

Financial Health of Workers in the Gig Economy

A Case Study of Grab Drivers
and Delivery Partners



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This report should be read in conjunction with UNCDF's larger cross-sectional study, '[The Gig Economy and Financial Health: A Snapshot of Malaysia and China.](#)'

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Executive Summary

The COVID-19 pandemic has brought home the extent to which technology is reshaping our economies and industries. One such industry is the gig economy, a labour economy of sorts where speed and convenience are the norm, and characterized by temporary or short-term work opportunities that are sometimes completed within minutes.

According to the McKinsey Global Institute, the gig economy will contribute US\$ 2.7 trillion to the global economy by 2025. A significant proportion of the gig economy is digitally powered by platforms and apps and fuelled by the ubiquity of smartphones. People seeking flexible hours, high autonomy, and options outside of traditional employment, including people left out of the traditional labour market, such as mothers caring for children and retirees who seek continued income, have benefitted from job and income opportunities that cater to their unique circumstances.

Like traditional employment, gig work can be performed on a part-time or full-time basis. However, unlike traditional employment, each gig – or job - is usually performed at the discretion of the gig worker. In the ride-hailing/delivery industry in particular, these gigs are completed in minutes. The decisions of which gig to undertake and how many are the prerogative of the gig worker, allowing for flexible hours and control over one's schedule and clients to a degree inconceivable in traditional employment.

While gig work has its advantages, trade-offs exist. Since gig work is not affiliated with an employer, gig workers lack access to benefits and social security mechanisms that often accompany traditional jobs. Gig workers, like other categories of informal workers, face challenges in accessing services such as financial products, skills development or social support.

To better understand the financial realities facing gig workers, UNCDF conducted [a cross-sectional study](#) across five platforms in Malaysia and China, including Grab, between January and July of 2020. This super app provides everyday services, such as mobility, food, package and grocery delivery, mobile payments and financial services, across eight countries in Southeast Asia. A total of 14,089 Grab drivers and delivery partners participated in a financial health, behaviours and services survey. The survey sought to answer these questions:

1. Why do workers choose the gig economy? What are their experiences in the gig economy?
2. What is their financial health status? What key financial behaviours do they demonstrate?
3. How do they navigate their finances? What products and channels do they use? What barriers do they face?
4. How has COVID-19 impacted them and how are they coping?

This report analyses the financial lives of Grab drivers and delivery partners and, by extension, those who participate in short-term employment. Based on the research findings, it offers recommendations to platforms, financial service providers and policymakers to help gig workers lead well-rounded financial lives. With its suite of income and financial offerings, including GrabPay, GrabAcademy and GrabFinance, Grab serves as a valuable case study for those seeking to advance the financial health of gig or informal workers.



Key Findings



Who are Grab drivers and delivery partners in Malaysia?

Grab drivers and delivery partners are a diverse group across age, education, and income. Despite their diverse profiles, drivers and delivery partners place the highest value on flexibility. Most are attracted to Grab by the flexibility the platform offers, including in terms of work hours, and control over who one works with.



Financial health and financial behaviours

The financial behaviours of moderate spending, regular saving and deliberate planning emerge as key predictors of financial health outcomes.



Financial behaviours

Spending moderately, practicing deliberate financial planning and saving regularly can improve financial health outcomes. Those who do not practice such financial behaviours are more likely to borrow.



Financial products and services: access and usage

Grab drivers and delivery partners are largely financially included, while a smaller proportion is financially engaged and a minority is financially vogue. The use of sophisticated financial products is more prevalent among the higher-income group. The use of digital financial services (DFS) is also linked to higher income and tertiary education.



Grab drivers and delivery partners are a diverse group across age, education, and income. Of those surveyed, 36.7 percent were between the ages of 25 and 35 years, followed by 32.8 percent in the 36- to 50-year age range. Youth (15-24 years) comprise 12.4 percent of the sample and typically engage in food delivery services via Grab Food. Of the sample, 70.9 percent have obtained up to a secondary school education, while the rest have a pre-university education (including a vocational degree) or higher. The vast majority of the sample – 88 percent - earns less than MYR 6,000 a year from all sources, although this group exhibits within-group variation.

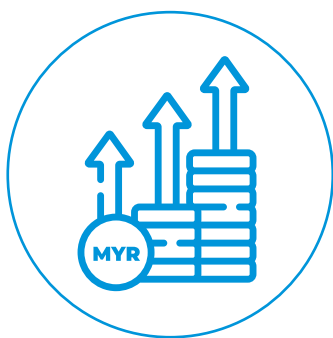
Despite their diverse profiles, Grab drivers and delivery partners place the highest value on flexibility.

Most are attracted to Grab by the flexibility the platform offers, including in terms of work hours (63.6 percent), and control over who one works with (49.2 percent). Others are attracted by the possibility of supplementing their primary income source (48.5 percent) or making extra money to save for their financial futures (32.5 percent). Only 13.4 percent of Grab drivers and delivery partners chose Grab because they lacked traditional options, indicating that these partners made the decision out of need, rather than by choice.



In addition to age, income, education and income sources outside of Grab, Grab partners' financial health is influenced by their financial behaviours.

About one-third of Grab drivers and delivery partners are able to meet all of their bill and credit commitments in full and on time (financial security). A smaller number - 29.5 percent - would not be able to raise funds (including, specifically, would not know how to raise MYR 1,000, or approximately \$ 250) in the event of a financial emergency (financial resilience). Nearly one-third (31 percent) stated that they are in control of their finances and 13.4 percent are financially independent (financial control and freedom). While age, income, education and having a range of income sources predict these financial health outcomes in varying ways, the financial behaviours of moderate spending, regular saving and deliberate planning emerge as key predictors of financial health outcomes. Those who spend within their means most of the time, save frequently and engage in more deliberate financial planning enjoy financial security and freedom, are more resilient and feel in control of their financial lives most of the time, relative to those who do not demonstrate these behaviours.



Spending moderately, practicing deliberate financial planning and saving regularly can improve financial health outcomes. Those who do not practice such behaviours are more likely to borrow. While income and age do play a role in influencing financial behaviours, our study shows that these behaviours can be exhibited regardless of those factors.

- **Saving:** Only 23.3 percent of Grab drivers and delivery partners save regularly/frequently. Among those who do not, the main barriers included not having enough money to save and facing sudden, unexpected expenses.

Interestingly, these barriers were observed across all income groups with slight variations, indicating that factors other than income are at play. Level of savings is also contingent upon a regular savings habit, as well as the ability to spend moderately.

- **Planning and spending:** A large proportion (84 percent) of Grab drivers and delivery partners plan their finances. However, rough planning is more prevalent than detailed planning. Only 32.4 percent of Grab drivers and delivery partners practice deliberate or detailed financial planning. Slightly more than one-third (37.4 percent) spend within their means most of the time. Age and education correlate with moderate spending. The proportion of those who are able to spend within their means most of the time rises along the gradient of age and educational attainment.
- **Borrowing:** Nearly half - 47.8 percent - of Grab drivers and delivery partners had borrowed money in the prior 12 months. Social capital is a go-to source in times of need for a majority of them. Nearly three-quarters of those who borrowed did so from family and friends. The lack of moderate spending, regular savings and deliberate planning increases the likelihood of borrowing for essential expenses.

Most Grab drivers and delivery partners demonstrated financial resilience during the COVID-19 pandemic; however, their coping mechanisms vary. A majority (65.6 percent) responded to COVID-19 by dipping into their savings and/or paring down essential or non-essential spending (around 45 percent for each). A greater proportion of higher-income Grab drivers and delivery partners reduced their expenses and a slightly lower proportion of the same group dipped into savings, while the opposite was observed among lower-income Grab drivers and delivery partners. Slightly more than one-third (36.5 percent) borrowed from outside sources (either from family/friends, gold shops, moneylenders, banks or employers) and 14.1 percent had to sell assets.



The use of financial services, including digital services, varies. While most Grab drivers and delivery partners are financially included (that is, they own a savings account and debit card), the range of financial services they use is limited. Most use savings accounts and a good majority use debit cards. A smaller proportion use a range of financial products and services, including insurance and Malaysia's Employees Provident Fund (EPF). However, the use of more sophisticated products, such as investments, is prevalent among the higher-income group and those with a tertiary education. The use of digital

financial services (DFS) is mixed. Cash is still king: 75.4 percent of Grab drivers and delivery partners use it as their primary mode of financial transactions. However, 56.3 percent conduct smartphone-based transactions (e-payments).

Recommendations

Based on our research findings, we developed four key recommendations for platforms, financial institutions and policymakers who want to serve Malaysia's gig worker segment. These recommendations are derived from a specific sample, but apply to a variety of settings involving gig workers. In our larger publication, '[The Gig Economy and Financial Health: A Snapshot of Malaysia and China](#),' which consolidates findings across four platforms in Malaysia, we noted a convergence of insights, indicating that our recommendations could address a range of contexts and segments in the gig economy.

Our recommendations are as follows:

- **Segment gig workers into different groups based on their characteristics, then offer access to relevant products based on their goals and aspirations:** While gig workers are a growing and important segment, they are not monolithic. Using a cookie-cutter approach to designing and delivering financial services risks creating homogeneous offerings, which would limit the effectiveness of that approach and the benefits it can offer.
- **Tailor products and services to the nature of income in the gig economy and encourage positive financial behaviours:** Platforms, policymakers and financial institutions could explore messaging styles and behavioural nudges to encourage gig workers to cultivate positive financial behaviours. Platforms could explore pushing savings-related messages when gig workers receive their earnings, encourage them to save toward a goal that they value or, even, develop an automatic savings plan with financial institutions based on their income patterns. Similarly, financial tools and messages that encourage gig workers to spend within their means and plan for their financial futures could be made available on the gig platform, where gig workers access their jobs and are likely to spend most of their time.
- **Promote digital financial literacy, especially for those with low education levels:** The gig workforce includes low-skilled workers with a low level of educational attainment. Our study found that this group struggles the most to use digital financial services (DFS) and more sophisticated, but necessary, financial products, such as insurance. That finding suggests that this segment of workers needs tailored educational services that can improve their awareness, knowledge and confidence in using a range of financial services.
- **Develop public-private partnerships to unlock much-needed access to key services for gig workers:** During the early stages of the pandemic, Grab's partnership with the Malaysian government enabled the rollout of government aid to low-income gig workers in a timely and credible manner. Our study showed that gig workers with low education levels found it more challenging to access government support. To address this, partnerships could be created among platforms, financial institutions and government organizations, similar to the one between Grab and the Malaysian government that leveraged Grab's e-wallet, to help gig workers secure financial and other support in times of need.



Introduction

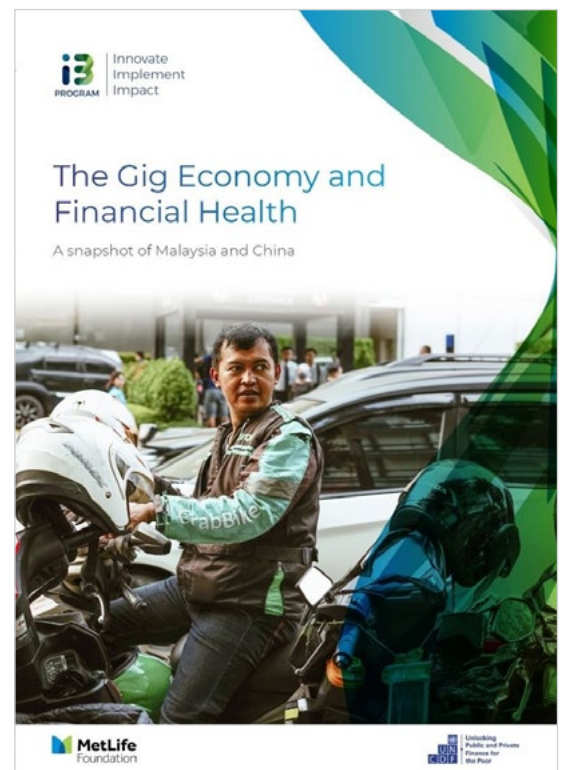
With the emergence of new technological business models, the rise of the gig economy—a labour market of sorts driven by platforms and apps—is inevitable. According to the McKinsey Global Institute, it will contribute \$ 2.7 trillion to the global economy by 2025. In Malaysia, 20.6 percent of the workforce conducts some form of self-employment or independent work, with gig workers making up 18.4 percent of this group.¹

A large segment of the gig economy is digitally powered by platforms and apps, with their use fuelled by the ubiquity of smartphones. People seeking flexible hours, high autonomy and options outside of traditional employment, often including people left out by the traditional labour economy, such as mothers caring for children and retirees who seek continued income, have benefitted from job and income opportunities that cater to their unique needs.

By bringing customers and drivers/businesses together, ride-hailing and delivery platforms have transformed how we access transport and food/products. They have also transformed the concept of livelihoods and job opportunities. Like traditional employment, gig work can be performed on a part-time or full-time basis. However, unlike traditional employment, each gig is usually performed at the discretion of the gig worker. In the ride-hailing/delivery industry in particular, these gigs are completed within minutes. Decisions regarding which gig to take and how many are the prerogative of the gig worker, allowing for flexible hours and control over one's schedules and clients in a way that would be inconceivable in traditional employment.

While gig work has its advantages, trade-offs exist. Since gig workers are not considered to be employees, they lack access to benefits and social security mechanisms that often accompany traditional jobs. Like other categories of informal workers, gig workers face similar challenges in accessing services including financial services, skills development and social support.

Grab, a super app providing everyday services, such as mobility, food, package and grocery delivery, mobile payments and financial services across eight countries in Southeast Asia, is a game-changer in the region's fast-growing digital economy. In 2012, Grab started as a tiny company that asked ambitious questions, including, "How can we create safer rides?," "How can we create good working conditions for drivers?," and "How can we make drivers' lives a little easier?" Today, Grab is Southeast Asia's largest



[Read more about the gig economy here.](#)

1. Harun, Nurfarahin, Ali, Noraliza Mohamad, and Khan, Nur Layali Mohd Ali. 'An Experimental Measure of Malaysia's Gig Workers Using Labour Force Survey'. 1 Jan. 2020: 969 – 977.

mobile technology company, connecting millions of consumers to millions of drivers, merchants and businesses. Grab is taking on the largest problems that affect the region, including access inequality, outdated infrastructure and income disparity.

Grab has revolutionized the creation of income and job opportunities for drivers and delivery partners, merchants, social sellers and agents on its platform. Across Southeast Asia, more than nine million micro-entrepreneurs have earned income using the Grab platform. Grab has more than 120,000 drivers and delivery partners in Malaysia, who are taking advantage of income opportunities. It has also continuously engaged its drivers and delivery partners through initiatives, including, notably, GrabBenefits, a comprehensive programme with benefits ranging from insurance coverage to upskilling opportunities.



Objectives and data

To gauge the financial health of gig workers, the United Nations Capital Development Fund (UNCDF) conducted a cross-sectional study, '[The Gig Economy and Financial Health: A Snapshot of Malaysia and China](#).' It includes aggregated findings from survey responses and qualitative interviews across five platforms in Malaysia and China, including Grab. The study team conducted a desk review of publications and government documents relevant to platform, sharing and gig economies worldwide, with a focus on Malaysia and China. Twenty interviews were held with experts on the sharing economy, gig economy and digital platforms in January and February 2020. These experts included policy advisors, academics, legal advisors and platforms, primarily from Malaysia and China, as well India, the UK and the US.

UNCDF launched a financial health survey among Grab drivers and delivery partners in Malaysia between July and August 2020 and received 14,089 responses. The survey sought to answer these questions:

1

Why do these partners choose the gig economy? What are their experiences in the gig economy?

2

What is their financial health status? What key financial behaviours do they demonstrate?

3

How do they navigate their finances? What products and channels do they use? What barriers do they face?

4

How has COVID-19 impacted them and how are they coping?

The survey comprised 37 questions divided into six categories: drivers' and delivery partners' profile; employment; financial health; financial behaviours; use of financial (and digital) products and services; and the impact of COVID-19, including access to and use of Bantuan Prihatin Nasional (BPN), the cash aid provided by the Malaysian government to B40 (bottom 40%) Malaysians under the Prihatin Rakyat Economic Stimulus Package (Prihatin) and National Economic Recovery Plan (Penjana). (Both address the economic impact of the COVID-19 pandemic.)

Note on financial health

The concept of financial health is not new. However, it has taken root only recently as an approach to designing and delivering financial interventions thanks to pioneering work by organizations such as the Financial Health Network, the Consumer Financial Protection Bureau and the Centre for Financial Inclusion.

