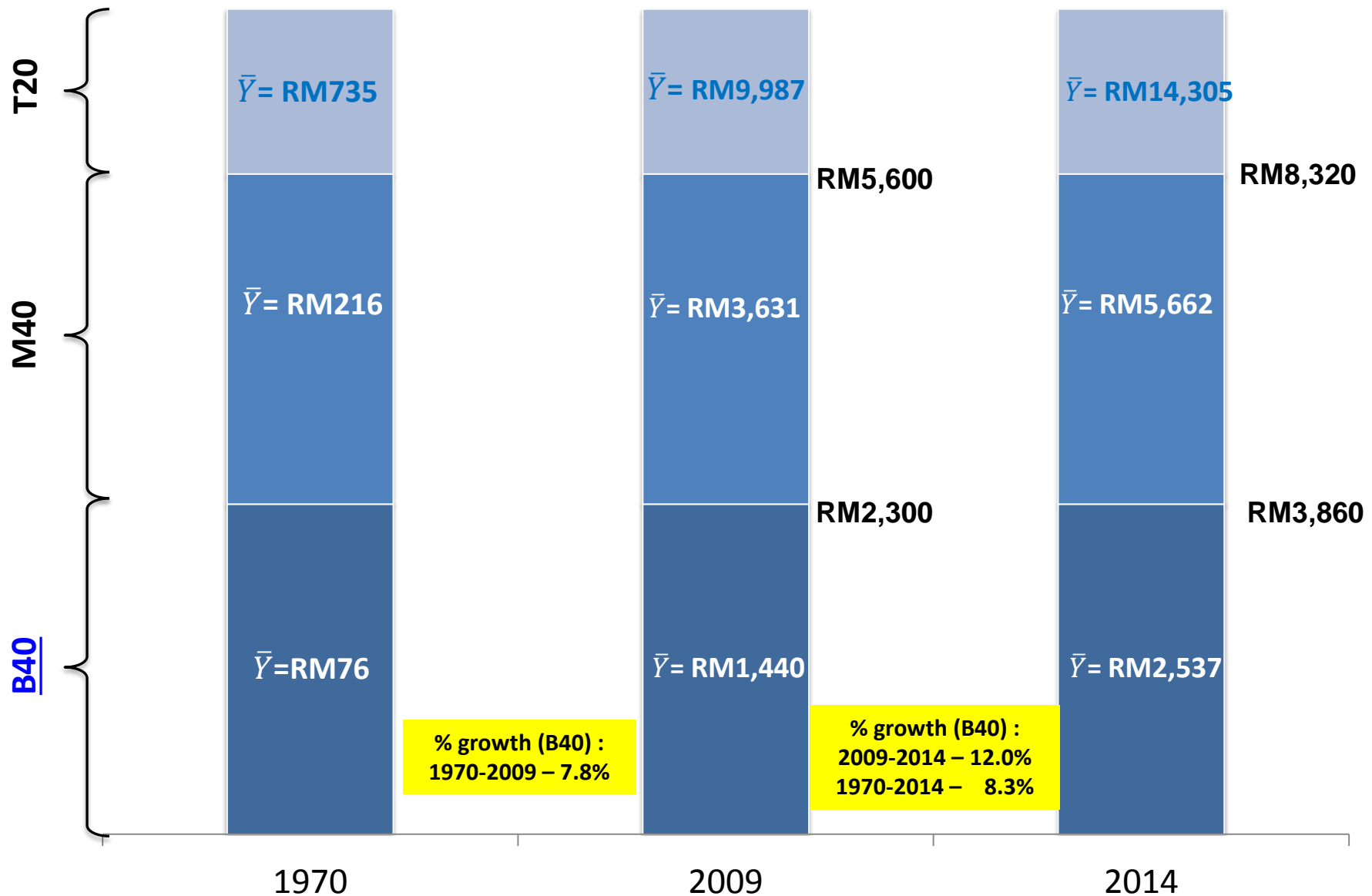
B40 Profiling



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Household Income Structure



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Profile of B40 Household

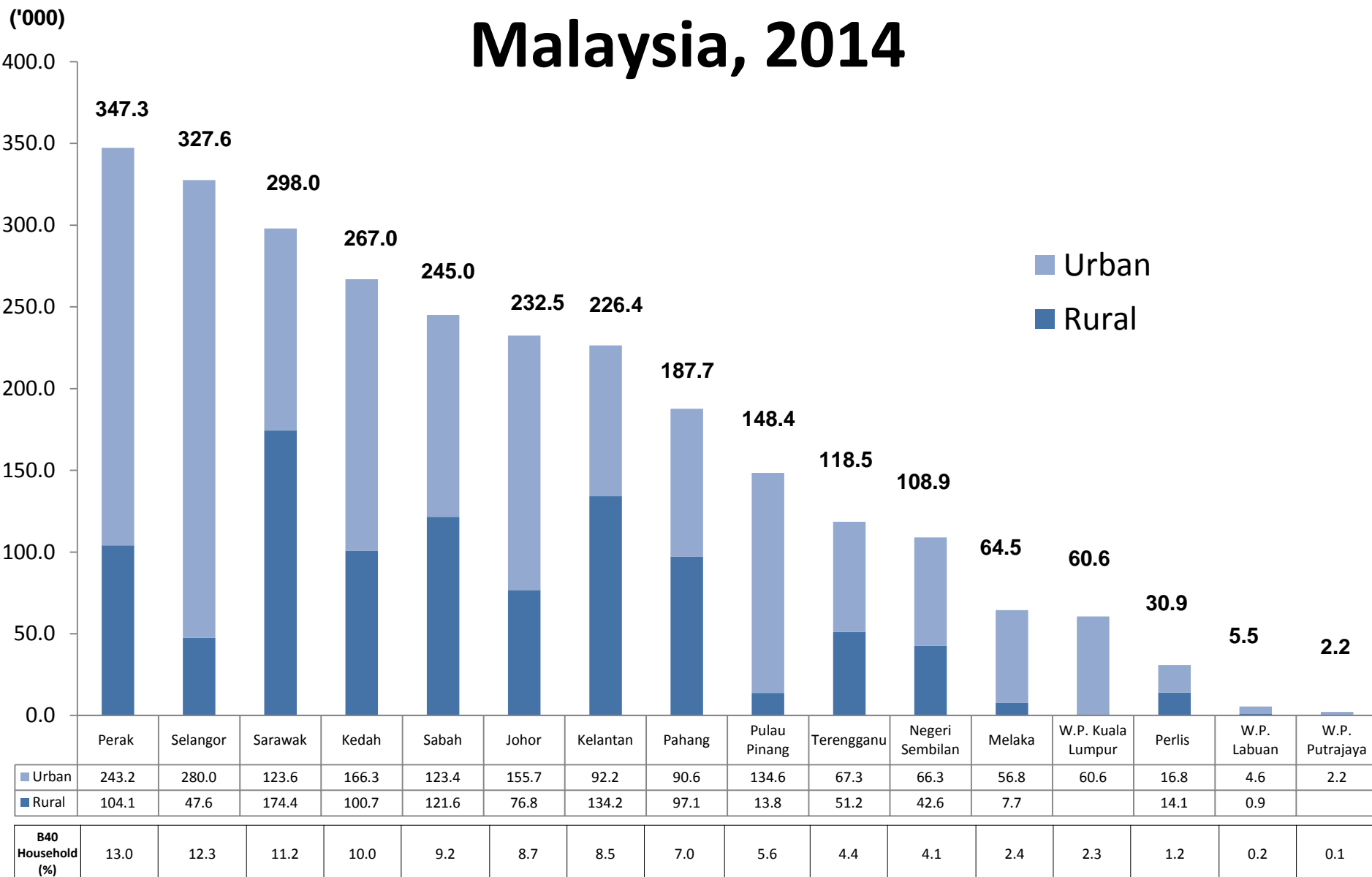
Who?

- Household monthly income **<RM3,860**
- Estimated number of households: **2.7 million**
- Average monthly income: **RM2,537**
- Not only the poor but also vulnerable to economic shocks
- Consists of:
 - Bumiputera – 73.6%
 - Chinese – 17.5%
 - Indian – 8.5%
- Low education level – **91.1%** SPM and below
- **23.3%** Household heads aged 60+
- **65.0%** salaried jobs/wage earners
- **34.1%** self-employed

Where?

- Majority in urban : **63.1%**
- Household heads in urban: **1.7 million**
- Household head in rural: **1.0 million**

