

# Education on Personal Financial Management for the Generation Z Personal Finance Management Education in Tanjung Duren Village, Jakarta

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## ABSTRAK

Generasi muda merupakan penggerak ekonomi suatu negara, seperti Indonesia berdasarkan sensus penduduk 2020 sebanyak 279,2 juta jiwa dimana proporsi generasi Z mencapai 27,94%. Dimana angkatan muda Gen Z yang sebanyak harus dibekali dengan literasi keuangan yang baik melalui pengetahuan pengelolaan keuangan yang mendukung kemajuan bangsa. Perguruan tinggi berperan penting dalam membantu masyarakat, khususnya generasi Z dengan memberikan edukasi pengelolaan keuangan. Kontribusi perguruan tinggi berperan aktif membantu generasi Z dalam memahami cara mengelola keuangan mereka secara efektif. Selain untuk memenuhi tugas akademiknya, perguruan tinggi juga berperan aktif menerapkan keahlian profesionalnya di bidang ekonomi. Tujuan utama dari pengabdian masyarakat ini adalah membekali generasi Z tentang pentingnya literasi keuangan agar dapat menggunakan sumberdaya keuangan lebih optimal di tengah promosi dan tawaran konsumsi yang sangat beragam dan menggoda. Kegiatan pelibatan masyarakat di wilayah Tanjung Duren Jakarta yang mayoritas generasi Z ini akan dilakukan melalui seminar yang fokus pada perencanaan keuangan jangka panjang, analisis pengeluaran, dan pengelolaan utang.

## ABSTRACT

The young generation is the driving force of a country's economy, such as Indonesia, based on the 2020 population census of 279.2 million people, where the proportion of generation Z reached 27.94%. Where as many young people as Gen Z must be equipped with good financial literacy through financial management knowledge that supports the nation's progress. Universities play an important role in helping society, especially generation Z, by providing financial management education. The contribution of universities plays an active role in helping generation Z understand how to manage their finances effectively. Apart from fulfilling their academic duties, universities also play an active role in applying their professional expertise in the field of economics. The main aim of this community service is to equip generation Z with the importance of financial literacy so that they can use financial resources more optimally amidst very diverse and tempting promotions and consumption offers. Community engagement activities in the Tanjung Duren area of Jakarta, where the majority are generation Z, will be carried out through seminars that focus on long-term financial planning, expenditure analysis and debt management.

## INTRODUCTION

Generation Z has an important role in advancing a country. The important role of generation Z is as the successor to drive the wheels of a country's economy, where to move the wheels of a country's economy requires accuracy in managing finances, (T. Segara, 2021; Primastiwi, 2021; Amelia, 2021). It becomes an important problem if the next generation is poor at managing their finances, because so far Generation Z is known as a generation that has a more extravagant lifestyle than previous generations, (Aprillita *et al.* 2022; Allianz, 2022). The generation currently in the 20-30 year age range is known to find it difficult to set aside money for savings because this Z generation tends to not care about investment needs in the future,

(QMFInancial, 2021). Age groups like this are very consumptive in using their pocket money. So this can result in financial risks that the generation Z will face due to unhealthy financial management, (Kurniawan *et al* 2022).

Generation Z is also known as the generation that does not yet have the skills or skills to manage finances, . They don't understand the importance of managing finances, lack the knowledge and experience to manage finances well, even though this age is the most appropriate age to learn to manage finances well, (Erlangga Djumena nd; Hikmah, 2021). Generation Z acts as critical economic players, so they have an important role in shaping the economy and contributing to advancing the country's economy. However, based on a national survey in 2022, it shows that generation Z still has a low level of financial literacy, and has a tendency to easily fall for the invitations of influencers, (Kurniawan *et al* 2022). Managing finances is not an easy matter. This needs to be studied and you need to learn a lot in preparing yourself for a good future, especially in how to manage your finances as capital for planning a better future, (Kurniawan *et al* 2022). There are many ways that can be used to organize and manage finances well and appropriately, (Halpiah, 2021). One of the right ways is financial literacy or financial literacy which is something that needs to be had so that someone can manage finances well as the key to success in facing the future, (Abdullah Basher (2017).

Generation Z is the next young generation who needs to increase their understanding of the importance of preparing a budget to reduce debt in terms of managing personal finances. Lack of knowledge about debt management, difficulty in preparing a budget or lack of investing wisely requires additional insight so that they can be smarter in managing their finances, (Kristanti, 2019).

Good, precise and careful financial management requires good knowledge to be literate in managing it. Many parents do not provide enough information and learning to generation Z on how to manage finances properly and appropriately, so automatically generation Z still has very little knowledge of financial management. Providing good financial management literacy knowledge needs to be provided as early as possible, so that in the future they as the nation's next generation will be able to continue and even improve the country's economy because they are intelligent in managing their finances (Abdullah Basher, 2017; Lestari, 2021). (Pratiwi n.d 2021) Efforts need to be made to socialize education, insight, literacy, knowledge on how to manage finances for oneself or as an individual appropriately for generation Z who are still laypeople. Financial Literacy Theory is the right information that can be given to generation Z because this theory focuses on the importance of financial knowledge and skills for managing personal finances. It can be started from generation Z in the Tanjung Duren District, Jakarta.

## **METHOD**

Preparations for implementing service activities for Generation Z citizens to be provided with educational literacy in financial management seminars are carried out in the following steps:

### **a. Preparation for Implementation**

The organizing team made preparations to draw up an implementation schedule and determine the time and type of implementation after discussing with partners as subjects, ensuring who would be the resource person, and determining the number of field officers and students who would be involved to help carry out the activity. The implementing team agreed that Dian Nusantara University would carry out the activities as the organizer. The organizing team prepared a flyer design that will serve as an information medium to be conveyed to the residents

of Tanjung Duren Jakarta regarding information on implementing community service activities, as well as serving as an invitation to local officials.

