

PkM OF Enhancement Financial Literacy Through Training And Simulation Family Financial Management

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ABSTRAK

Pengelolaan keuangan keluarga adalah upaya perencanaan, pelaksanaan, monitoring, evaluasi, dan pengendalian sumber ekonomi keluarga untuk memenuhi kebutuhan secara optimal. Keterampilan manajemen yang baik sangat diperlukan karena ukuran pendapatan tidak selalu menentukan pemenuhan kebutuhan. Seringkali, keluarga menghadapi pendapatan yang tidak menentu. Sebagai unsur terkecil dalam pembangunan negara, kekuatan ekonomi keluarga berkontribusi pada pertumbuhan nasional. Oleh karena itu, pengabdian ini berfokus pada peningkatan kemampuan pengelolaan keuangan keluarga melalui pelatihan. Sasaran kegiatan pengabdian masyarakat ini adalah warga Desa Waai, Kecamatan Salahutu, Kabupaten Maluku Tengah. Permasalahan yang dihadapi adalah kurangnya pengetahuan tentang ekonomi rumah tangga, tidak adanya pencatatan keuangan, dan kesulitan dalam menghitung penghasilan dari berbagai sumber. Akibatnya, masyarakat cenderung berhutang untuk memenuhi kebutuhan mendesak dan tidak memiliki simpanan, sehingga pendapatan habis untuk kebutuhan sehari-hari. Program ini bertujuan agar masyarakat Desa Waai memperoleh pengetahuan dan keterampilan dalam mengelola keuangan keluarga untuk meningkatkan kesejahteraan. Materi yang diberikan mencakup konsep dan aplikasi pengelolaan keuangan keluarga.

ABSTRACT

Family financial management involves planning, implementation, monitoring, evaluation, and controlling family economic resources to optimally meet needs. Effective management skills are essential, as income levels do not always determine the sufficiency of needs. Families often face uncertain income sources. As the smallest unit supporting national development, the economic strength of families contributes to national growth. Therefore, this service focuses on enhancing family financial management skills through training. The target of this community service program is the residents of Waai Village, Salahutu District, Central Maluku Regency. The issues faced include a lack of knowledge about household economics, absence of financial records, and difficulties in calculating income from various sources. As a result, community members tend to incur debt to meet urgent needs and lack savings, leading to all income being spent on daily necessities. This program aims to provide the residents of Waai Village with knowledge and skills in family financial management to improve their welfare. The training materials include concepts and applications of family financial management.

INTRODUCTION

Finance often becomes a common issue faced by everyone. It is undeniable that everyone is involved with money, whether as individuals, families, or business entities. Problems often arise regarding how to manage the finances they possess. Generally, the issue does not lie in insufficient

income but rather in incorrect habits in managing finances. Many people experience difficulties in managing their family finances because they cannot control the difference between needs and wants. Managing household finances is not easy, especially when households often face uncertain income sources. If one is not skilled in managing household finances, expenditures may exceed income (Badriah and Nurwanda, 2019).

People who struggle with managing family finances often misprioritize their expenditures. Managing Household Economy (ERT) involves planning, implementing, monitoring, evaluating, and controlling the acquisition and use of family economic resources, particularly finances, to achieve an optimal level of needs fulfillment, ensuring economic stability and growth within the family (Novita Anggraeni, 2012). The importance of household financial management can determine a family's success, as indicated by research from Novianti and Denziana, where being skilled in household financial management signifies success in managing family finances (Ratnasari et al., 2021). This can be interpreted to mean that proper and targeted management of household economics or family finances is one of the efforts to reduce poverty at local, regional, and national levels.