B40 Household by state and strata, Malaysia, 2014

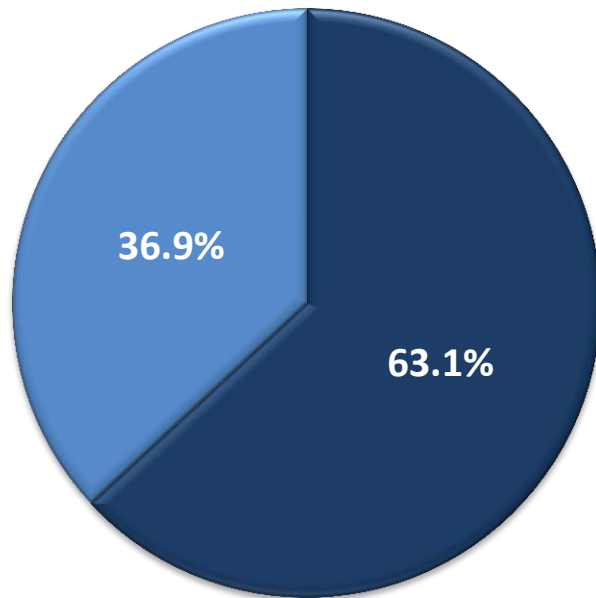


Note : cut-off Malaysia

Distribution Households by strata and ethnic, Malaysia, 2014

Households in Malaysia : 6.7 million

B40 household : 2.7 million