By definition, financial health encompasses three important aspects of an individual's financial life: financial security, financial control and financial freedom. The following definition captures these three dimensions.

"The ability to meet one's ongoing commitments, now and in the future, and under adverse circumstances, feel in control of one's finances and the ability to meet one's financial goals and enjoy things one values."²

The first part of that definition – meeting one's commitments – is more objective in nature. It expresses a measure of an individual's financial security and refers to the ability to navigate daily life and the financial capacity to navigate one's future by securing it. It also includes the ability to respond to and recover from shocks, or financial resilience.

The second part – feeling in control and having the ability to meet goals – is more subjective. It indicates whether individuals feel in control of their finances. Their perceptions of their financial health may differ, regardless of their objective financial conditions.

The third part of the definition – the ability to enjoy things one values - emphasizes financial freedom or wiggle room and the ability to make discretionary purchases beyond meeting basic needs, such as food and shelter. Financial freedom is also subjective and may be considered as one step up from financial security; a freedom made possible by financial security and perceptions of financial control.

2. Drawing from work done by the Consumer Financial Protection Bureau, the Financial Health Network, Kempson et. al (2016 & 2017), Muir et. al (2018), Commonwealth Bank of Australia and the Melbourne Institute.



Survey findings

FINDING #1

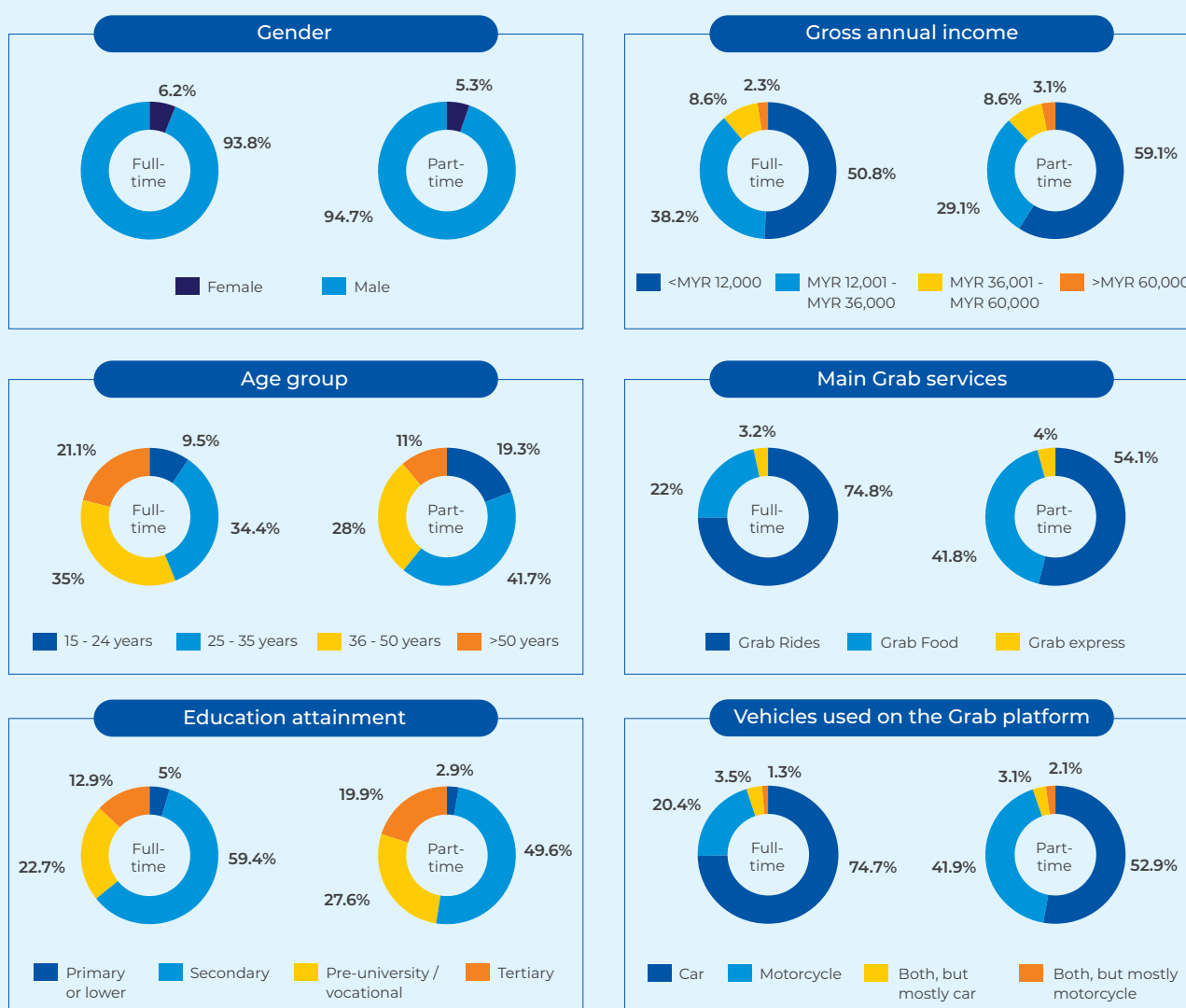
Most of the Grab drivers and delivery partners are attracted to Grab by the flexibility the platform offers, including in terms of work hours, and control over who one works with.



1. Who are Grab drivers and delivery partners in Malaysia?

Full-time versus part-time status: Of the survey respondents, 69.2 percent identified as full-time Grab drivers and delivery partners. However, because the survey was rolled out on Grab's app, the response rate among full-timers may be higher. Full-time or part-time status is associated with age and education: full-time Grab drivers and delivery partners tend to be older and are less likely to have completed tertiary education.

Figure 1: Characteristics of full-time and part-time Grab drivers and delivery partners



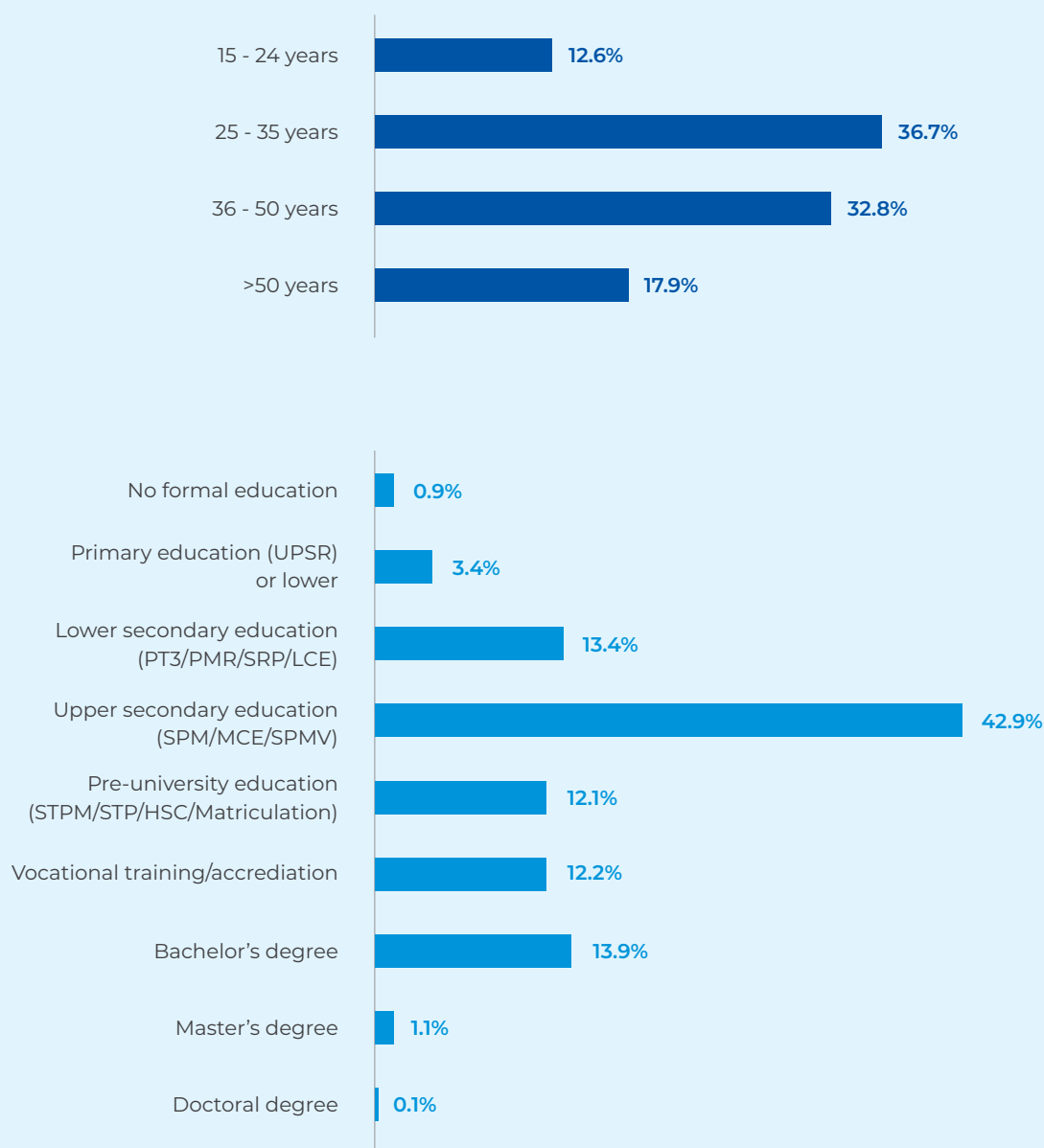
Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089)

Notes:

- 1) The survey questionnaire did not define 'full-time' and 'part-time.' However, we asked respondents to choose one of four options: whether they are full-time and Grab is their only income source; whether they are full-time and Grab is not their only income source; whether they are part-time and Grab is their only income source; and, whether they are part-time and Grab is not their only income source. Respondents who chose one of the first two options were classified as full-time, and those who chose one of the second two options as part-time. Full-time generally refers to 40 hours a week; anything less is classified as part-time.
- 2) Gross annual income includes income from all sources, including non-Grab sources.

Gender, age, and education: Weighted analysis revealed that 94.1 percent of Grab drivers and delivery partners are male. Slightly more than one-third (36.7 percent) are in the 25- to 35-year age range, while those above 35 years constitute 50.7 percent of the sample. Of the sample, 60.6 percent had completed up to secondary education, while 15.1 percent had completed tertiary education or higher.

Figure 2: Age and educational attainment of Grab drivers and delivery partners

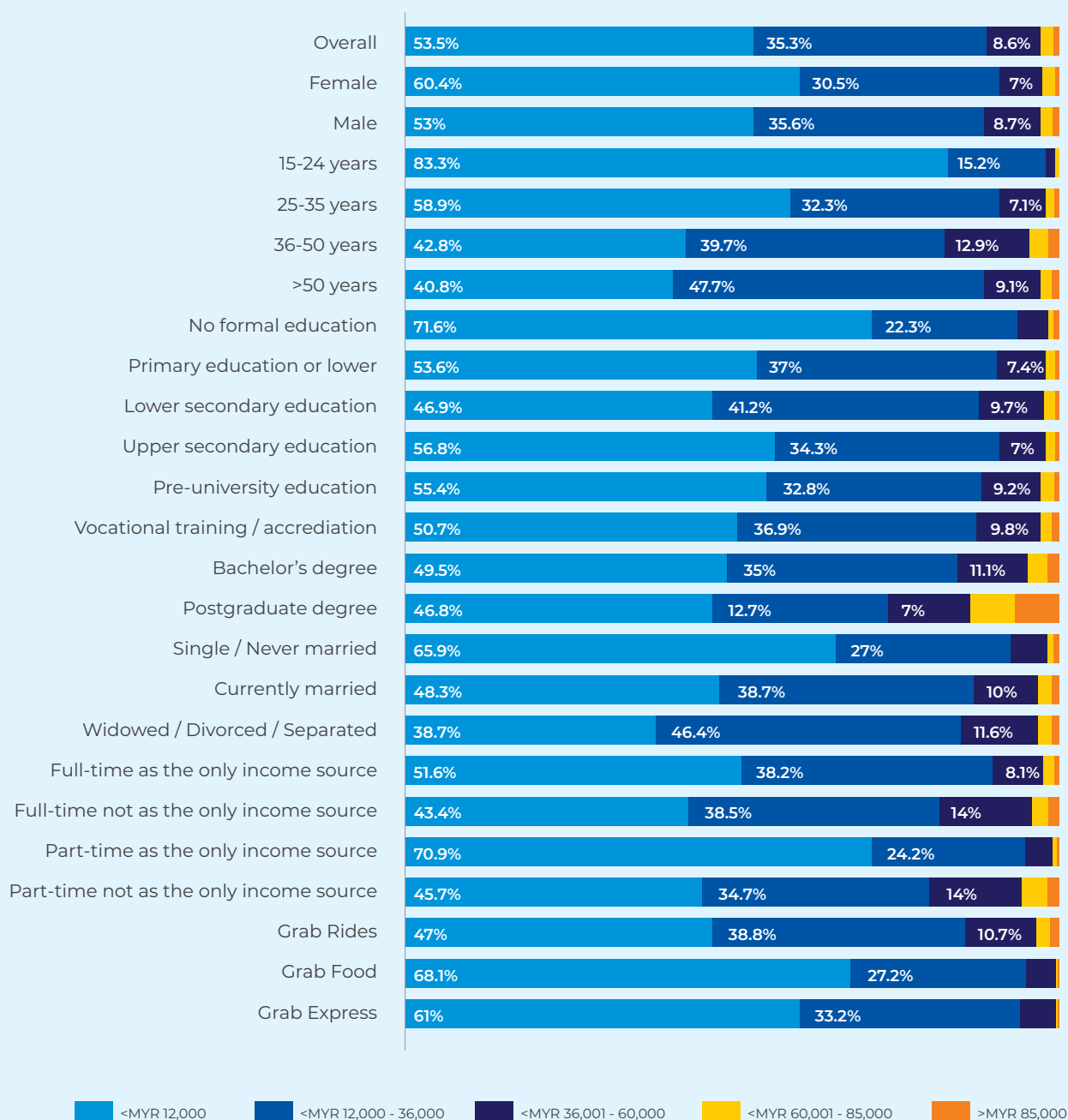


Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Income: The majority of Grab drivers and delivery partners (88.8 percent) earn less than MYR 36,000 annually. The opportunity to earn this income is essential for most of them. Age and educational attainment correlate with higher income, as those in the older age groups earn more than their younger counterparts; those with higher education levels also earn more compared to those with lower levels.

However, these factors can interact in complex ways. Age and education can also correlate with other factors, such as whether a driver or delivery partner is more likely to work full-time or part-time, and whether that person has other income sources. For example, full-time drivers and delivery partners are likelier to be older.

Figure 3: Gross annual income of Grab drivers and delivery partners



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Note: Gross annual income includes income from all sources, including non-Grab sources.

Participants in the gig economy can be broken down into distinct groupings. Our sample population included multiple groups, distinguished by specific characteristics, motivations and behaviours.

Tables 1 and 2 provide two examples.

Table 1: Grab partner sample group: Young Grab Food motorcycle drivers/delivery partners

Youth, 15-24 years; motorcycle users; more likely to be financially resilient and free.	
Why the gig economy?	<ul style="list-style-type: none"> • This age group participates in the gig economy (or Grab) to earn additional income.³
What financial behaviours do they demonstrate?	<ul style="list-style-type: none"> • They tend to work short hours, save more consistently (although their total savings are less than those of older survey respondents) and make more detailed financial plans. However, they do not necessarily spend within their means. • This group tends to save for a car or house, education and wedding expenses to a greater extent than other groups.⁴
What is their financial health status?	<ul style="list-style-type: none"> • Relative to others in the sample, they seem to be better able to meet their daily commitments and have adequate savings in case of emergency. • They also enjoy financial freedom, possibly due to their limited financial obligations, which allows them to pursue their dreams and goals.⁵
What (digital) financial services do they use?	<ul style="list-style-type: none"> • Most age groups, including this one, continue to prefer using cash. However, youth under 25 are more comfortable using digital services than the older respondents. • They use a limited range of financial products such as savings accounts and debit cards, followed by e-wallets, the EPF, and insurance.⁶
How has COVID-19 affected them? How did they cope?	<ul style="list-style-type: none"> • This group experienced the least impact from COVID-19 on their income or expenses. They were also the least anxious about COVID-19-induced financial changes. • They responded to COVID-19-induced changes by dipping into their savings. To a much more limited extent, they reduced their essential expenses and an even more limited number took out loans. • As COVID-19 recedes, their strategy is to take on more jobs, plan their finances more deliberately and save more money.

