

FAMILY FINANCIAL MANAGEMENT TRAINING FOR LOW-INCOME PEOPLE

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Abstrak

PKM ini dilakukan dengan tujuan untuk mengevaluasi efektivitas pelatihan pengelolaan keuangan keluarga bagi masyarakat berpenghasilan rendah yang dilaksanakan secara daring melalui aplikasi Zoom. Pendekatan deskriptif kualitatif digunakan untuk mendapatkan pemahaman mendalam tentang perubahan literasi dan perilaku keuangan peserta. Sampel terdiri dari 20 keluarga berpenghasilan rendah yang dipilih secara purposive sampling. Data dikumpulkan melalui kuesioner pre-test dan post-test, wawancara mendalam, dan observasi partisipatif. Hasil kegiatan PKM ini menunjukkan peningkatan signifikan dalam literasi dan keterampilan keuangan peserta, dengan skor rata-rata literasi keuangan meningkat dari 45 menjadi 75. Wawancara mendalam mengungkapkan bahwa peserta merasa lebih percaya diri dalam mengelola keuangan keluarga dan mulai menerapkan perencanaan anggaran, pemantauan pengeluaran, serta menabung. Observasi partisipatif menunjukkan tingginya tingkat partisipasi dan antusiasme peserta selama pelatihan. Pelatihan daring ini terbukti efektif, praktis, dan dapat diakses secara luas, meskipun terdapat tantangan teknis. Kesimpulannya, pelatihan pengelolaan keuangan keluarga secara daring mampu meningkatkan literasi dan keterampilan keuangan serta mendorong perubahan perilaku positif, memberikan kontribusi nyata dalam meningkatkan kesejahteraan ekonomi masyarakat berpenghasilan rendah. Temuan ini menunjukkan bahwa pendekatan pelatihan daring memiliki potensi untuk diterapkan lebih luas dalam program literasi keuangan lainnya.

Kata kunci: Pengelolaan Keuangan, Masyarakat Berpenghasilan Rendah, Pelatihan Daring, Literasi Keuangan, Perubahan Perilaku.

Abstract

This Community Service Activity was conducted with the aim of evaluating the effectiveness of online family financial management training for low-income communities through the Zoom application. A qualitative descriptive approach was used to gain an in-depth understanding of changes in participants' financial literacy and behavior. The sample consisted of 20 low-income families selected using purposive sampling. Data were collected through pre-test and post-test questionnaires, in-depth interviews, and participant observation. The results of this community service activity showed a significant increase in participants' financial literacy and skills, with the average financial literacy score increasing from 45 to 75. In-depth interviews revealed that participants felt more confident in managing family finances and began implementing budget planning, monitoring expenses, and saving. Participant observation showed a high level of participant participation and enthusiasm during the training. This online training proved to be effective, practical, and widely accessible, despite technical challenges. In conclusion, online family financial management training was able to improve financial literacy and skills and encourage positive behavioral changes, making a real contribution to improving the economic welfare of low-income communities. These findings suggest that the online training approach has the potential to be applied more widely in other financial literacy programs.

Keywords: Financial Management, Low-Income Communities, Online Training, Financial Literacy, Behavior Change

INTRODUCTION

Family financial management plays an important role in determining the economic well-being of households, especially in low-income communities. Research emphasizes that good financial management in the family can lead to prosperity, harmony, and overall community well-being (Fakhrudin et al., 2023). Effective management involves planning, monitoring, and controlling economic resources through methods such as simple bookkeeping, budgeting, and financial literacy education (Badria et al., 2023; Kumalasari et al., 2023). Poor financial management, on the other

hand, can result in chaos, excessive debt, and limited investment in important areas such as education and health (Jalil et al., 2023). Community service initiatives have been instrumental in providing training, outreach, and education on household financial management to improve skills, understanding, and decision-making capabilities, ultimately aiming to prevent conflicts and financial management errors within households (Ambarwati et al., 2023).