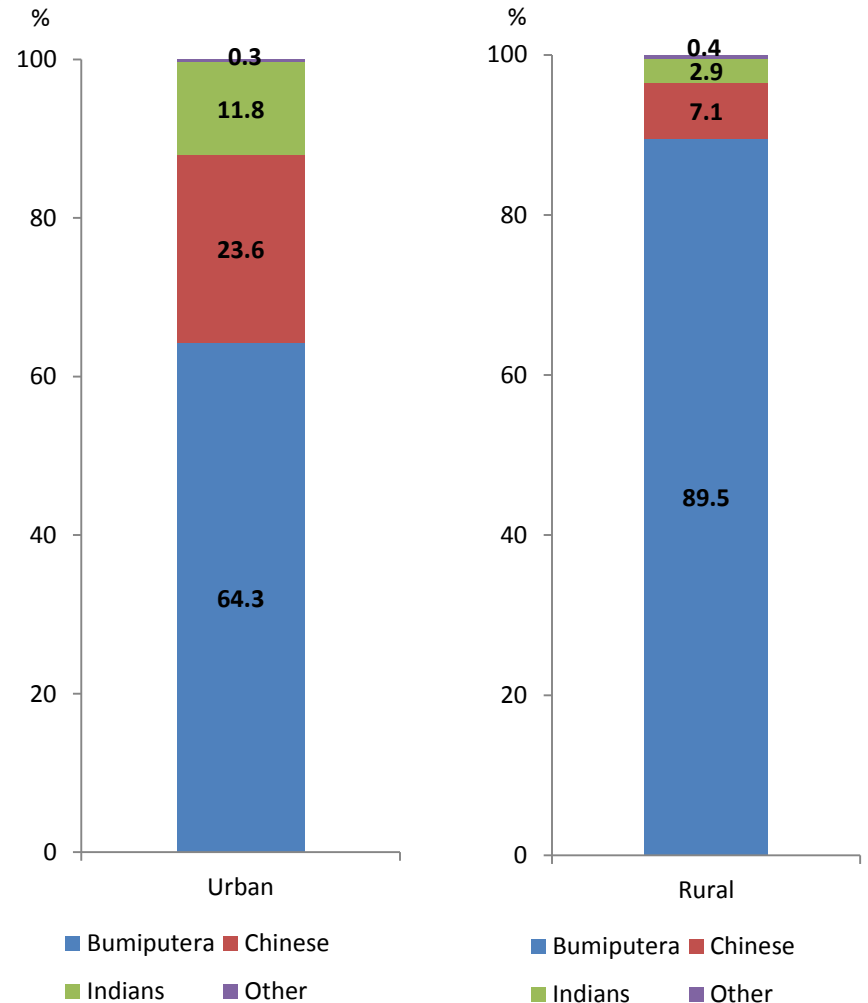


■ Urban ■ Rural

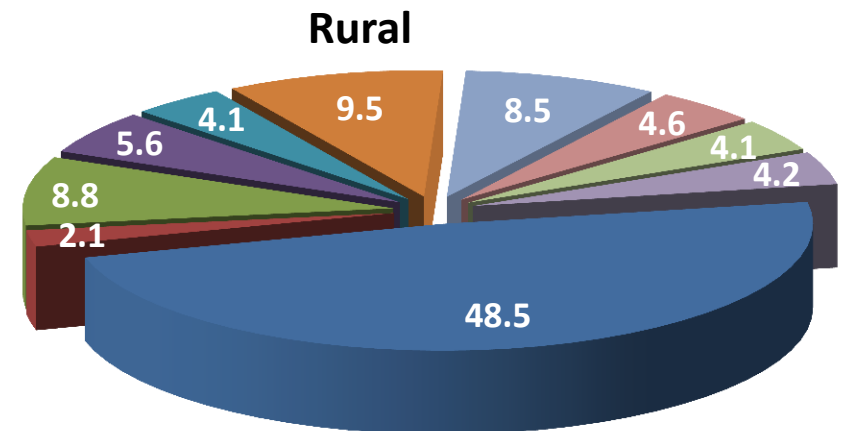
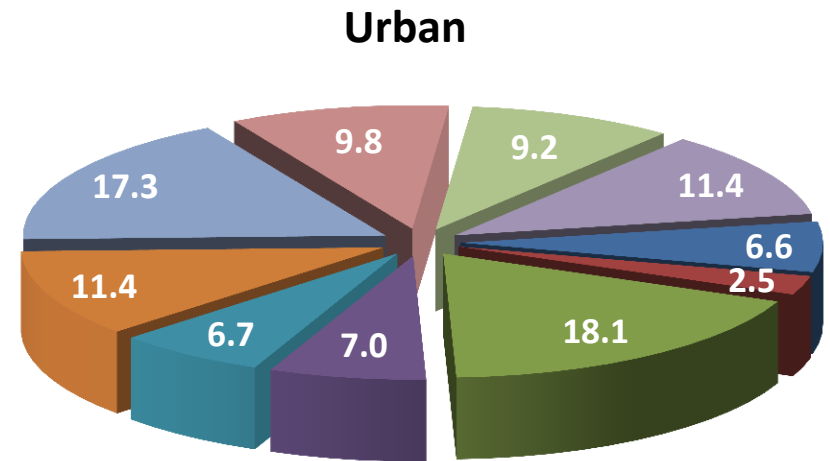
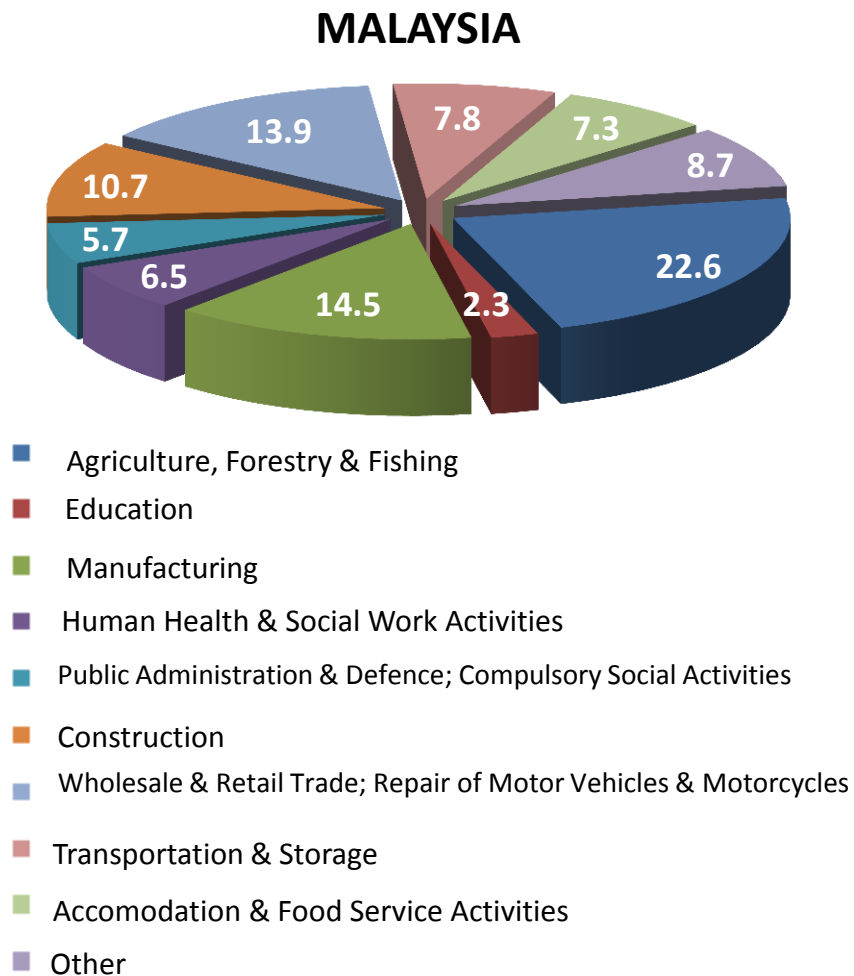
Majority B40 household - Bumiputera