3. The survey used the age range of 15-24 years based on the United Nations' definition of youth. However, the minimum age to qualify as a Grab driver or delivery partner is 18 years.

4. This statement is inferred from responses to the survey question, "What do you save for?" Possible responses include essential expenses such as food, rent and utilities, retirement, future education, future health needs, paying off debt, purchasing a house or other asset, starting or expanding a business, wedding, pilgrimage and entertainment.

5. Financial freedom is measured by agreement with the statement, "My income allows me to do things I enjoy." This was drawn from the U.S. Consumer Financial Protection Bureau's 100-point financial wellbeing scale. The possible responses are: most of the time, sometimes, rarely and never.

6. This finding is based on responses to the question, "Which of the following financial products/social security schemes do you use? Select all that apply." Options listed include 11 financial products/social security schemes, presented in the following order: savings accounts, fixed deposits, investment products, loans, e-wallets, debit card, credit card, financial planning apps, insurance, EPFs and pension products. A free text field, "Other," allows respondents to specify financial products/social security schemes that they use.

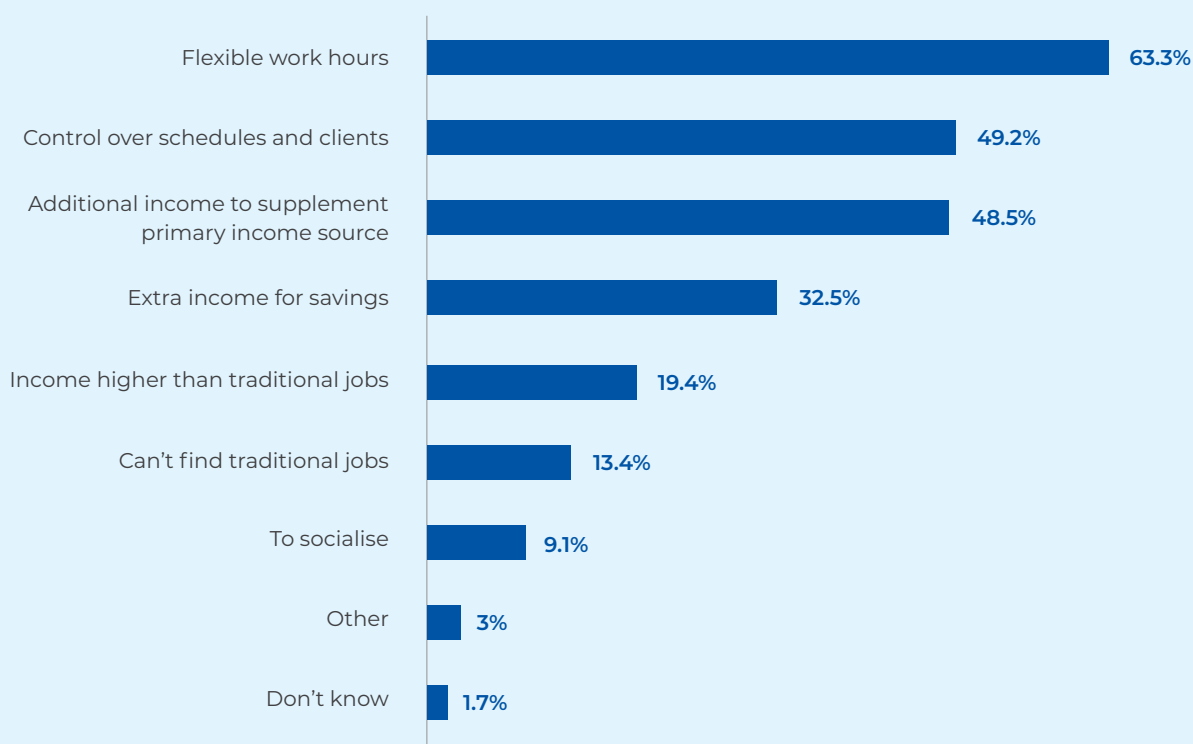
Table 2: Grab partner sample group: Full-time Grab drivers and delivery partners

Generally aged 35+, less likely to have completed tertiary education, more likely to use a car and use Grab Rides more than other Grab services	
Why the gig economy?	<ul style="list-style-type: none"> • This group chooses the gig economy (or Grab) for the flexibility it offers and control over which jobs they perform.
What financial behaviours do they demonstrate?	<ul style="list-style-type: none"> • They enjoy basic financial security and are getting by, but are less prepared to face a financial emergency.
What is their financial health status?	<ul style="list-style-type: none"> • 40 percent of this group spend within their means most of the time. • Saving is less consistent and most struggle to save regularly. Their savings are also low compared with the rest of the sample. • Their borrowing for essential expenses is higher than average. • The majority of this group does rough financial planning.
What (digital) financial services do they use?	<ul style="list-style-type: none"> • This group uses cash more and conducts phone-based transactions less than the average Grab driver and/or delivery partner. • They use a limited variety of financial products, such as savings accounts and debit cards, followed by e-wallets, the EPF and insurance.
How has COVID-19 affected them? How did they cope?	<ul style="list-style-type: none"> • They dipped into savings and cut back on both essential and non-essential expenses. • However, a higher proportion of this group borrowed from friends and family compared to their part-time and full-time counterparts with other income sources.

Why become a gig worker with Grab? Despite Grab drivers' and delivery partners' diverse profiles, they cite flexibility as the most valued feature. This includes flexibility in terms of working hours (63.6 percent) and control over who one works with (49.2 percent). Others are attracted by the possibility of earning additional income to supplement their primary income source (48.5 percent) or of making extra money to save for their financial future (32.5 percent). Only 13.4 percent chose Grab because of lack of traditional options, suggesting that these drivers and delivery partners made this decision out of need, rather than by choice.

Grab drivers and delivery partners report a range of personal reasons that shape their perceptions and choices regarding employment, allowing them to value the opportunities that Grab makes available to them. For instance, they choose Grab for reasons ranging from their own disabilities (and the flexibility that Grab offers) to the inability to find another job. Some want to spend more time with family members who have health problems. Others choose Grab because they cannot find employment as they enter their late 40s and 50s, but still have monthly bills to foot.

Figure 4: Main reasons for choosing flexible work (Grab)



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

In their own words



“



My spine is injured. I went for laser surgery a few years ago. I cannot carry heavy things. Whenever I carry heavy things, it will hurt so bad that I cannot even walk. Hence, I chose to drive Grab because it is more relaxing. If my back hurts, I can rest whenever I want.”

“我的脊椎骨受伤 几年前曾动过镭射手术 不能拿重物 只要拿重物 就会痛到不能走路 所以我选择驾Grab 因为比较轻松 如果腰痛 我就可以自行休息” (Chinese)

“



I am a single father with a 5-year-old child, and I need some quality time to take care of my child. This job offers me the flexibility to manage my own time, to earn an income and care for my child.”

“Saya bapa tunggal dan mempunyai anak kecil berusia 5 tahun, dan saya perlu masa yang berkualiti menjaga anak saya. Kerja ini memberi saya fleksibiliti untuk urus masa saya, untuk mencari rezeki dan menjaga anak.” (Malay)

“



[I chose Grab] because I was [retrenched] by my employer due to business income [that] decreased due to COVID-19. With my current age of 45 yrs [years], it is difficult to find new jobs. So [being a] Grab driver is one fast opportunity to get income and cover my family expenses.”

“

I lost my job and couldn't find any job, so I have to drive full time [with] Grab for my monthly expenses.”

“

Jobless since Feb 2019. Hard to get job at 54 years old.”

“



I'm currently a student [undertaking] a bachelor degree and need extra money to cover my expenses for my study.”

“



I'm a handicapped person, so working as a Grab driver is the only job I can do without worrying.”



Survey findings

FINDING #2

Regular savings, moderate spending and deliberate financial planning influence all financial health outcomes.



2. Financial health and financial behaviours

Regular savings, moderate spending and deliberate financial planning influence all financial health outcomes.

This study focused on the financial lives of Grab drivers and delivery partners; specifically, their financial health and behaviours. With regard to financial health, the survey posed questions addressing financial security, financial resilience and financial freedom. It also included respondents' subjective perceptions of their financial situation, which are grouped under the category of financial control. In terms of financial behaviours, the questions addressed planning, spending, saving and borrowing.

Figure 5: Dimensions of financial health:
financial security, financial control, and financial freedom

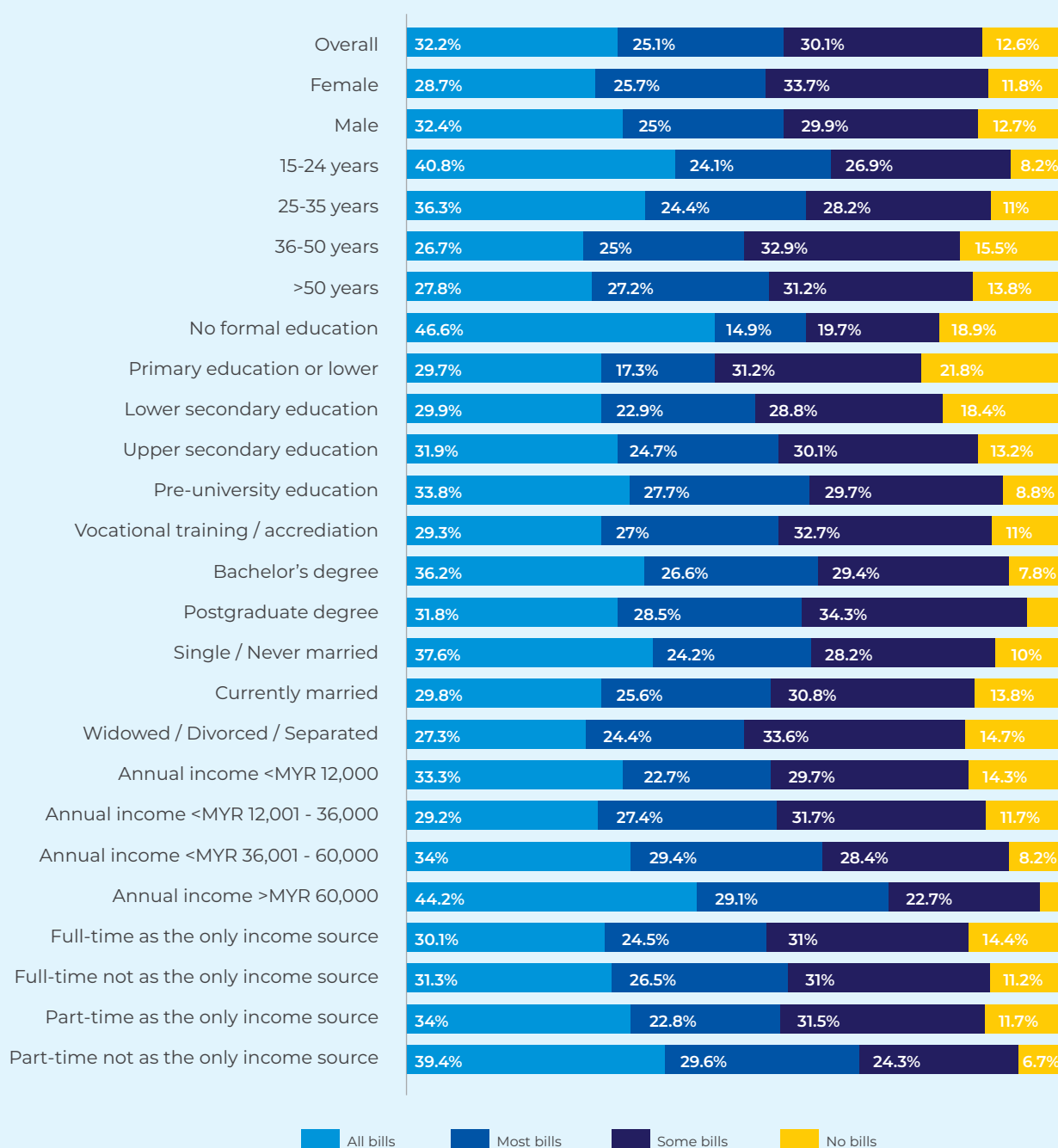


Financial security: Meeting ongoing commitments

Financial security depends on income level and stability, as well as positive financial behaviours; specifically, saving regularly, spending moderately and planning one's finances.

About one-third of Grab drivers and delivery partners can pay all of their bills and meet their credit commitments in full and on time. Their financial circumstances could help explain why they opted to take on gig work in the first place. Younger age groups, predominantly those between 15 and 24 years old, are better off. One explanation may be that they have fewer spending obligations, as they still are (largely) financially dependent on their respective family's household income. Unmarried and single individuals and higher-income earners also fare better on financial security.

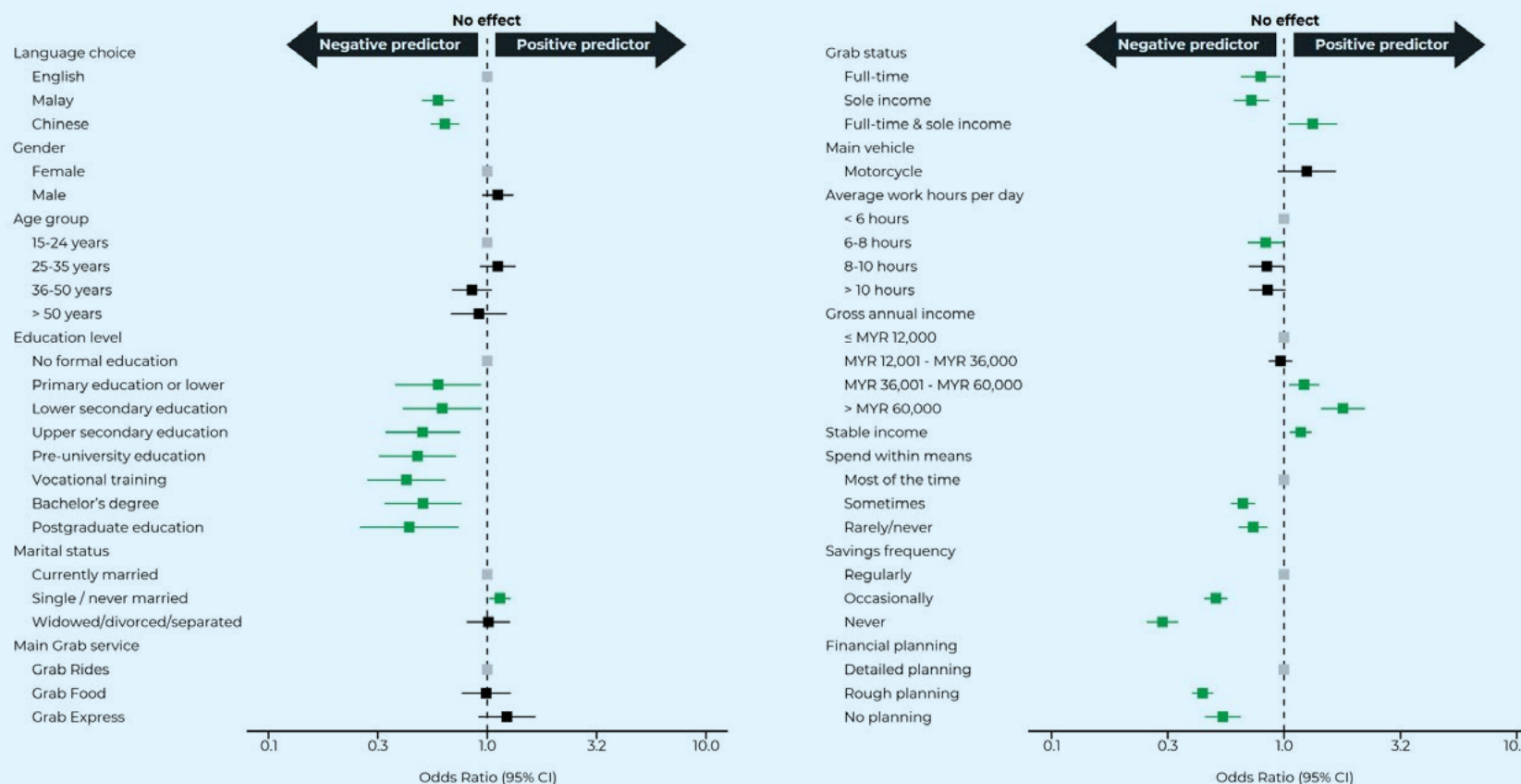
Figure 6: Ability of Grab drivers and delivery partners to pay bills on time and/or in full



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Significant predictors of the ability to meet ongoing bills and credit commitments include income above MYR 36,000 a year and income that does not vary much from month to month. Being unmarried and using a Grab motorcycle (typical among those in the 15- to 24-year age range) are also associated with financial security. On the other hand, lower financial security is related to the inability to spend within one's means, save regularly and plan one's finances deliberately.

