



Family Financial Management Training as an Effort to Create Healthy and Prosperous Families in Karang Sari, Pengasih, Kulon Progo

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ABSTRACT

This training program aimed to improve family financial literacy as part of a strategy to strengthen family resilience, improve welfare, and reduce the risk of poverty. The training was initiated because of the lack of skills in managing family finances. Two activities were conducted during the training, namely classical classes and workshops. In classical classes, the spokesperson provided an explanation of the material, while the workshop was about financial planning and management practice. This training was held at the Karang Sari Village Hall, Pengasih, Kulon Progo, with 30 participants from the Family Welfare Movement/Pemberdayaan dan Kesejahteraan Keluarga (PKK). The results of the training showed an increase in participant knowledge, as evidenced by an increase in scores from the pre-test to the post-test. The average pre-test score of participants was 57, while the average post-test score was 75, indicating an increase in their understanding of family financial management. The implication of this training is the importance of forming financial literacy cadres among PKK members to become agents of disseminating financial literacy in Karang Sari Village.

1. Introduction

Karang Sari is a village located in Pengasih District, Kulon Progo. It is close to the tourist area in Kulon Progo. Areas in the Regional Term Development Plan commonly have a poverty issue, as well as the low ability and skills of human resources in managing economic activities. One of these problems is related to family financial management. In managing their business finances, many people mixed them with family finances, thus hampering the performance of the business being run. The same thing also applies to family management [1].

Family finance is one of the most important aspects of everyday life. It includes the management of money and other financial resources to meet daily needs, deal with urgent needs, and plan for a financially stable future. Although it is a primary goal for many families, managing family finances is often a complex challenge which then causes problems that can affect the well-being and relationships within the family [2].

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Family financial management includes decision-making in the use and allocation of financial resources for family welfare. They highlight the importance of a basic understanding of investment and budgeting to achieve economic stability in the household [3]. Good financial planning at the family level can affect the overall quality of life of the family. Proper budget control helps in achieving short-term and long-term goals, such as children's education and retirement preparation [2]. A healthy household from an economic perspective can be divided based on conditions into 5 (five) levels from healthy to the healthiest conditions, namely: surplus income, savings, insurance, and investments.

Some of the common family financial problems include Lack of Financial Planning. Many families do not have a clear financial plan. This can lead to uncontrolled spending, difficulty in achieving financial goals, and financial uncertainty in the future. Second, Excessive Debt, one of the main problems faced by many families is being trapped in excessive debt. Credit card debt, personal loans, or electronic goods installments become a heavy burden on family finances, often exceeding the ability to pay them off [4]. Third, Lack of Emergency Funds, the absence of emergency savings can leave families vulnerable to unexpected financial situations, such as job loss or other urgent needs, which can disrupt the family's financial stability. Fourth, Lack of Financial Education, many families do not understand the basic concepts of finance, including money management, investment, and retirement planning. Lack of financial education can lead to inappropriate and detrimental financial decisions. Fifth, Family Conflict, financial problems are often a source of conflict within the family because differences of opinion about how to manage money, spending priorities, or financial responsibilities can cause tension and conflict among family members [5].

Understanding these issues, families can take steps to improve their financial management, minimize risks, and create better financial stability for their future. Seeing the importance of family financial literacy, the researchers held a community service program, in Karang Sari Village by focusing on family financial literacy as a form of improving family welfare in Karang Sari.

2. Method

The training was carried out systematically through three stages. The first stage is the pre-test stage. The aim was to determine the abilities of the participants before being given training treatment. Then the participants were given training in financial management. This session was divided into a session providing material and a session discussing cases faced in the village. After the material was presented, the participants completed a post-test aimed at measuring whether there was an increase in knowledge.

2.1. Family Financial Planning

Financial planning is a process that helps individuals and families achieve long-term financial goals, such as owning a home, saving for education, and planning for retirement. This process can be done on independently or with the help of a professional financial planner. There are two types of planning: comprehensive financial planning and planning for specific needs. This planning involves managing income and expenses and evaluating the impact of various financial decisions on the family's overall financial situation. In addition, careful planning helps families adjust to change and achieve financial security. The first step is to list all income and routine needs, followed by a list of non-routine needs in order of priority. The plan should be thoroughly evaluated before being implemented to ensure accuracy and identify potential savings. The results of the evaluation are then recorded for reference in implementation [6].