In the face of a complex economic landscape, proficient financial management is essential for the success and sustainability of a company (Sudiantini et al., 2023; Traci, 2023). Effective financial management practices, such as maintaining good liquidity levels, play an important role in improving a company's financial performance and resilience to external challenges such as market fluctuations or financial crises (Sudiantini et al., 2023). In addition, the ability to generate value and ensure financial sustainability depends on a balanced approach between investment and financing sources, emphasizing the importance of managing patrimonial resources over the long term (Ignat et al., 2020). The research also highlights the impact of various factors such as spiritual intelligence, lifestyle choices, self-control, and risk tolerance on financial management behavior, underscoring the importance of personal financial management skills in navigating economic complexity (Oktavia et al., 2023). Therefore, in today's dynamic economic environment, skilled financial management is not only beneficial but an urgent need for businesses to thrive and adapt to the demands of the global market.

Based on BPS data in 2016, Indonesia faces a significant poverty problem with 28.01 million people living below the poverty line, indicating that most of the population is struggling financially (Devi, 2024). Additionally, a study on financial inclusion among low-income households in Indonesia highlights that a lack of trust in financial institutions, complex banking procedures, and unreliable internet connectivity act as barriers to effective financial management for low-income families (Sularmi et al., 2023). This lack of trust and accessibility issues contributes to the challenges faced by about 40% of Indonesian families categorized as low-income, emphasizing the need for tailored financial inclusion strategies and education programs to improve financial literacy and empower these households to manage their finances more effectively. This inability has the potential to worsen their economic condition, especially in times of crisis or when facing unexpected expenses (Ansar et al., 2023; Kleimeier et al., 2023; Perantie et al., 2017; Stavins, 2021).

Previous research has shown that financial training can improve people's financial management knowledge and skills. A study by Rani (2023) emphasizes the importance of financial literacy in improving an individual's ability to manage personal finances. Similarly, the results of research conducted by Ng et al. (2022) and Walsh et al. (2022) show that financial coaching can improve positive financial skills and behaviors.

However, despite the abundance of research on financial literacy, research focused on specific financial management training for low-income communities is still limited. A study by Noor (2024) revealed that although many financial literacy programs have succeeded in increasing knowledge, their impact on financial behavior change is often insignificant. This shows that there is a gap that requires a more specific and contextual approach according to the needs of low-income communities.

This PKM article tries to fill this gap by providing online family financial management training through the Zoom application. The online approach was chosen given the ease of access and flexibility it offers, which is especially relevant in today's digital era, especially after the COVID-19 pandemic which accelerated the adoption of technology in various aspects of life. In addition, this training is specifically designed for low-income communities with easy-to-understand and applicable materials, so it is expected to have a real impact in improving their ability to manage family finances.

The importance of this PKM article lies in its efforts to provide practical solutions that can be directly applied by low-income communities. By improving their financial management skills, it is hoped that they can achieve better economic stability and reduce financial risks. The training also aims to build awareness of the importance of long-term financial planning and strategies for managing income and expenses more wisely.

The objectives of this PKM article are to 1) Provide family financial management training for low-income communities; 2) Improving financial literacy and family financial management skills of trainees; 3) Identify changes in participants' financial behavior after participating in training; 4) Evaluate the effectiveness of online approaches in financial management training. Thus, this article is expected to contribute to PKM literature and provide real benefits for improving the welfare of low-income people.

METODE

This study uses a qualitative descriptive approach with a participatory method to evaluate the effectiveness of family financial management training for low-income communities. The design of this study allows for the collection of in-depth and comprehensive data related to the experiences and changes in the behavior of the trainees. The results of service consist of quantitative and qualitative results from the activities carried out. If there is a table/chart/picture containing a display of the results that is meaningful and easy to understand, the meaning is quick to understand. Tables/charts/figures do not contain raw data that can or should still be processed. This training was carried out online through the Zoom application. Participants came from various regions in Indonesia with priority on low-income communities. The research was carried out in May 2024 through the Zoom application. The population in this study is low-income families in Indonesia. The research sample was selected by purposive sampling, with the following criteria: 1) Families with a monthly income of less than Rp 4,000,000; 2) Willing to participate in full training; 3) Have access to adequate devices and internet connections; 4) The number of samples taken is a person who is considered representative to obtain valid and reliable data.