Figure 7: Predictors of ability to always pay bills on time and in full



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Note: On this chart, positive predictors predict in the direction of outcome, i.e., the outcome (ability to always pay bills on time and in full) is more likely to occur. Conversely, negative predictors predict in the opposite direction, i.e., the outcome (ability to always pay bills on time and in full) is less likely to occur. Reference categories to which the predictors are compared are represented by grey squares on the dotted vertical line known as the “no effect” line. Green squares on either side of the “no effect” line indicate significant predictors, while black squares represent statistically insignificant ones. As this is a cross-sectional survey where temporal order could not be ascertained, reverse causality could not be ruled out (that is, prediction could go in either direction).

How does Grab promote financial security for its drivers and delivery partners?

On-the-road savings: Helping partners manage operational expenses is a key first step towards achieving financial security, as this allows them to better address the ongoing financial commitments and expenses associated with their work on Grab. Grab offers drivers and delivery partners opportunities to reduce expenses, such as fuel, by helping to negotiate special deals for them on the platform. Through Grab's partnership with petrol companies, Grab helps its partners earn BonusLink points (Shell), obtain fuel rebates (Petronas) and benefit from special rates on engine oil packages, such as with Liqui Moly, Celcom, and Castrol.

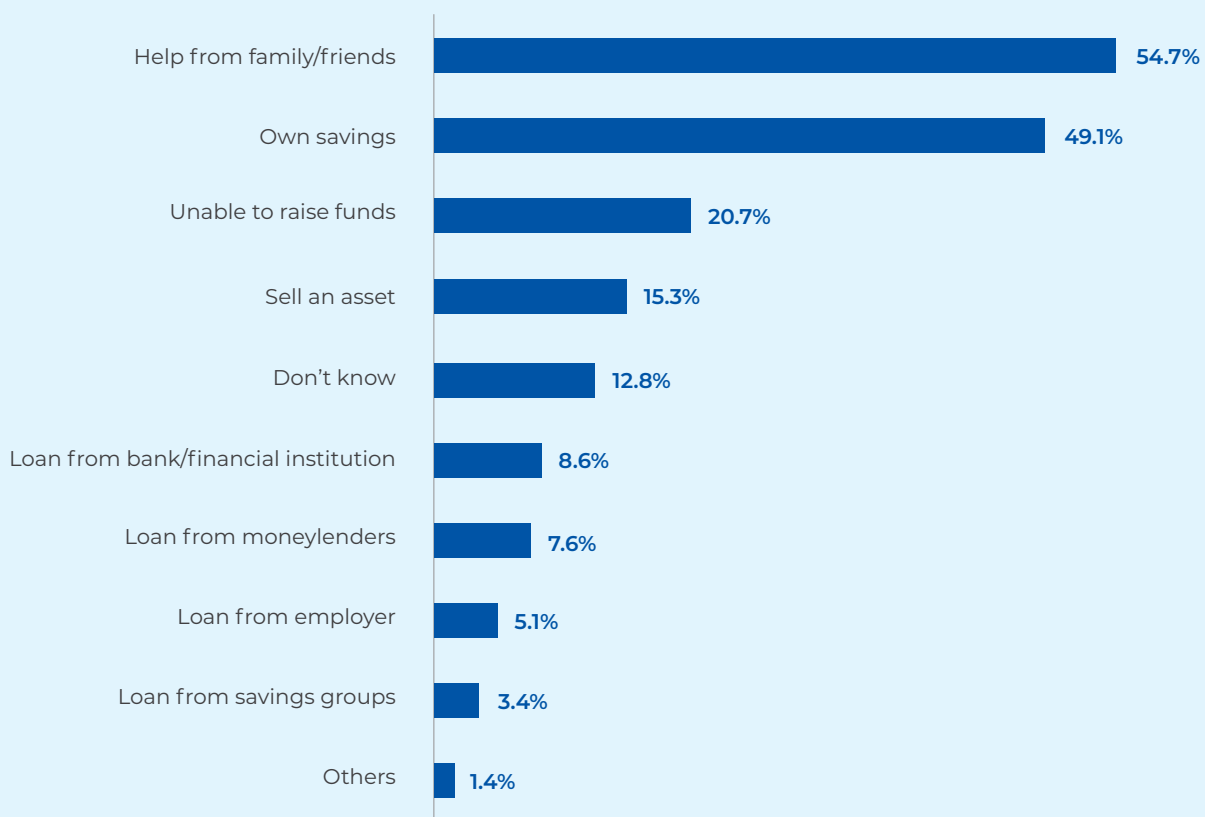


Financial resilience: The ability to weather a financial emergency of MYR 1,000

A range of factors influence financial resilience, including gender, income and age. However, lack of positive financial behaviours, such as deliberate planning, regular savings and moderate spending, can undermine financial resilience.

The survey asked Grab drivers and delivery partners if they would be able to raise MYR 1,000 in the event of a financial emergency. Of the respondents, 29.5 percent of drivers and delivery partners responded that they would not. Those who stated that they could identified personal savings and help from family and friends as popular sources.

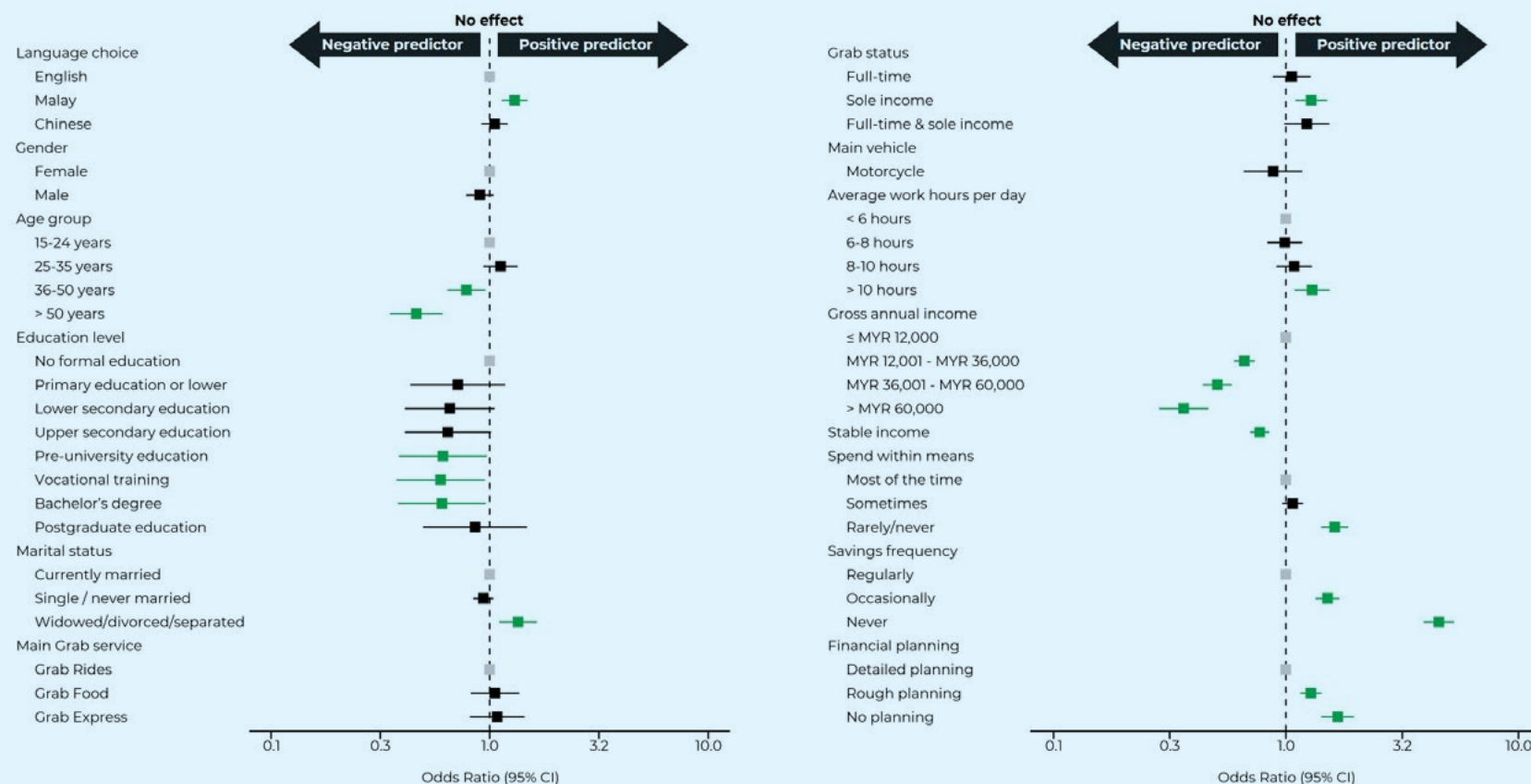
Figure 8: Source of emergency funds in the event of a MYR 1,000 financial emergency



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Many factors influence an individual's financial resilience. Our weighted statistical analysis shows that resilience is associated with being older than 35, earning an annual income above MYR 12,000 and having a stable income month-to-month. The factors that undermine an individual's financial resilience are the lack of the three financial behaviours referred to earlier. Having other income sources also increases an individual's resilience. This finding could be linked to Grab drivers' and delivery partners' personal characteristics, such as a sense of self-efficacy or a good income to begin with. For example, part-time/full-time Grab drivers and delivery partners with other income sources may demonstrate greater confidence in securing other jobs and expanding their horizons.

Figure 9: Predictors of inability to raise funds for a MYR 1,000 emergency



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Note: On this chart, positive predictors predict in the direction of outcome, i.e., the outcome (ability to always pay bills on time and in full) is more likely to occur. Conversely, negative predictors predict in the opposite direction, i.e., the outcome (ability to always pay bills on time and in full) is less likely to occur. Reference categories to which the predictors are compared are represented by grey squares on the dotted vertical line known as the "no effect" line. Green squares on either side of the "no effect" line indicate significant predictors, while black squares represent statistically insignificant ones. As this is a cross-sectional survey where temporal order could not be ascertained, reverse causality could not be ruled out (that is, prediction could go in either direction).

How does Grab help its drivers and delivery partners develop financial resilience?

GrabAcademy: Grab works with third-party partners to offer courses via GrabAcademy. Drivers and delivery partners can improve their skills and learn new ones, enabling them to access additional income opportunities and, consequently, improve their financial resilience. Courses address topics such as:

- Maintenance (to deal with vehicle breakdowns);
- Assisting an OKU/disabled passenger (to provide better service to OKU/disabled passengers);
- Financial literacy, provided by Standard Chartered (to help better manage their earnings and finances); and,
- GrabFinance education articles and tips (to equip Grab drivers and delivery partners with the appropriate knowledge to develop healthy saving habits for the future).

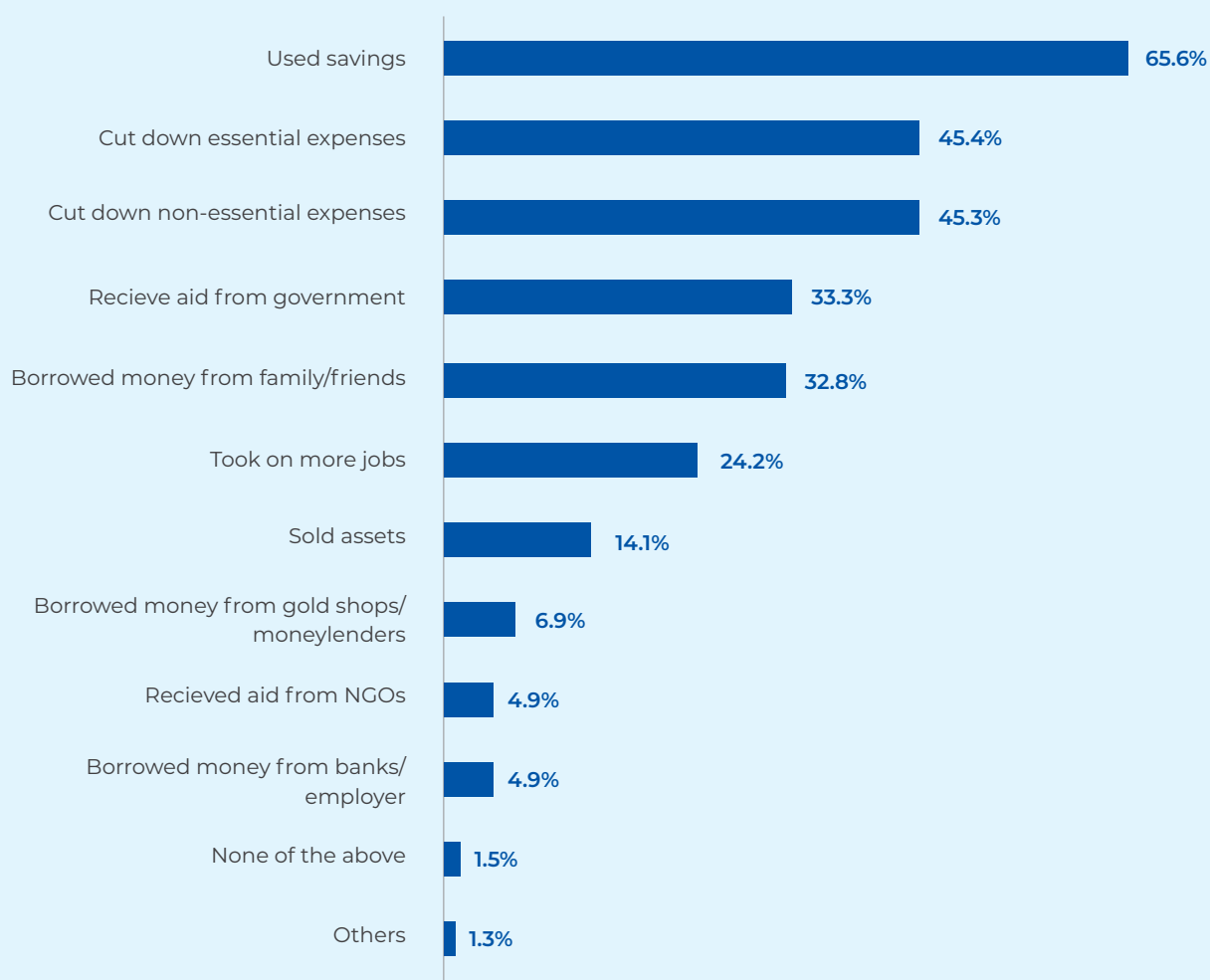


“Firstly, I want to say thank you to Grab for all[the] knowledge that I get, since I [started] working with Grab. Right now I get many idea[s] to improve myself and how to open a business and be [in] a Grab partnership. I hope that I will [achieve] what I want.”



Most Grab drivers and delivery partners demonstrated financial resilience during the COVID-19 pandemic. However, their coping mechanisms varied. The majority dipped into savings (65.6 percent) and/or pared down essential or non-essential expenses (around 45 percent each). A greater proportion of higher-income Grab drivers and delivery partners reduced expenses and a slightly lower proportion of the same group dipped into savings. The opposite percentages were observed with lower-income Grab drivers and delivery partners. Slightly more than one-third (36.5 percent) of them borrowed from outside sources (from family/friends, gold shops, moneylenders, banks or employers) and 14.1 percent had to sell assets.

Figure 10: How did Grab drivers and delivery partners respond to the financial impacts of the COVID-19 pandemic?



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Grab's COVID-19 response in Malaysia

To help its drivers and delivery partners cope with the financial shocks of COVID-19, Grab provided a broad range of benefits:

- **Livelihoods and health protection:**

- MYR 1,000 one-time payments to drivers and delivery partners who contracted COVID-19 while on the job;
- MYR 300 one-time payments to drivers and delivery partners who were quarantined due to exposure on the job;
- Helped deliver aid through the Malaysian government's stimulus package to more than 50,000 drivers via the driver e-wallet; and,
- GrabFood delivery services extended to 4-wheel drivers and delivery partners to ensure a continuing source of income during the Movement Control Order (MCO), providing a lifeline to about 100,000 drivers and delivery partners (prior to COVID-19, 4-wheel drivers could only transport passengers and goods under the GrabCar and GrabExpress services).