✓ **64.3% (Urban)**

✓ **89.5% (Rural)**

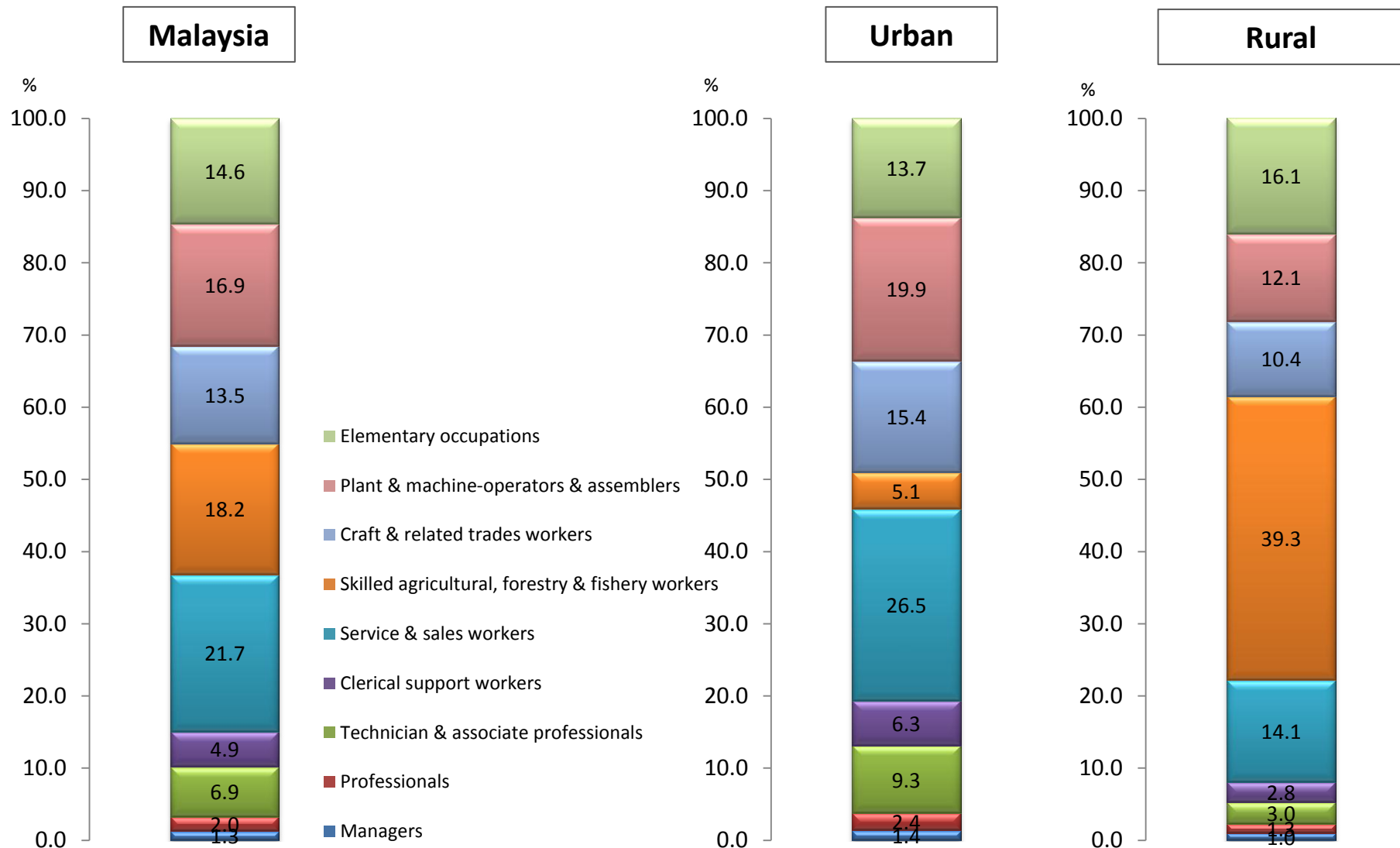


Percentage distribution of B40 household by industry¹ and strata, Malaysia, 2014



Note : ¹Malaysia Standard Industrial Classifications 2008 (MSIC)

Percentage distribution of B40 household by occupation¹ and strata, Malaysia, 2014



Note : ¹Malaysia Standard Classification of Occupations 2008 (MASCO)

Percentage distribution of B40 household by occupation vs industry , Malaysia, 2014

Industry	Occupation						
	Service & sales workers	Skilled agricultural, forestry & fishery workers	Plant & machine-operators & assemblers	Elementary occupations	Craft & related trades workers	Other	Total
Agriculture, Forestry & Fishing	0.3	17.9	0.8	3.0	0.2	0.5	22.6
Manufacturing	0.5	0.1	5.6	0.8	4.2	3.5	14.5
Wholesale & Retail Trade; Repair of Motor Vehicles & Motorcycles	7.0	0.1	1.4	0.9	2.9	1.7	13.9
Construction	0.1	-	0.7	3.4	5.4	1.0	10.7
Transportation & Storage	0.2	0.0	6.5	0.4	0.0	0.7	7.8
Accommodation & Food Service Activities	5.4	-	0.1	1.1	0.1	0.7	7.3
Administrative & Support Service Activities	3.3	0.0	0.2	2.4	0.1	0.5	6.5
Other	5.1	0.1	1.7	2.7	0.6	6.5	16.7
Total	21.7	18.2	16.9	14.6	13.5	15.0	100.0

B40 Income Grew Faster Than T20 Households (RMKe-10)