The research instruments used include 1) Pre-Test and Post-Test Questionnaires, which are used to measure participants' financial literacy and financial management skills before and after the training. This questionnaire consists of closed-ended and open-ended questions that have been tested for validity and reliability; 2) In-depth interview guidance, which is used to obtain qualitative data related to participants' experiences during training and changes in their financial behavior; and 3) Participatory observation, where the researcher conducts participatory observations during the training session to observe the participants' interactions, engagements, and responses.

Implementation procedures, namely 1) Preparation stage, namely a) preparation of training modules based on relevant literature and the needs of low-income communities. b) testing of research instruments (questionnaires and interview guides), and c) recruitment and selection of trainees; 2) Implementation stage, namely a) Pre-Test is conducted before the training starts to measure participants' initial literacy and skills, b) Online training, namely training is carried out in 6 sessions, each lasting 2 hours, covering topics such as budget planning, income and expenditure management, as well as saving and investment strategies, c) Post-Test is conducted after the training ends to measure changes in participants' literacy and financial skills, and d) in-depth interviews: conducted with a select number of participants to gain a deeper understanding of their experiences during the training; and 3) Data analysis stage, namely quantitative data from questionnaires is analyzed using descriptive statistics to see changes in pre-test and post-test scores. Qualitative data from in-depth interviews and observations were analyzed using content analysis methods to identify key themes related to changes in participants' financial behavior and experiences. To ensure the validity and reliability of the data, data triangulation was carried out by comparing the results of questionnaires, interviews, and observations. In addition, the validity and reliability test of the instrument is carried out before the main study.

RESULTS AND DISCUSSION

Research Results Participant Profile

Of all low-income families sampled in the study, the majority of participants were between 30-45 years old with an average of 4 family members. Most of the participants have a maximum level of high school education and work as informal workers such as small traders, laborers, and casual workers.

Data from the provided context showed that a large number of participants in the various studies had a maximum level of secondary school education and were involved in informal jobs such as small traders, laborers, and manual laborers. These data underscore the similarities with the level of secondary school education of individuals involved in informal work such as trade and manual labor, suggesting diverse educational backgrounds in the demographics of informal workers.

Pre-Test and Post-Test Results

The results of quantitative data analysis from pre-test and post-test questionnaires showed a significant improvement in participants' financial literacy and management skills after participating in the training. The average financial literacy score increased from 45 (low category) to 75 (medium category). Here is a breakdown of the results: a) Budget Planning: The average score increased from 40 to 70; b) Revenue and Expenditure Management: The average score increased from 50 to 80; and

c) Saving and Investment Strategies: The average score increased from 35 to 75.

Findings from In-Depth Interviews

In-depth interviews with 20 selected participants revealed that most of the participants felt more confident in managing family finances after participating in the training. They reported starting to implement monthly budget planning, monitor daily expenses, and set aside some of their income for emergency savings. Some participants also began to understand the importance of investing and sought out more information about suitable investment options.

Participatory Observation

During the training sessions, participatory observation showed a high level of participation and enthusiasm of participants. Active interaction occurs during group discussions and Q&A sessions, demonstrating high engagement and interest in the topics discussed. Participants also showed a willingness to share personal experiences and learn from each other.



Figure 1. Observation of Trainee Participation



Figure 2. Training Material PPT Slides

Discussion

Improvement of Financial Literacy and Skills

The increase in pre-test and post-test scores shows that the financial management training provided online is effective in improving participants' financial literacy and skills. This is in line with the research of Handy et al. (2021) and Manoharan et al. (2024) which stated that financial literacy can be improved through structured education.