- **GrabBenefits:** With help from third-party partners, Grab secured items such as hand sanitizer, discounts at pharmacies, discounted check-ups at private clinics and discounted flu shots for drivers and delivery partners.

- **GrabFinance:** GrabFinance is part of Grab Financial Group, whose mission is to improve access to financial services by empowering individuals and small and medium enterprises (SMEs). Its wide ecosystem of services offers unique insight and understanding of its community and can provide access to flexible, affordable financial solutions. In response to COVID-19, GrabFinance provided assistance and access to all drivers and delivery partners tailored, responsibly and sustainably, to their needs. GrabFinance initiatives included:

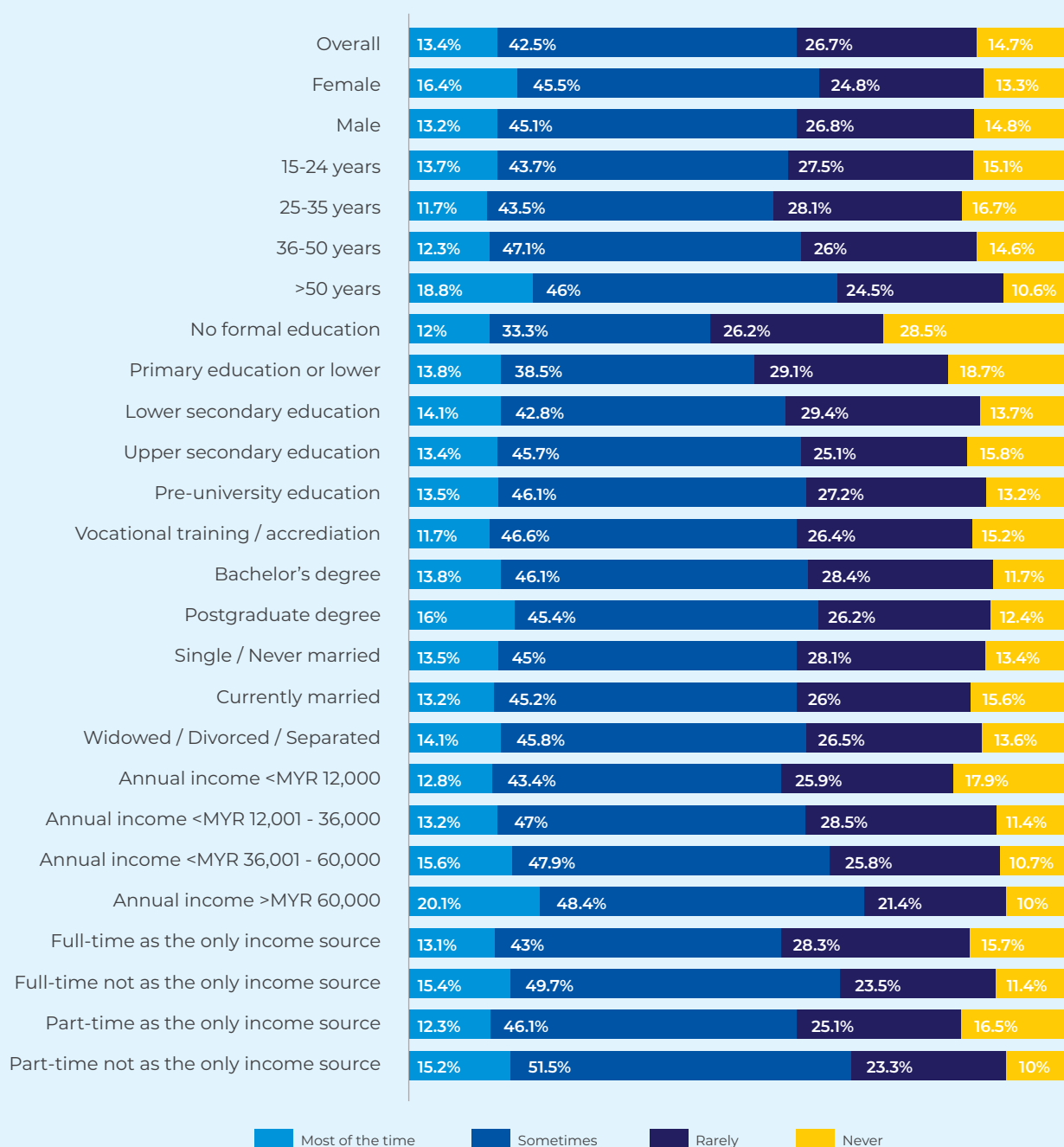
- Payment restructuring programme: Drivers and delivery partners who have been quarantined or diagnosed are eligible for this programme on a case-by-case basis;
- Partner Relief Fund: This fund provides active partners with vouchers worth up to MYR 300 to help cover daily household purchases, such as essential food and grocery items.

Meeting financial goals, enjoying life on one's own terms and feeling in control of one's finances

Financial freedom and control are linked to income and education. However, financial behaviours also play a role.

The survey asked Grab drivers and delivery partners to rate their ability to do things they enjoy with their income (financial freedom) and about their perception of control over their financial lives (financial control). Only 13.4 percent of Grab driver and delivery partners stated that they enjoy financial freedom most of the time. A higher proportion of those over 50 years and those with annual income above MYR 60,000 enjoy financial freedom.

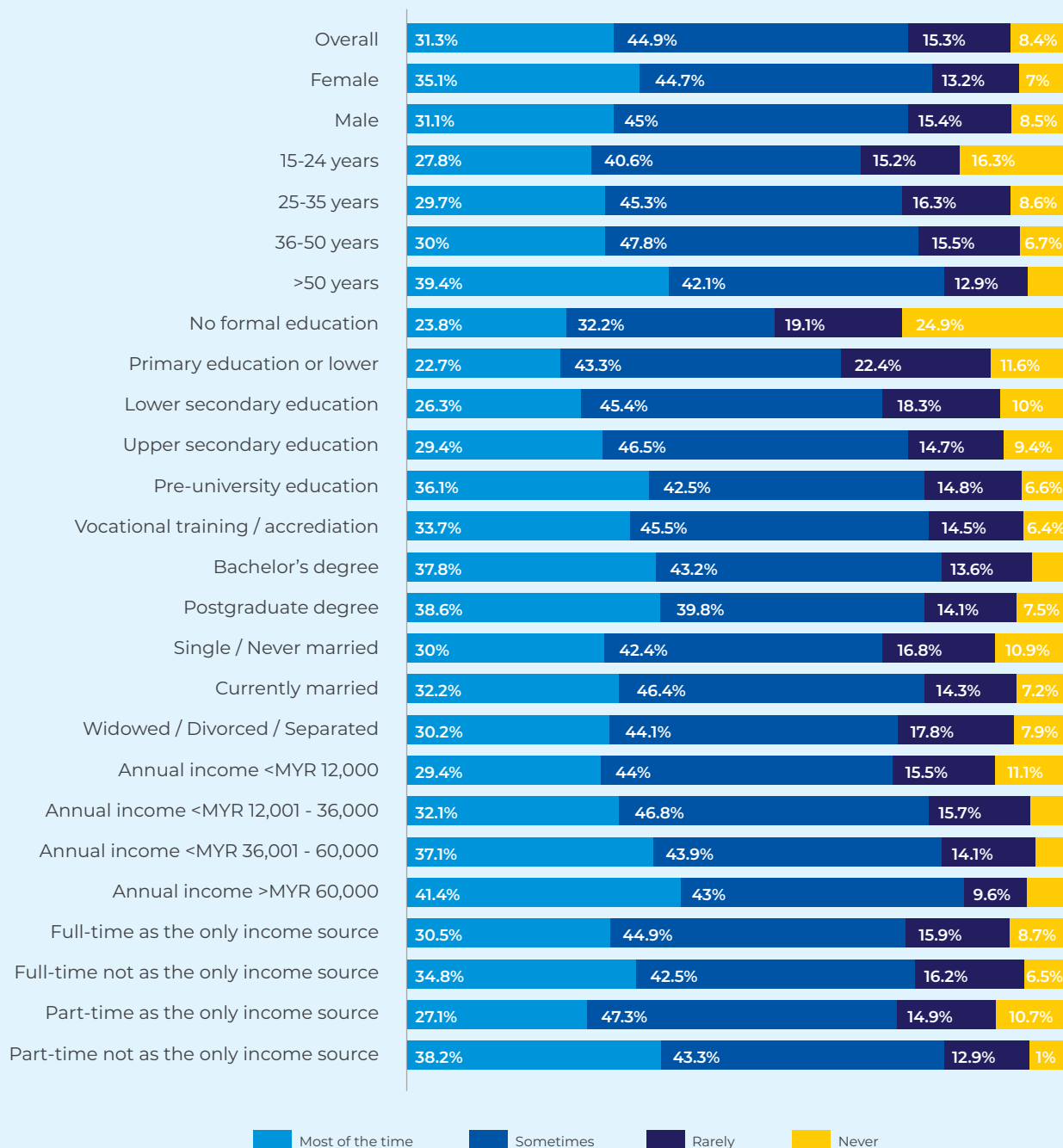
Figure 11: Responses to the statement, “My income allows me to do things I enjoy”



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

In terms of financial control, 31.3 percent of Grab drivers and delivery partners feel in control of their finances most of the time. Financial control is experienced most by those over 50. Income and education levels are also associated with financial control. The higher those levels, the higher one's sense of control. A higher proportion of those with income sources in addition to Grab feel in financial control most of the time.

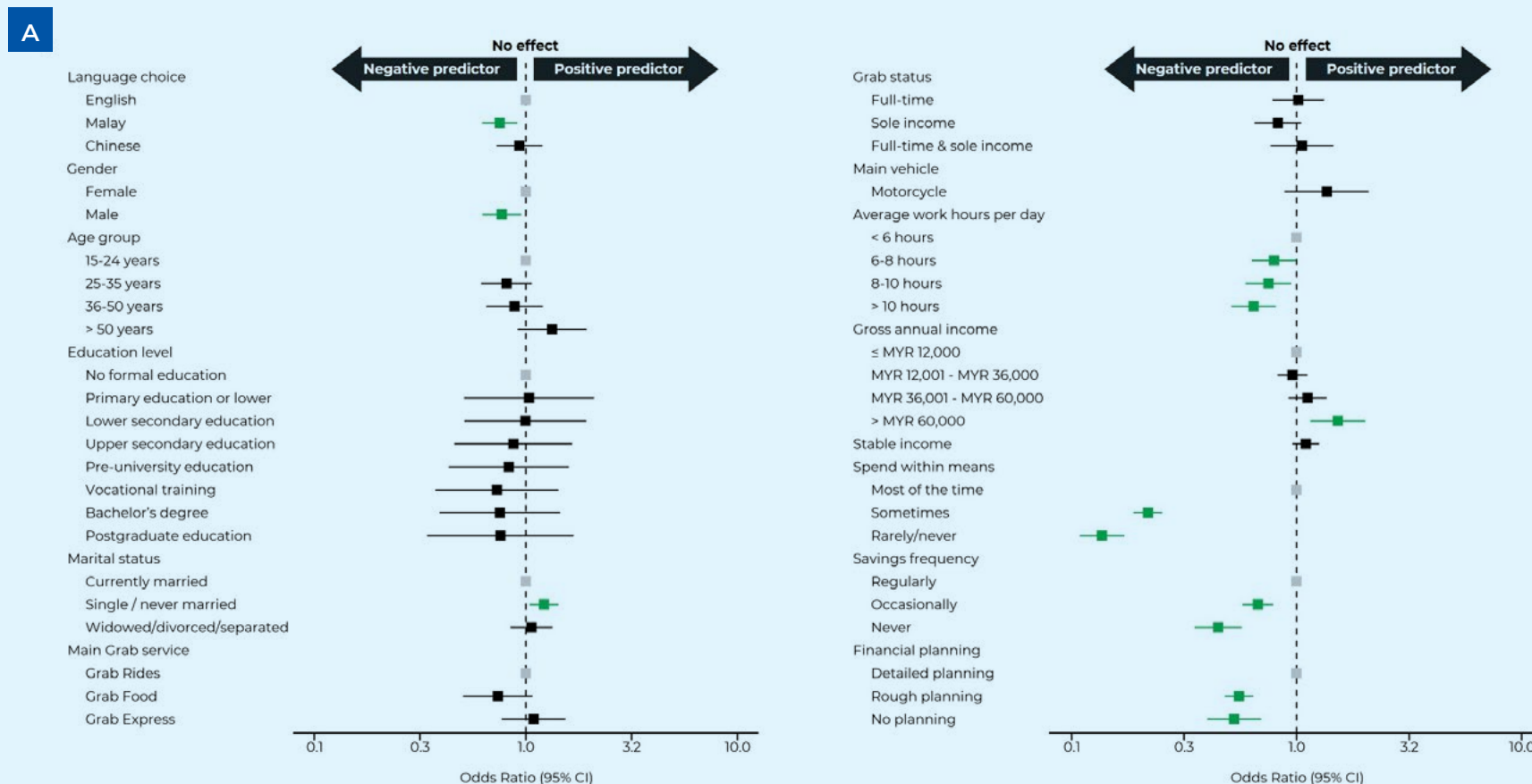
Figure 12: Responses to the statement, "I am in control of my finances"



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

The three financial behaviours referred to above emerged as prominent predictors of both financial freedom and financial control. Those who spend within their means most of the time, save frequently and engage in more deliberate financial planning enjoy financial freedom and feel in control of their financial lives most of the time, relative to those who do not.

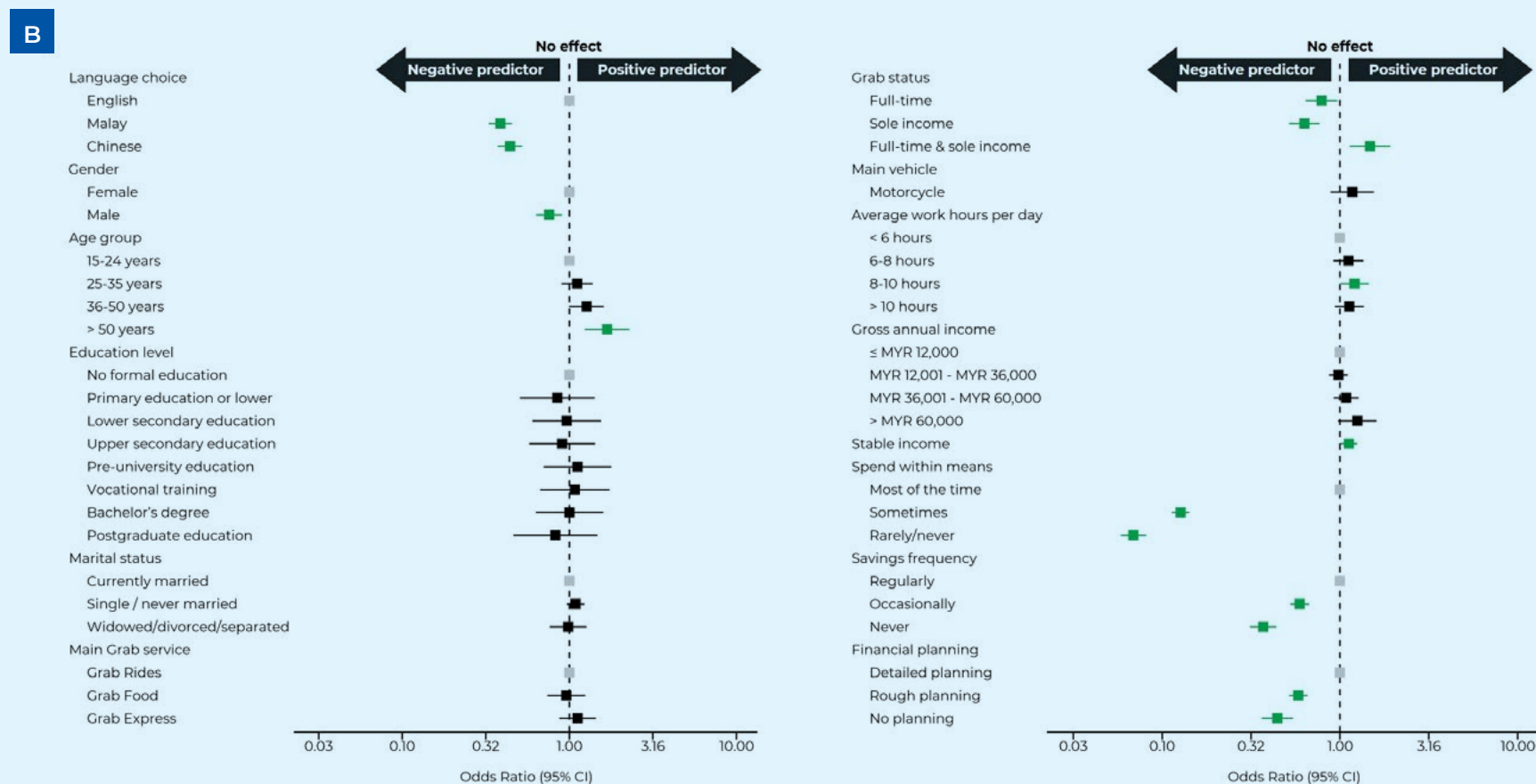
Figure 13: Predictors of financial freedom (A) and financial control (B)



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Note: On this chart, positive predictors predict in the direction of outcome, i.e., the outcome (ability to always pay bills on time and in full) is more likely to occur. Conversely, negative predictors predict in the opposite direction, i.e., the outcome (ability to always pay bills on time and in full) is less likely to occur. Reference categories to which the predictors are compared are represented by grey squares on the dotted vertical line known as the “no effect” line. Green squares on either side of the “no effect” line indicate significant predictors, while black squares represent statistically insignificant ones. As this is a cross-sectional survey where temporal order could not be ascertained, reverse causality could not be ruled out (that is, prediction could go in either direction).