2.2. Implementation of Family Finance Management

There are several systems that can be applied to the financial planning implementation procedure, namely:

- a. Envelope System: Money is grouped into envelopes according to the category of needs.
- b. Cash Book System: Recording is done in a special book that groups expenses.
- c. Family Cash System: Expenses are divided into fixed, daily, and unexpected categories.
- d. Daily Cash System: Requires careful recording of daily expenses, which is suitable for those who consistently record.

2.3. Family Financial Monitoring

Monitoring is carried out to assess the effectiveness of the financial plan that has been implemented and to assist in future improvements. The assessment includes five main criteria: purpose, time, place, price, and quality, and is carried out regularly and systematically with the participation of all family members. Evaluation can be carried out as a whole or on each part of expenditure to find out which parts need to be improved or reallocated in the following month.

3. Results and Discussion

3.1. Results

The training was held at the Karangasari village hall, Pengasih, Kulon Progo on August 2-3 at 08:00-10:30 a.m. The participants were thirty PKK members from Karangasari village. The training was carried out in two stages. The first stage was the delivery of material on the importance of priority scales in family financial management.

Furthermore, participants were taught about the importance of maintaining a balance between income and expenses. The next material was the importance of planning family expenses. On the first day, thirty PKK members participated. In general, this community service activity went smoothly. In the second stage which was done on day 2, the training focused on recording income and expenses to improve family financial management skills. At the end, the committee gave a post-test as evaluation material.

Overall, the training received a good response and seemed to be beneficial for the participants. Participants listened to the explanation process well. Then the participants also actively participated in the discussion. This is evidenced by the comparison between the results of the pre-test and post-test. On average, participants got a score of 57 for the pre-test results. Then, the participants got an average score of 75 in the post-test. This means that the training activity was successful because there was an increase in knowledge.

3.2. Discussion

This community service activity ran well and smoothly because there were several supporting factors. However, it does not mean that there are no obstacles. Supporting factors for the implementation of the training activity were the cooperation among team members, dedication to Karangasari Village, the suitability of the material with the needs of the community and the high enthusiasm of the participants to understand the concept and importance of family financial management. Meanwhile, the inhibiting factors for the implementation are the limited number of participants invited so that knowledge and expertise cannot be felt by the entire Karangasari village community, the difference in age of participants and different backgrounds that lead to significant differences in understanding the material presented [7]. Therefore, different approaches in providing exposure are needed. The solution offered to solve this problem is, empowering a student team to help guide and assist when practicing archiving, the need to invite other cadres to take part in training, and creating smart financial literacy ambassadors in Karangasari Village.

However, some of the participants did not really understand how to manage family finance even though they participated almost every meeting. This means that strengthening archive cadres in PKK groups is important. A concrete step that can be taken is to form archive ambassadors in each RT group. The appointed ambassadors should be given the task of passing on archival knowledge to residents in their environment. The hope is that archives will become a culture in the family as the smallest community [8]. If archiving has become a culture, then managing archives will also be easier. Furthermore, if the community is accustomed to archiving documents manually or digitally, then community participation in public services, especially digital-based ones, will automatically increase. The reason is that the community is already familiar with digital family document archives.

4. Conclusions

Based on the results and discussion above, it can be concluded that the training activities organized by the UNY Community Service Team were successful. This is proven by the comparison between the results of the pre-test and post-test. On average, participants got a score of 57 for the pre-test, and 75 for the posttest. This means that the training activities can be concluded as successful because there was an increase in knowledge from participants who took part in the training for two days. Then, based on the activities carried out, the team conducted an evaluation so that in the future, community service activities would be better, such as by increasing the ability of archive cadres by monitoring periodically. Then, it is suggested that important knowledge transfer should be carried out to cadres who are younger. The main cadres (who participated in the training) were mostly elderly and became the next community service recommendation with the training topics "digitalization of archiving information systems" and "PKK archiving management".

Conflict of interest

The authors declare no conflict of interest.

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