The training is designed with a practical and contextual approach, which is very relevant to the needs of low-income communities. The material presented is not only theoretical but also applicative, helping participants to directly apply the knowledge they have gained in their daily lives. This approach has proven to be effective, as indicated by a significant improvement in income and expense management scores and savings and investment strategies.

A practical and contextual approach to training, as shown in various studies, plays an important role in addressing the needs of low-income communities. By combining experiential activities, critical reflection, and action-oriented outcomes, training programs can effectively challenge and reshape participants' assumptions and behaviors, leading to a noticeable improvement in financial management skills and empowerment levels. The study emphasizes the importance of expert engagement, effective

pedagogical strategies, and support services tailored to the specific needs of the community, which ultimately results in observed behavioral changes and increased financial literacy among participants. The utilization of participatory methodologies, mHealth applications, and tailored interventions further enhanced the applicative nature of the training, allowing participants to directly apply the knowledge gained in real-life scenarios, leading to significant improvements in income and expense management, savings, and investment strategies among low-income populations.

Effectiveness of Online Approaches

Training conducted online through the Zoom application allows for wider access and time flexibility for participants. Despite the challenges related to limited technology and internet connection, the majority of participants were able to take part in the training well. These results support research by Malik (2023) which found that the use of technology in financial education can improve engagement and learning outcomes.

Changes in Financial Behavior

In-depth interviews revealed that this training not only increased knowledge, but also influenced changes in participants' financial behavior. Participants began to be more disciplined in managing their budgets and setting aside money for savings. This behavior change is important to achieve long-term financial stability, as noted by Ray & Thind (2023) that behavior change is an important indicator of the success of financial literacy programs.

Research Limitations

Although the results of this study show the effectiveness of training, there are some limitations that need to be considered. First, this study uses a limited sample and cannot be generalized to the entire population of low-income people in Indonesia. Second, the online approach has limitations in terms of direct interaction and technical support for participants who are not familiar with technology.

The results of this study show that online family financial management training is effective in improving financial literacy and skills of low-income communities. A practical and contextual approach, as well as the use of online technology, has proven to be able to have a significant positive impact. The observed changes in financial behavior show that this training not only provides knowledge but also encourages practical application in daily life. Thus, this training is expected to be a model for other financial literacy programs aimed at low-income people, in order to improve their economic welfare in a sustainable manner.

CONCLUSION

This study aims to evaluate the effectiveness of family financial management training for low-income communities which is carried out online through the Zoom application. Based on the results and discussions that have been presented, some of the main conclusions can be drawn as follows: 1) Improvement of financial literacy and skills, namely this training has proven to be effective in improving participants' financial literacy and management skills. The results of the pre- test and post- test showed a significant improvement in the understanding and ability of participants in managing budgets, income, and expenses, as well as saving and investment strategies; 2) The effectiveness of the online approach, i.e. the use of the online approach allows wider access and time flexibility for participants. Despite the technical challenges, the majority of participants were able to attend the training well, demonstrating that this approach can be effectively applied in financial literacy programs; 3) Financial behavior change, namely this training not only increases participants' knowledge but also encourages positive financial behavior change. Participants showed increased discipline in budget management, expenditure monitoring, and saving. This shows that training has a potential long-term impact in improving the economic well-being of low- income families; 4) The importance of a practical and contextual approach, namely a practical and contextual training approach, with easy-to-understand and applicative material, proven to be effective in helping participants apply the knowledge gained in daily life. It emphasizes the importance of designing financial literacy programs that suit the specific needs and conditions of the target audience; 5) A training model that has the potential to be applied more widely, namely the results of this study show that this online training model can be used as an example for other financial literacy programs. With further adjustments and developments, this approach has the potential to make a significant contribution to improving the financial literacy of low-income communities in various regions. Thus, this online family financial management training is expected to be a practical solution to improve the economic welfare of low-income communities. Continuous implementation and adjustment of the program according to participant feedback will further strengthen the positive impact of this initiative.

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