Figure 13: Predictors of financial freedom (A) and financial control (B) (continued)



Note: On this chart, positive predictors predict in the direction of outcome, i.e., the outcome (ability to always pay bills on time and in full) is more likely to occur. Conversely, negative predictors predict in the opposite direction, i.e., the outcome (ability to always pay bills on time and in full) is less likely to occur. Reference categories to which the predictors are compared are represented by grey squares on the dotted vertical line known as the “no effect” line. Green squares on either side of the “no effect” line indicate significant predictors, while black squares represent statistically insignificant ones. As this is a cross-sectional survey where temporal order could not be ascertained, reverse causality could not be ruled out (that is, prediction could go in either direction).



Survey findings

FINDING #3

Spending moderately, practicing deliberate financial planning and saving regularly can improve financial health outcomes. Those who do not practice such financial behaviours are more likely to borrow.



3. Financial behaviours

Spending moderately, practicing deliberate financial planning and saving regularly can improve financial health outcomes. Those who do not practice such financial behaviours are more likely to borrow.

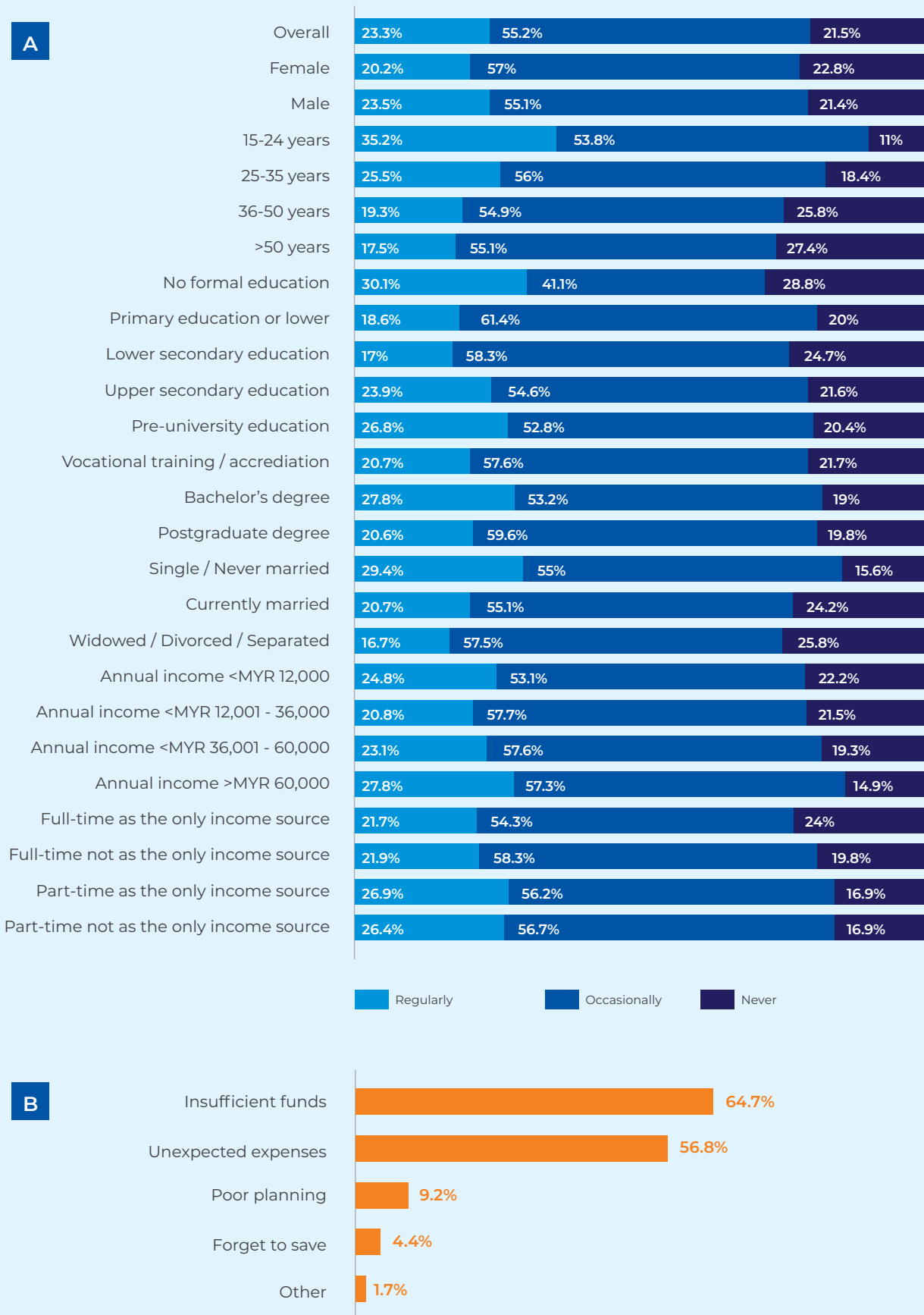
Saving

Only 23.3 percent of Grab drivers and delivery partners save regularly/frequently. Youth under 25 tend to save more regularly than their older counterparts, possibly because they have fewer spending commitments. The main barriers to saving among those who do not save include not having enough money to put any aside and facing sudden, unexpected expenses. These barriers were common, with slight variations, across all income groups, indicating that factors other than income are at play. Level of savings is also contingent upon a regular habit of saving, as well as the ability to spend moderately.

The majority of Grab drivers and delivery partners save to put aside money for emergency and essential expenses. Younger individuals, specifically those in the 15- to 24-year age range, also put money aside to build assets, such as a house or car, and toward wedding expenses. Saving for retirement becomes a priority as respondents age. A higher proportion of those over 50 years put aside money for retirement. Furthermore, a greater proportion of those with a higher income saved for retirement relative to their lower-income counterparts.

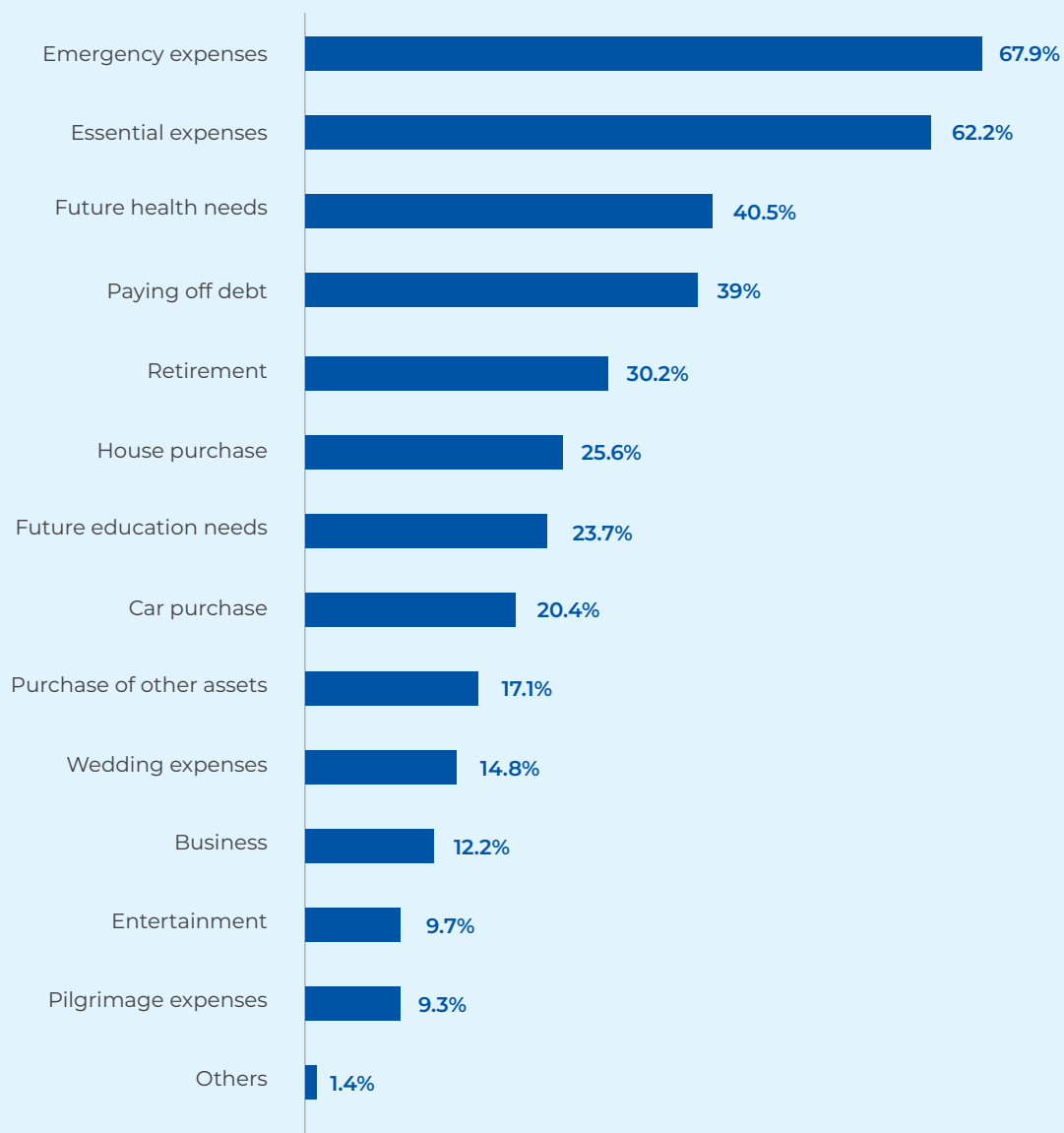


Figure 14: Savings behaviour among Grab drivers and delivery partners (A) and reasons for failing to save or to save regularly among those who do not exhibit those behaviours (B)



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Figure 15: Grab drivers' and delivery partners' reasons for saving



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

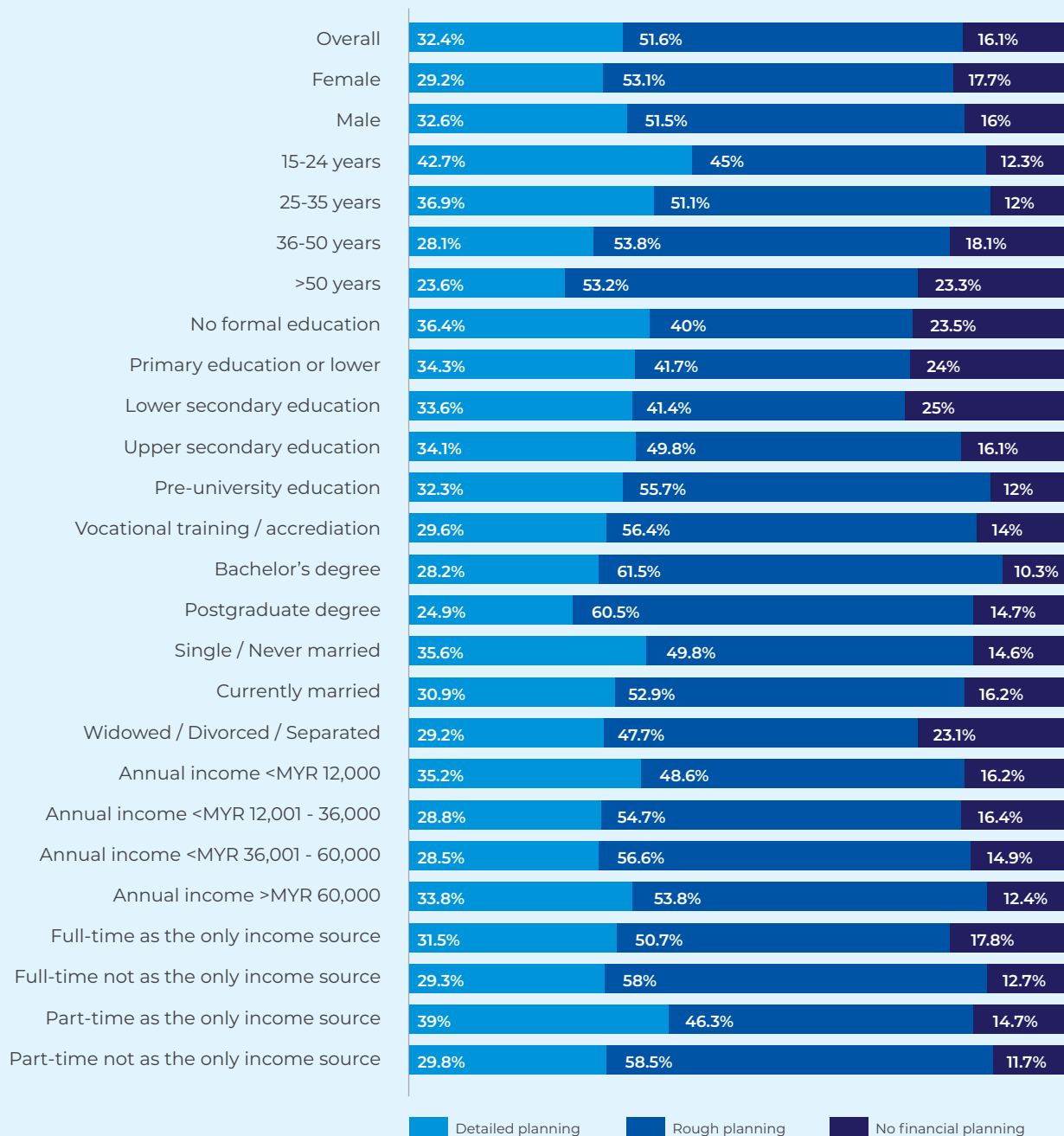
Spending and planning

A high proportion (84 percent) of Grab drivers and delivery partners plan their finances. However, rough planning is more prevalent than detailed planning. Only 32.4 percent conduct deliberate or detailed financial planning. Detailed planning is associated with educational attainment. The higher the respondent's level of education, the lower the level of detailed planning; those with lower education levels conduct more detailed planning. Although counterintuitive, this finding could mean that those with lower education levels feel more compelled to plan their finances lest things get out of hand, while those with higher levels of education take planning for granted.

Slightly more than one-third (37.4 percent) of Grab drivers and delivery partners spend within their means most of the time. Age and education correlate with moderate spending. The proportion of those who are able to spend within their means most of the time increases with age and education attainment.