	B40		T20	
	2009	2014	2009	2014
Mean Income (RM)	1,440	2,537	9,987	14,305
% growth	12.0		7.5	
Median Income (RM)	1,440	2,629	8,009	11,610
% growth	12.8		7.7	
Income share (%)	14.3	16.5	49.6	46.6

	2009	2014
Income Disparity (B40:T20)	1:6.94	1:5.64

- ☐ Higher mean and median income growth in B40 households
- ☐ Smaller income disparity
- ☐ Increasing income share

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B40 Profiling

**RANCANGAN
MALAYSIA
KESEBELAS
2016-2020**
PERTUMBUHAN BERPAKSIKAN RAKYAT

RMKe-11



ELEVENTH MALAYSIA PLAN, 2016-2020

Theme

***Growth Anchored
on People***

6 Strategic Thrusts

- I** Enhancing inclusiveness towards an equitable society
- II** Improving wellbeing for all
- III** Accelerating human capital development for an advanced nation
- IV** Pursuing green growth for sustainability and resilience
- V** Strengthening infrastructure to support economic expansion
- VI** Re-engineering economic growth for greater prosperity

Aspiration

**A high-income
and
inclusive nation**

6 Game Changers

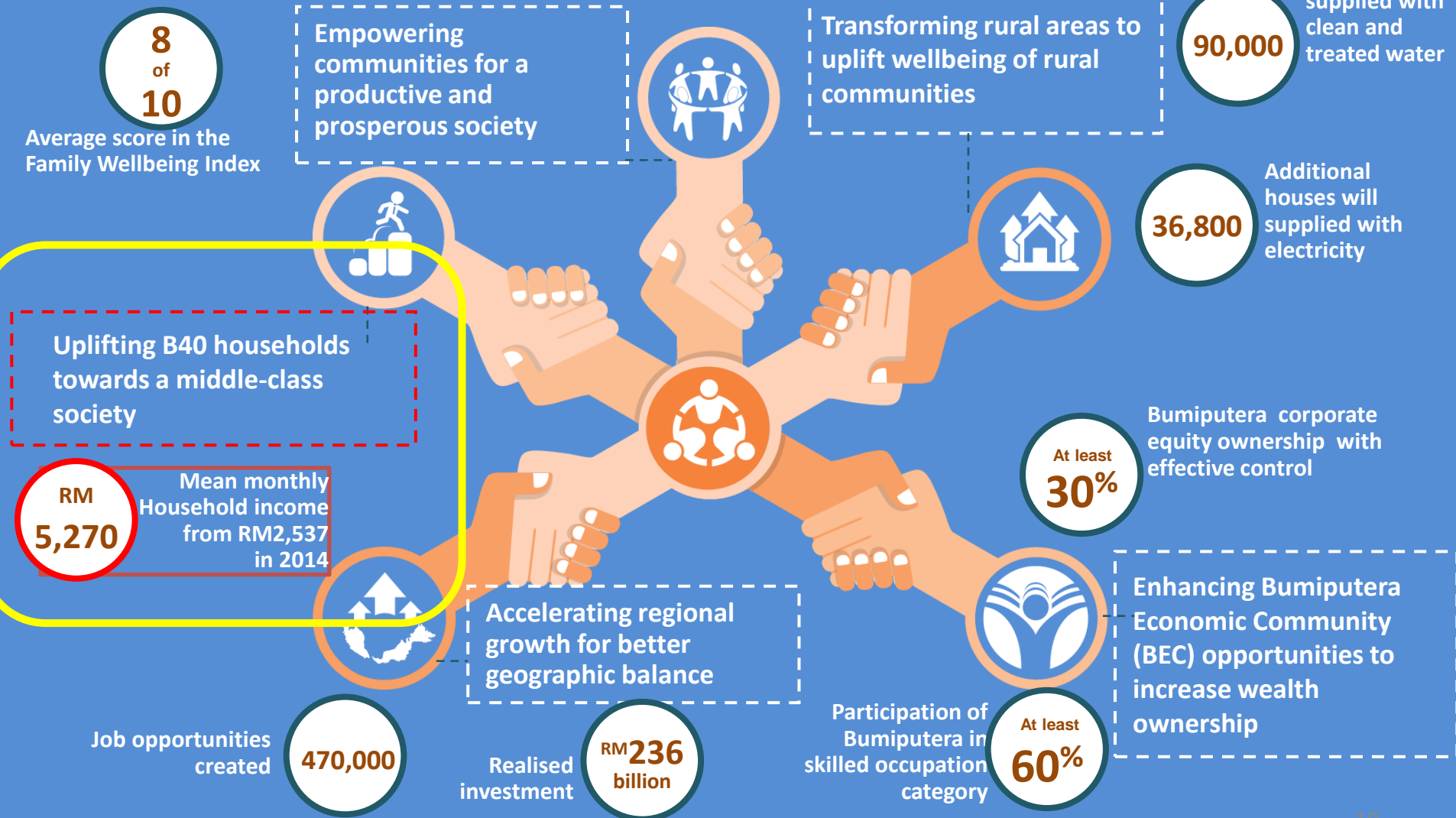
- 1** Unlocking the potential of productivity
- 2** Uplifting B40 households towards a middle-class society
- 3** Enabling industry-led Technical & Vocational Education & Training (TVET)
- 4** Embarking on green growth
- 5** Translating innovation to wealth
- 6** Investing in competitive cities