### **b. Field Coordination**

Carrying out technical coordination via WhatsApp (WA) to ensure the presence of resource persons, the number and names of students who will assist technically in the field, providing a Zoom link because the implementation of activities will be carried out in a hybrid manner for participants who cannot attend the event at the location.

### **c. Arrangement of Activity Schedule**

The activity will be held on Saturday 26 August 2023 at 16.00 WIB the schedule of activities can be seen in the table as follows:

**TABLE I. SCHEDULE**

<i>No</i>	<i>Activity</i>	<i>Time</i>	<i>PIC</i>
1	Greetings of welcome and conveying the schedule of activities by the MC	16.00 WIB	UNDIRA Students
2	Introducing the organizing team	16.05 WIB	Ryani Dhyan Parashakti, SE, MM
3	Chair of the General Education Seminar on Financial Management	16.10 WIB	Dr. Setiyo Purwanto, ST, MA
4	Resource Person for Basic Financial Management Concepts	16.40 WIB	Dr. Setiyo Purwanto, ST, MA
5	Resource Person for Using Applications to Manage Finances	17.10 WIB	Agtovia Frimayasa, SE, MM
6	Resource Person for Motivation for Managing Personal Finances and Financial Management Literacy for Generation Z	17.30 WIB	Ryani Dhyan Parashakti, SE, MM
7	Closing Seminar Team Leader for community service	17.45 WIB	Dr. Setiyo Purwanto, ST, MA

## **RESULT AND DISCUSSION**

### **Result**

The implementation of this community service activity is a sustainable community service activity and the education that will be provided is truly beneficial for Generation Z as an enrichment of knowledge in starting to manage finances well and appropriately in the future.

### **Introducing the organizing team.**

Chair of the Implementing Team for Community Service Activities, Dr. Ryani Dhyan Parashakti expressed his thanks, especially the committee and to all those directly involved in implementing this community service activity, both as students, technical officers in the field, resource persons and generation Z participants for their participation. It is hoped that this activity will be useful and help the community to better manage, (Halpiah, 2021; Kurniawati, 2021).



Picture 1. Opening remarks from the organizer team leader by Ryani Dhyhan Parashakti, SE, MM



Picture 2. Resource Person for Basic Financial Management Concepts by Dr. Setiyo Purwanto, ST, MA



Gambar 3. Resource Person for Using Applications to Manage Finances by Agtovia Frimayasa, SE, MM

## **Discussion**

### **a. Basic Concepts of Financial Management**

In this topic, the resource person conveyed what basic concepts must be remembered in managing finances as a process of managing finances properly and correctly which is the purpose of life, for example buying a house, preparing children's education costs, preparing an old age living fund or inheritance fund, (Bazher, 2017; Yandra, 2022)

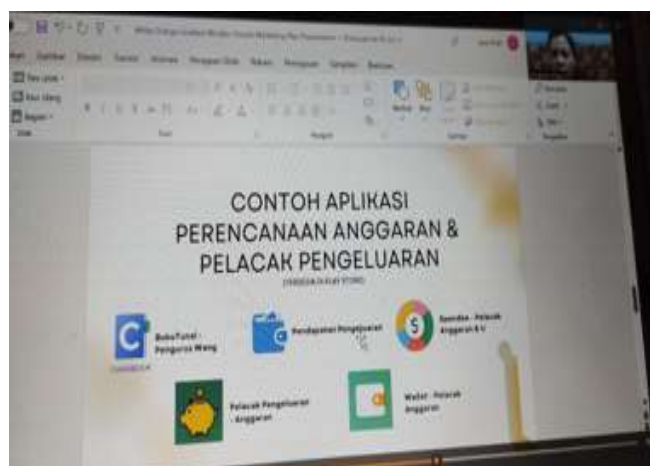


Picture 4. Discussing of Basic Financial Management Concepts by Dr. Setiyo Purwanto, ST, MA

Along with the development of very creative and innovative digital promotions, generation Z is encouraged to be consumptive. Facing these challenges, it is necessary to strengthen financial literacy to be able to manage the income received as salary and other income in daily life. How to sort expenditure items wisely and well, so that one's living needs can continue to be met, but still have high motivation from within oneself not to get trapped in a consumptive and hedonistic lifestyle so as to avoid the term "peg rather than pole".

#### **b. Use of Applications in Managing Finances**

In this counseling, the resource person said: that to manage finances well, the desire to manage finances must first come from the heart. To easily see the recording of expenditure items as a reminder, you can use an application that can be downloaded on your cellphone or PC, making it easier to calculate the amount of income and expenses, as well as neatly arranged. Using this application is very easy and helps users to see our financial developments at any time, (Pertiwi, 2020).



Picture 5. Using Applications to Manage Finances by Agtovia Frimayasa, SE, MM

## CONCLUSION

The implementation of this community service activity went well and smoothly. The activity process runs according to the schedule of events. Technical coordination in the field according to the results of preparatory meetings.

The resource persons provide good education because they use words that can be understood by lay people. Information related to financial literacy theory can be understood by participants because it is short, concise and clear.

The participants responded very enthusiastically to take part in this activity by asking about various ways and strategies for effective financial management, however, with limited time, the resource person had to provide education in a short, concise and easy to understand manner.

UNDIRA's Community Service Implementation Team hopes that the education that will be provided will be truly useful and help generation Z to enrich their knowledge in managing finances properly and appropriately in the future.

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