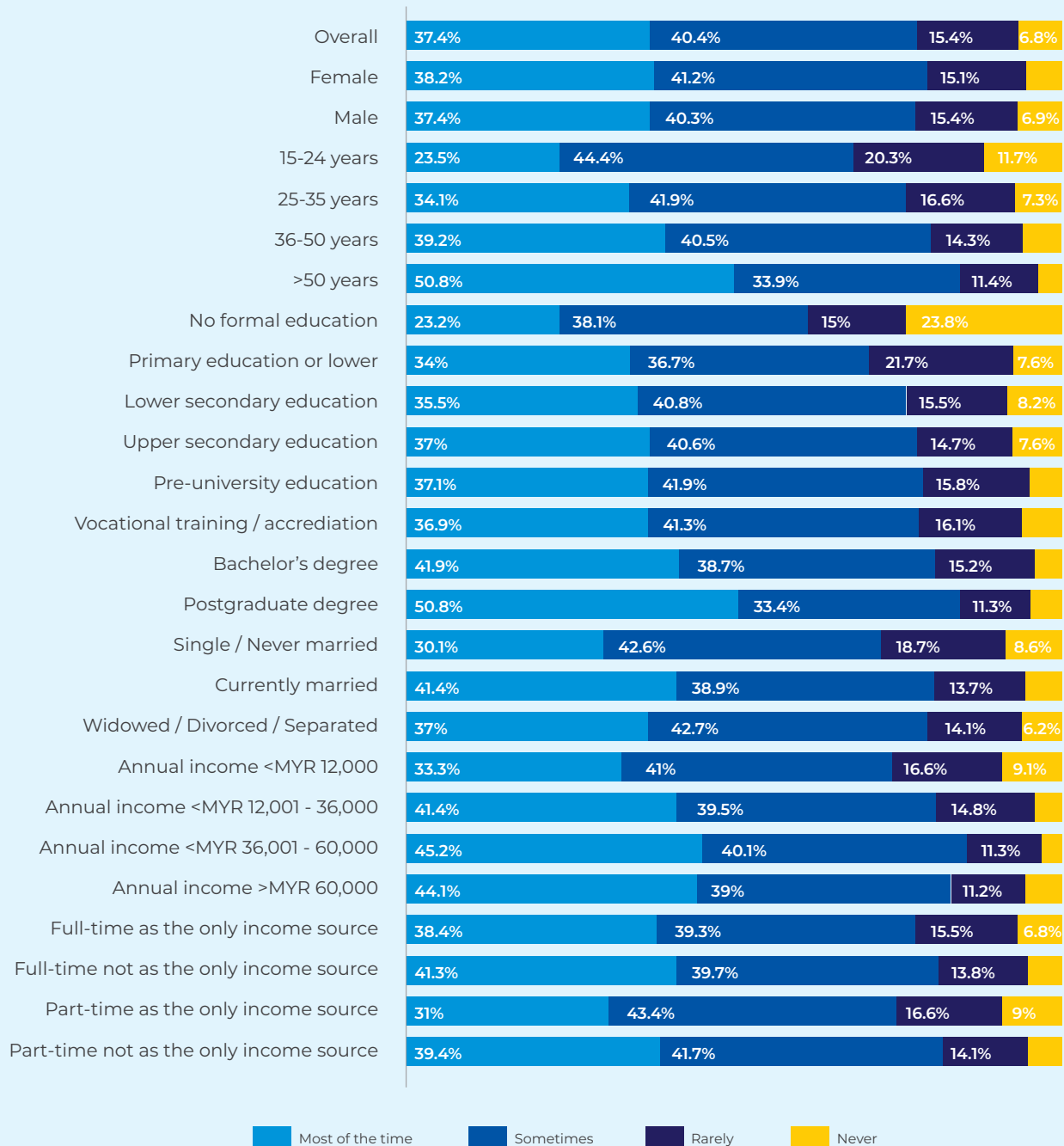


Figure 16: Financial planning among Grab drivers and delivery partners



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Figure 17: Responses to the statement, “I spend within my means”

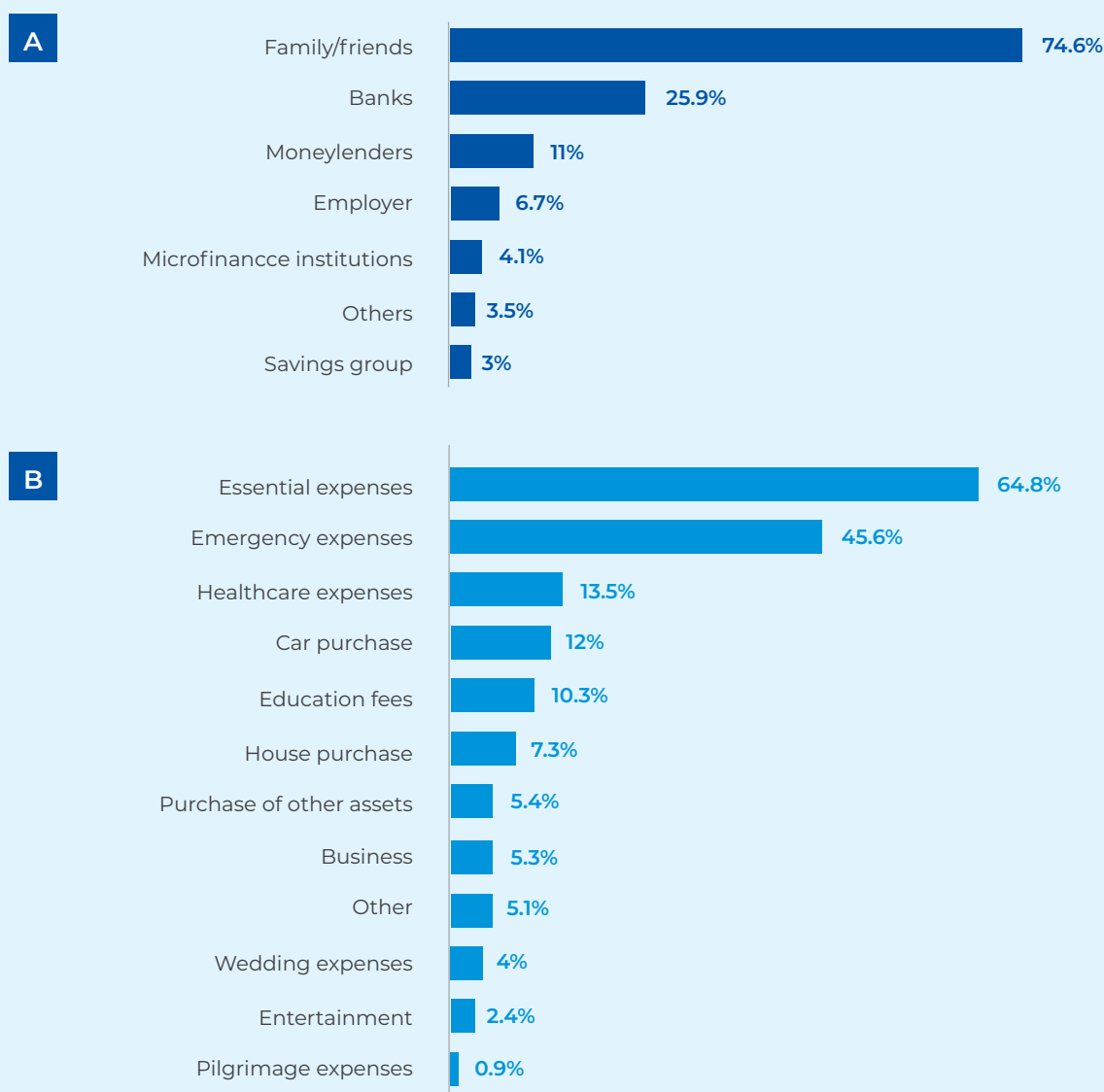


Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Borrowing

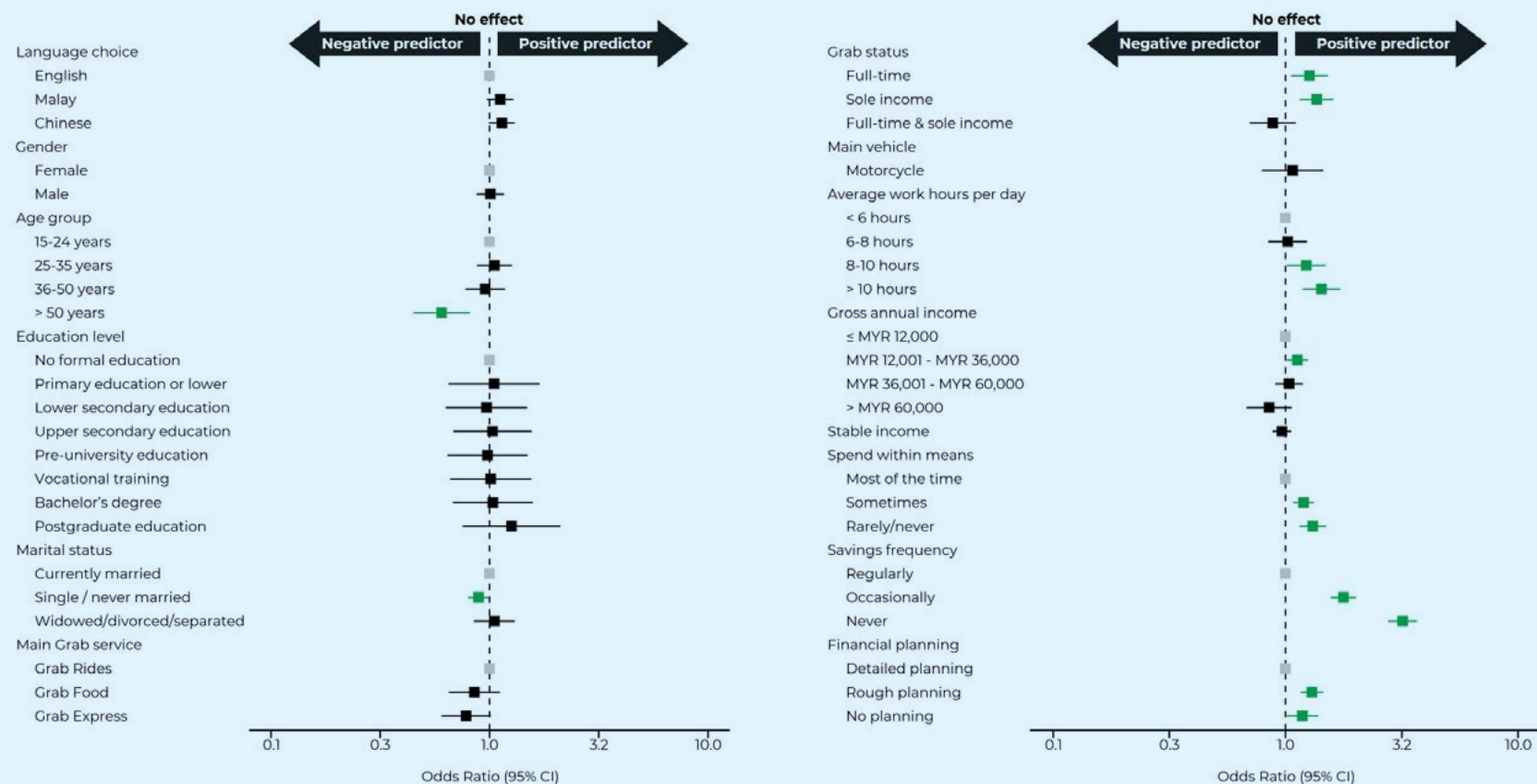
Close to half - 47.8 percent - of Grab drivers and delivery partners had borrowed in the last 12 months. Social capital is a key source in times of need for a majority of them. Nearly three-quarters of borrowers relied on family and friends, and only a quarter borrowed from banks. Those who depend on Grab as their sole income source were less likely to borrow from banks, compared to their counterparts with other income sources (23.5 percent vs. 35.9 percent, respectively). One possible explanation is that those without another job - presumably a traditional job that provides standard documents required for bank loans - were less able to demonstrate their employment history and earning information and, hence, less able to meet banks' lending requirements. Essential and emergency expenses are leading reasons for borrowing. Significant predictors of borrowing for essential expenses include the lack of the positive financial behaviours referred to earlier, individual income between MYR 12,000 and MYR 36,000 per year, and having no income sources other than Grab.

Figure 18: Sources of credit (A) and reasons for borrowing money (B) among Grab drivers and delivery partners who borrowed over the past 12 months



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Figure 19: Predictors of the need to borrow money for essential/emergency expenses



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).

Note: On this chart, positive predictors predict in the direction of outcome, i.e., the outcome (ability to always pay bills on time and in full) is more likely to occur. Conversely, negative predictors predict in the opposite direction, i.e., the outcome (ability to always pay bills on time and in full) is less likely to occur. Reference categories to which the predictors are compared are represented by grey squares on the dotted vertical line known as the “no effect” line. Green squares on either side of the “no effect” line indicate significant predictors, while black squares represent statistically insignificant ones. As this is a cross-sectional survey where temporal order could not be ascertained, reverse causality could not be ruled out (that is, prediction could go in either direction).

Government support for gig workers: ePrihatin fund disbursal

To help gig workers weather the economic impact of the COVID-19 pandemic, the government distributed aid as part of a stimulus package. Among Grab survey respondents who received this aid, those without higher education had the most difficulty in accessing Bantuan Prihatin Nasional (BPN) and withdrawing funds after being approved for the programme. This segment of gig workers would benefit from training on applying for and using aid, as well as services that are easy to access and through channels that are familiar to them.

Grab's government partnerships to support gig worker financial health

Disbursing financial stimulus: Earlier this year, Grab partnered with the Malaysian government to disburse financial aid of MYR 500 to MYR 50,000 to drivers and delivery partners under the PRIHATIN initiative. This digital distribution of funds through the GrabPay wallet allowed gig workers to receive aid efficiently, with no leakages, illustrating the potential of public-private collaboration to enable low-income segments to access key services.

Encouraging and facilitating contributions to national schemes: As part of its mission to empower its partners to save and grow, Grab has been actively encouraging and enabling them to register and participate in Social Security Organisation (SOCSO) schemes,⁷ the EPF⁸ and Zakat.⁹ Grab has been working closely with these agencies to design solutions making it easier for drivers and delivery partners to contribute to the schemes.

7. The Social Security Organisation (SOCSO) is a statutory body established under the Employees' Social Security Act 1969. Its main function is to provide social security protection to employees and their dependants through the Employment Injury Scheme (coverage for accidents or occupational diseases arising out of and in the course of employment), Invalidity Scheme (coverage to employees who suffer from invalidity or death due to any cause and not related to employment), and Employment Insurance System (EIS, coverage for loss of employment). In 2017, the Self-Employed Social Security Scheme (SESSS) was also introduced to provide social security protection to self-employed individuals in the informal sector, including e-hailing drivers.

8. The Employees Provident Fund (EPF) was established in 1951 to help the Malaysian workforce save for their retirement in accordance with the Employees Provident Fund Act 1991.

9. Zakat is an obligation in Islam for certain Muslims to make contributions to the less fortunate, based on a fixed proportion collected from surplus wealth and earnings. Malaysia is one of the countries where the zakat contribution is voluntarily paid to a zakat institution. Malaysians who pay zakat get tax rebates.



Survey findings

FINDING #4

Grab drivers and delivery partners are largely financially included, while a smaller proportion is financially engaged and a minority is financially vogue. The use of sophisticated financial products is more prevalent among the higher-income group. The use of DFS is also linked to higher income and tertiary education.



4. Financial products and services: access and usage

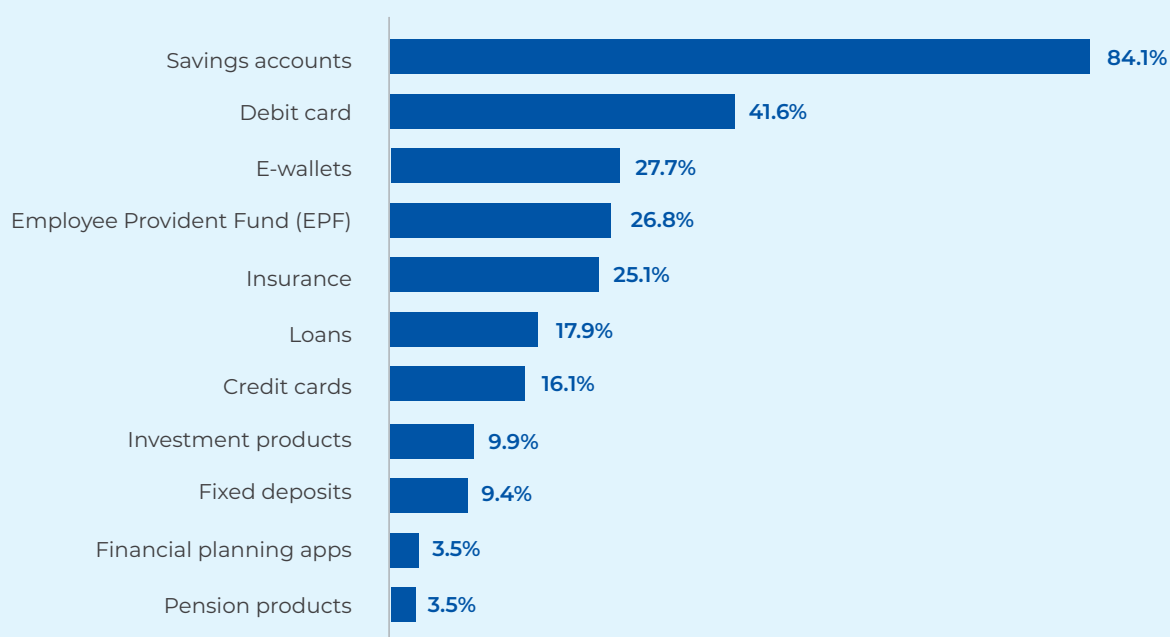
Grab drivers and delivery partners are largely financially included, while a smaller proportion is financially engaged and a minority is financially vogue. The use of sophisticated financial products is more prevalent among the higher-income group. The use of DFS is also linked to higher income and tertiary education.