Strategic Thrusts 1

Enhancing inclusiveness towards an equitable society

Main Strategic and selected outcomes



Game Changers : Uplifting B40 households towards a middle-class society



Why?

Important for Malaysia

Today, there are 2.7 million B40 households with a mean monthly household income of RM2,537. As Malaysia continues to grow, the B40 households should not miss out on the opportunities that come with national prosperity.

What?

Success look like



Reduction in incidence of poverty from 0.6% (2014) to 0.2% (2020)



Mean income of the B40 households will double to RM5,270 (2020) from RM2,537 (2014)



Reduction in Gini Coefficient from 0.401 (2014) to 0.385 (2020)



More B40 households will have family members with tertiary education, from 9% (2014) to 20% (2020)



Income share of the B40 to national household income will also increase from 16.5% (2014) to 20% (2020)

How?

Be achieved

The Government will implement strategies to raise the income and wealth ownership of the B40 households, address the increasing cost of living, and strengthen delivery mechanisms for supporting B40 households.

	From	To
Approach	Lifting B40 households above the poverty line through improved income levels and assistance with living costs	Uplifting B40 households to middle-class society by further improving income levels and wealth creation, as well as increasing education and skill levels
Scope	Assisting B40 households with individual micro-enterprises Focus on developing micro-entrepreneurship and economic activities in low-value, traditional industries	Fostering community and social-based enterprises in the B40 community, in addition to individual enterprises Building capacity to participate in high-productivity, innovative, and creative economic activities
Characteristics	B40 households have low wealth and non-financial asset ownership, and are easily affected by economic shocks B40 households are highly reliant on government assistance	B40 households are able to save and build wealth including through non-financial asset ownership, making them more resilient to economic shocks B40 households are independent and rely less on government assistance programmes

Thank You



Economic Planning Unit
Prime Minister's Department, Putrajaya
www.epu.gov.my



Jadual 1: Taburan Peratus Isi Rumah Mengikut Kelas Pendapatan, Malaysia, 1970 - 2014

Table 1: Percentage Distribution of Households by Income Class, Malaysia, 1970 - 2014

Kelas Pendapatan (RM)/ Income Class (RM)	1970 ^a	1974 ^a	1976	1979	1984	1987	1989 ^b	1992	1995	1997	1999	2002	2004	2007	2009	2012	2014
Jumlah/Total																	
499 and below	89.3	82.1	71.1	57.0	32.4	30.3	25.7	16.8	10.6	6.3	6.0	3.8	2.8	1.7	1.2	0.5	0.1
500 - 999	7.5	12.1	18.7	25.7	33.2	34.8	35.3	30.8	23.9	18.6	19.0	15.4	13.5	6.8	6.1	4.5	1.5
1,000 - 1,499	1.8	4.2	5.1	8.5	14.8	15.5	17.0	19.0	19.9	18.3	18.8	16.5	15.8	15.8	14.2	8.5	4.1
1,500 - 1,999	0.6		2.1	3.6	7.4	7.9	8.5	11.0	13.1	13.7	13.9	13.4	13.2	13.5	11.9	9.3	6.0
2,000 - 2,499	0.3	0.7	3.0	1.9	4.1	4.1	4.8	7.0	8.9	10.1	10.1	10.4	10.8	11.2	10.7	8.9	6.5
2,500 - 2,999	0.2	0.3		1.0	2.5	2.4	2.9	4.3	6.1	6.9	7.3	8.3	8.2	8.6	8.6	7.1	6.1
3,000 - 3,499	0.1	0.2		0.6	1.5	1.4	1.7	2.8	4.2	5.4	5.7	6.3	6.5	7.1	7.3	9.4	9.8
3,500 - 3,999	0.1	0.1		0.5	1.0	1.0	1.0	2.0	2.8	4.0	3.9	4.7	5.2	5.8	6.3	7.3	8.0
4,000 - 4,999	0.0	0.1		0.5	1.2	1.0	1.3	2.5	3.8	5.6	5.5	6.7	7.2	8.6	9.5	11.1	12.8
5,000 and above	0.1	0.3		0.7	1.9	1.6	1.8	3.8	6.7	11.1	9.8	14.7	16.8	20.8	24.2	33.6	45.1
Jumlah/Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Bandar/Urban																	
499 and below	77.2	67.3	49.5	36.5	17.2	24.4	13.5	7.5	4.7	2.3	2.6	1.4	1.0	0.7	0.4	0.3	0.1
500 - 999	14.5	20.0	28.1	32.0	30.8	25.5	31.1	25.0	16.6	10.9	11.5	9.0	7.9	3.9	3.3	2.9	0.9
1,000 - 1,499	4.6	8.5	10.3	13.9	18.7	19.0	20.3	20.2	18.8	15.9	16.2	13.9	12.2	11.3	9.9	5.8	2.6
1,500 - 1,999	1.5		4.8	6.6	10.9	11.0	11.6	13.8	14.5	13.5	14.1	12.9	12.7	11.8	10.1	6.9	4.2
2,000 - 2,499	0.9	1.6	7.3	3.9	6.8	6.5	7.5	9.5	11.0	11.3	11.3	11.2	11.4	11.0	10.5	7.5	5.0
2,500 - 2,999	0.5	0.8		2.0	4.4	4.2	4.6	6.1	8.2	8.2	9.0	9.6	9.0	9.0	8.9	6.3	5.1
3,000 - 3,499	0.3	0.5		1.4	2.9	2.6	3.1	4.3	5.8	7.0	7.6	7.5	7.6	8.0	8.0	9.3	9.2
3,500 - 3,999	0.2	0.3		0.9	2.0	1.7	1.9	3.1	4.2	5.6	5.3	5.7	6.2	6.8	7.1	7.5	7.9
4,000 - 4,999	0.1	0.4		1.1	2.3	2.0	2.5	4.0	5.6	8.0	7.8	8.6	9.1	10.3	11.3	12.4	13.2
5,000 and above	0.2	0.6		1.7	4.0	3.1	3.9	6.5	10.6	17.3	14.6	20.2	22.9	27.2	30.6	41.0	51.9
Jumlah/Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Luar Bandar/Rural																	
499 and below	94.1	88.3	78.7	65.7	40.7	37.9	31.6	27.4	17.7	11.1	10.2	8.4	6.5	3.7	2.9	1.0	0.3
500 - 999	4.7	8.7	15.3	23.2	34.2	35.8	37.5	37.5	32.9	27.7	27.5	28.3	24.7	13.0	12.3	8.5	3.6
1,000 - 1,499	0.7	2.3	3.3	6.4	12.8	13.5	15.4	17.7	21.2	21.2	22.0	21.5	22.7	25.2	23.6	15.4	9.0
1,500 - 1,999	0.2		1.2	2.3	5.5	6.0	6.9	7.8	11.5	14.0	13.6	14.3	14.2	17.2	15.9	15.3	12.2
2,000 - 2,499	0.1	0.3	1.5	1.0	2.7	2.9	3.5	4.1	6.3	8.7	8.7	8.9	9.7	11.8	11.2	12.4	11.5
2,500 - 2,999	0.1	0.1		0.5	1.5	1.4	2.0	2.2	3.5	5.3	5.4	5.6	6.5	7.7	8.1	9.2	9.6
3,000 - 3,499	0.0	0.1		0.2	0.8	0.8	1.0	1.2	2.3	3.5	3.6	3.9	4.2	5.3	5.7	9.5	12.0
3,500 - 3,999	0.0	0.0		0.2	0.5	0.6	0.6	0.7	1.1	2.1	2.3	2.6	3.1	3.6	4.6	6.6	8.2
4,000 - 4,999	0.0	0.0		0.2	0.6	0.5	0.7	0.7	1.6	2.6	2.9	2.9	3.7	5.1	5.5	7.7	11.5
5,000 and above	0.0	0.2		0.3	0.7	0.6	0.8	0.7	1.9	3.8	3.8	3.6	4.7	7.4	10.3	14.4	22.1
Jumlah/Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

Nota/Note:

^a Merujuk kepada Semenanjung Malaysia sahaja.

Refers to Peninsular Malaysia only.

^b Mulai tahun 1989, data adalah berdasarkan kepada warganegara Malaysia.

Starting 1989, data is based on Malaysian citizens.

Sumber/Source:

1) Penyiataan Selepas Banci, 1970

Post Enumeration Survey, 1970

2) Banci Pertanian 1977, Malaysia (rujukan 1976)

Agriculture Census 1977, Malaysia (reference 1976)

3) Penyiataan-penyiataan Pendapatan Isi Rumah

Household Income Surveys

4) Kompilasi statistik (Rancangan Malaysia, Kajian Separuh Penggal dan lain-lain)

Statistical compilations (Malaysia Plan, Mid-Term Review and others)