Distinctions emerge with regard to the use of financial products. Most Grab drivers and delivery partners use savings accounts¹⁰ and a large majority use debit cards. A smaller proportion use other financial products and services, including insurance and the EPF. Women drivers and delivery partners are more likely to be financially engaged than their male counterparts, with higher usage rates of e-wallets, the EPF, insurance, loans and credit cards. Those under 50 are also more financially engaged than their older counterparts, although levels of financial engagement vary. For example, youth represent the highest proportion of e-wallet usage, and those between 25 and 50 years of age are most likely to possess insurance. However, the use of more sophisticated products such as investments is prevalent among higher-income group and those with a tertiary education.

Financially included	<p>Use first-level financial services such as savings accounts and debit cards.</p> <ul style="list-style-type: none">• Those with individual income below MYR 2,000/year, above 50 years of age and low levels of education tend to be <i>only</i> financially included.
Financially engaged	<p>Use a limited range of products beyond savings accounts and debit cards: notably, long-term savings instruments, EPF and e-wallets. Limited use of insurance, debt investment products.</p> <ul style="list-style-type: none">• Women are more financially engaged than men with higher rates of usage of e-wallets, EPF, insurance, loans and credit cards• Those under 50 are more financially engaged than their older counterparts, although levels of financial engagement vary. Youth (15-24) have the highest proportion of e-wallet usage among Grab partners.
Financially vogue	<p>Use a wide range of more sophisticated products such as investments, credit cards and insurance.</p> <ul style="list-style-type: none">• Those with income above MYR 36,000/year and those with a tertiary education are most likely to be financially vogue.

10. As of 2019, all Grab drivers and delivery partners are required to have a bank savings account to cash out their earnings.

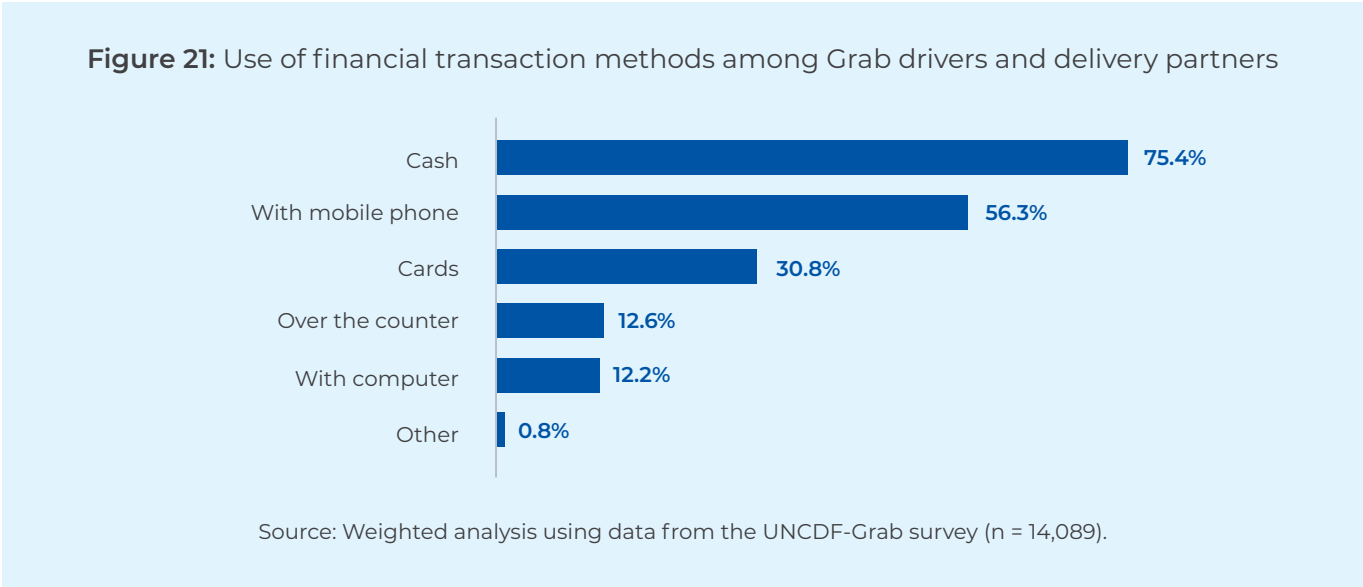
Figure 20: Use of financial products among Grab drivers and delivery partners



Source: Weighted analysis using data from the UNCDF-Grab survey (n = 14,089).



The use of DFS is mixed. Cash is still the preferred mode of transaction for 75.4 percent of Grab drivers and delivery partners. However, 56.3 percent conduct smartphone-based transactions. Those with incomes above MYR 60,000/year and those with a tertiary education are the highest adopters of DFS. Women and those ages 15 to 35 show a greater preference for DFS.



Digitally inclined	<p>Comfortable using digital methods to conduct financial transactions.</p> <ul style="list-style-type: none">• About half of drivers and delivery partners are digitally inclined.• Those under 50 years of age, with higher education levels and income over MYR 6,000/year are the most digitally inclined.
Digitally disinclined	<p>Not comfortable with DFS because they do not trust them.</p> <ul style="list-style-type: none">• 22.3 percent of drivers and delivery partners stated that they do not trust DFS.• Older age, low income and low education levels are associated with a distrust of DFS.
Digitally challenged	<p>Not comfortable with DFS because they do not know how to use them.</p> <ul style="list-style-type: none">• 41.6 percent of drivers and delivery partners stated that they do not know how to use DFS but are willing to learn.• The same individuals do not trust DFS stated that they do not know how to use DFS, demonstrating that much of the distrust is fuelled by lack of knowledge about how to use them.

Grab Financial Services

Grab offers a range of financial products and services tailored to its drivers and delivery partners and designed to be compatible with their earning patterns.

GrabInsure

Personal accident insurance: Grab provides complimentary personal accident insurance for all drivers and delivery partners when they take on a transport or delivery job via the Grab platform. They are reimbursed for their medical expenses in the event of injuries and their beneficiaries receive a lump sum payment in the event of accidental death. Drivers and delivery partners may top-up the premium for additional coverage and protection beyond work and to extend the insurance protection to their families, with premiums as low as MYR 5.50 per month. Sign-up is simple and convenient and can be completed within minutes on the Grab app.

Micro-insurance - Grab Daily e-Hailing Insurance: Grab launched Grab Daily Insurance in 2019, a usage-based motor insurance for drivers and delivery partners in Malaysia. This product allows them to pay for daily insurance only when they are online and driving with Grab, with premiums starting as low as MYR 1/day. This pay-per-use insurance is more affordable and accessible to gig workers. All Grab drivers and delivery partners in Malaysia have enrolled for this product.

Micro-insurance - Critical Illness plan: In 2019, Grab partnered with NTUC Income, an insurance co-operative in Singapore, to launch Southeast Asia's first micro-insurance plan, a pay-per-trip critical illness micro-insurance plan for drivers and delivery partners in Singapore. Drivers and delivery partners pay premiums as low as \$ 0.10/per trip completed for a fixed amount of insurance. As there is no minimum daily trip requirement, they can work anytime and remain protected by accumulated coverage on an ongoing basis, even if they choose to take a break from driving.

GrabFinance

In Indonesia, Grab offers low-cost credit facilities to its drivers and delivery partners. Drivers and delivery partners can register for loans of up to IDR 5,000,000 with affordable interest rates and a loan period of 24 months. Payment requirements were waived during the first three months of the pandemic. In addition, to simplify the process, loan payments are now made daily via direct deduction from the partner's digital wallet. By opening a BRITAMA account for their loan, driver partners will also receive personal accident insurance of 250 percent of the balance value or maximum coverage of IDR 150,000,000.¹¹ In the initial phase, 1,000 Grab drivers and delivery partners in Jakarta, Bogor, Depok, Tangerang and Bekasi will be able to access this low-interest loan facility.

11. BRITAMA is a savings product provided by Bank BRI that comes with an embedded insurance policy.

In Malaysia, Grab is taking small steps to offer solutions to meet the varied financial needs of its drivers and delivery partners. This includes offering a customized short-term micro-loan of up to MYR 3,000 through Hong Leong Bank (HLB). These loans are affordable and, most importantly, are designed to balance inadequate cash flows due to the pandemic. Repayments are made through daily deductions from the partner's wallet.

In addition to helping its community gain greater access to services tailored to their needs, Grab has also made smartphone, grocery and fuel card purchases available based on a zero-interest instalment plan. The daily repayment options solution, as low as <MYR 3 daily, was developed to help drivers and delivery partners manage their cash flow.

GrabInvest

In Singapore, Grab has launched its first micro-investment solution, AutoInvest. It allows users in Singapore to micro-invest in low-risk funds through Grab services from as low as \$ 1. The product will be tailored to be more compatible with the needs of drivers and delivery partners and will be rolled out in other countries.



GrabFood
Crave it? Grab it.

Recommendations

Based on our research findings, we have developed four key recommendations for platforms, financial institutions and policymakers to provide access to relevant financial services to Malaysia's gig worker segment. These recommendations are based on data from a specific sample, but they apply to a variety of contexts involving gig workers. Our larger publication, "[The Gig Economy and Financial Health: A Snapshot of Malaysia and China](#)," which consolidates findings across four platforms in Malaysia, noted a convergence of insights, indicating the broader relevance of our recommendations.

- 1. Group gig workers based on their characteristics and offer access to relevant products based on workers' goals and aspirations:** While gig workers are a growing and important segment, they are not monolithic. Using a cookie-cutter approach to design and deliver financial services risks creating homogeneous offerings, which would limit the effectiveness of such an approach and the benefits it can offer. Our research makes clear that this risk must be avoided as the Grab platform alone boasts a diversity of drivers and delivery partners groups, varying by age, gender, income and education levels. These distinct profiles must be taken into account to offer the most relevant services to gig workers. For example, youth (15-24 years) on the Grab platform typically use motorcycles and perform GrabFood deliveries. They tend to use specific financial services, notably e-wallets, and their financial goals include saving for big ticket items, such as a house and/or wedding. These distinct priorities and preferences should inform the design of tailored services for this segment. For example, Grab could explore offering youth access to micro-investments or micro-savings products that could help them save toward their financial goals, using e-wallets as a channel. This approach helps reach young customers with access to products most relevant to them in ways that are most familiar.
- 2. Tailor products and services to the nature of income in the gig economy and encourage positive financial behaviours:** Our study reveals that positive financial behaviours - primarily moderate spending, regular savings and deliberate financial planning - could lead to positive financial health outcomes among gig workers. While factors such as income and age play a supplemental role, these behaviours create positive effects across income and age groups. Platforms, policymakers and financial institutions could explore messaging styles and behavioural nudges to encourage gig workers to cultivate positive financial behaviours. For example, a separate UNCDF study conducted with the partners GoGet and Pod¹² in Malaysia found that saving immediately after receiving one's weekly earnings/pay check and saving toward a goal enabled a regular savings habit. Platforms could explore pushing savings-related messages at the moment when gig workers receive their earnings or encourage them to save toward a goal that they value, or even develop an automatic savings plan with financial institutions around their income patterns. Similarly, financial tools and messages that encourage gig workers to spend within their means and plan for their financial future could be made available on the gig platform, where gig workers access their jobs and are likely to spend most of their time. Another example would be to tailor

12. GoGet is a workforce technology platform and Pod is a micro-savings app

products that are compatible with gig workers' income patterns. In that context, microproducts tend to be more accessible and relevant to gig workers, as they receive their earnings in smaller instalments and more frequent intervals than monthly credits.

- 3. Build digital financial literacy, especially for those with low education levels:** Our study found that low-skilled gig workers with low education levels struggle the most to use digital financial services and more sophisticated, but necessary, financial products, such as insurance. This segment also had the most difficulty in accessing the government-provided cash aid, Bantuan Prihatin Nasional (BPN), and withdrawing funds after being approved for BPN. This suggests that this segment of gig workers needs tailored educational services that can improve their awareness, knowledge and confidence in using a range of financial services.
- 4. Create public-private partnerships that could unlock much needed access to key services for gig workers:** During the early stages of the pandemic, Grab's partnership with the Malaysian government enabled the rollout of government aid to low-income gig workers in a timely and credible manner. Our study showed that gig workers with low education levels found it more challenging to access government support. However, the use of Grab's platform, combined with educational services, could enable seamless access to and use of government aid. Similar partnerships among platforms, financial institutions and government organizations could provide important assistance in helping gig workers secure financial and other support in times of need.



Conclusion

This report was intended to provide insights and recommendations to platforms, financial service providers and policymakers regarding the financial health status of and challenges faced by gig workers. Gig workers choose the gig economy for its flexibility and independence, yet face financial challenges both in adopting positive financial behaviours and using financial services, including digital. To provide gig workers with the most relevant and accessible services, the financial sector must appreciate the diversity of this segment, tailor its service offerings accordingly, and adapt its products and services to the nature of labour and income in the gig economy. Grab, a super app providing a range of income and financial opportunities, provides a fitting case study for those looking to help gig workers lead well-rounded financial lives. We hope that the lessons from this report prove valuable for all stakeholders in understanding and working towards the financial health of gig workers.



The UN Capital Development Fund offers “last mile” finance models that unlock the public and private resources, especially at the domestic level, to reduce poverty and support local economic development.

UNCDF's financing models work through three channels: (1) inclusive digital economies, which connects individuals, households, and small businesses with financial ecosystems that catalyze participation in the local economy, and provide tools to climb out of poverty and manage financial lives; (2) local development finance, which capacitates localities through fiscal decentralization, innovative municipal finance, and structured project finance to drive local economic expansion and sustainable development; and (3) investment finance, which provides catalytic financial structuring, de-risking, and capital deployment to drive SDG impact and domestic resource mobilization.



At MetLife Foundation, we are committed to expanding opportunities for low- and moderate-income people around the world. We partner with nonprofit organizations and social enterprises to create financial health solutions and build stronger communities, while engaging MetLife employee volunteers to help drive impact. MetLife Foundation was established in 1976 to continue MetLife's long tradition of corporate contributions and community involvement. From its founding through the end of 2020, MetLife Foundation provided more than \$900 million in grants and \$87 million in program-related investments to make a positive impact in the communities where MetLife operates. Our financial health work has reached more than 13.4 million low- and moderate-income individuals in 42 countries. To learn more about MetLife Foundation, visit [metlife.org](https://www.metlife.org).



Grab is the leading superapp platform in Southeast Asia, providing everyday services that matter to consumers. Today, the Grab app has been downloaded onto over 214 million mobile devices, giving users access to millions of drivers, merchants, and agents. Grab offers a wide range of on-demand services in the region, including mobility, food, package and grocery delivery services, mobile payments, and financial services across 398 cities in eight countries. (www.grab.com)



The i3 Program works in Bangladesh, China, Malaysia and Vietnam to leverage digital technology and uncover deep insights into low- and moderate-income people's needs, aspirations and behaviours to build and deliver financial services for the mass market. LMI people have limited options that could drive usage of formal financial services and so struggle to manage their limited resources and cash flows.



The Centre for Financial Health, housed in Singapore, acts as a convener, providing a platform to bring together global, regional and local actors committed to using financial and digital solutions to improve the financial lives of low-income families—helping them climb – and stay – out of poverty. The Centre creates space for thought leadership where best financial health practices and models are exchanged and lead to concrete action with governments and the private sector.

The Centre is implementing programmes in different countries called Living Labs, in-country platforms which support players with a combination of high quality financial, advisory and networking support to design, test and scale financial health solutions.

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