The issues faced by families in Waai are a lack of knowledge about household economy/ERT in managing businesses/finances effectively and the absence of record-keeping, making it difficult to calculate all the income earned by family members from various sources. On the other hand, the condition is such that the cost of living is becoming increasingly unaffordable due to the continuous rise in prices. Such circumstances make it likely for a family to get trapped in seemingly helpful offers for meeting their needs, which actually ensnare them in more complicated problems. For instance, the economic phenomena occurring in Waai Village, Salahutu District, Central Maluku, include the presence of 'bank plecit' offering various loan facilities and itinerant credit that provide items that are not essential for them. If left unchecked, such conditions may lead the community into prolonged debt, negatively affecting their economic situation. Family financial management requires skills to manage and administer finances carefully and effectively. The amount of a family's income is not the sole determinant of whether their needs can be sufficiently met. Even a small income, if managed wisely, can meet the needs deemed important by the family. Conversely, a large income may not necessarily satisfy all needs if mismanaged or not managed carefully.

As we know, human needs are increasingly diverse due to advancements that have introduced numerous choices of essential goods. However, we must remain wise in prioritizing which needs to fulfill first and which can be postponed. Conflicts and disharmony within families often stem from their failure to manage household finances. So, how can families manage their finances effectively to bring about happiness and well-being?

In response to the above phenomena and challenges, the Faculty of Economics and Business at Universitas Kristen Indonesia Maluku is called to contribute to addressing the real needs present in the community, particularly households in Waai Village, Salahutu District, Central Maluku. With the expertise and skills of the educators at the Faculty of Economics and Business, it is hoped that they can contribute through training and simulations to provide solutions and reduce weaknesses in managing family finances in Waai Village, Salahutu District, Central Maluku.

METHOD

Community Service (PkM) serves as a fundamental component of the Tridharma of Higher Education in Indonesia, emphasizing the importance of academic institutions contributing

positively to society. Through PkM initiatives, the knowledge and research generated in academia are applied to address community challenges and enhance overall welfare. Employing a participatory approach is often beneficial, as it actively engages the community throughout the processes of planning, execution, and assessment, ensuring that the proposed solutions meet local needs effectively. Furthermore, qualitative descriptive methods are commonly utilized to provide a deeper understanding of the contextual factors and impacts of these initiatives, employing techniques such as observation, interviews, and hands-on involvement in fieldwork (Movitaria et al., 2024; Rusli & Boari, Yoseb; Amelia, 2024).

The method used in this community service activity involves providing material on the importance of family financial management. Another method is to instill habits in managing family finances and to demonstrate how to control family finances. This is followed by training and simulations on creating a simple family income and expenditure budget. Discussion and counseling methods are also employed to socialize household financial management among the participants of the community service program (PkM). The implementation of the service begins with the preparation stage, followed by execution, monitoring, and reporting, where each stage is carried out according to plan.

Table 1
 Activity Methods According to Activity Stages

No	Activity Stages	Methods Used	Participants
1	Provision of Material	Lecture on family financial management and training in family bookkeeping	Team and participants of the socialization
2	Brainstorming, Training, and Simulation	Instilling habits in managing family finances and how to control family finances.	Team and participants of the socialization
3	Question and Answer	Listening and providing explanations.	Team and participants of the socialization
4	Closing	Participants are given the opportunity to share their messages and impressions.	Team and participants of the socialization

The community service activities conducted in Waai Village involved the following stages of implementation:

1. Providing material on financial management, including: what financial management is, the benefits of financial management, and how to manage family finances.
2. Providing examples of simple bookkeeping, which consists of creating a family budget and maintaining a daily cash record (Figures 1 and 2).

Figure 1
 Example of Family Budget Format

No	TRANSPORTATION	Budget	Realization	Deviation
A	Father's and Mother's Transportation			
1	Children's Transportation			
2	Other Family Members' Transportation			
3	HEALTH			
	Doctor and Medicine Fees			
B	Health Equipment			
I	FAMILY CLOTHING			
II	Father's and Mother's Clothing			
1	Children's Clothing			
2	DEBT AND INSTALLMENTS			
III	Credit Installments			
1	TRAVEL/ENTERTAINMENT			
2	Recreation			
3	Family Dining			
IV	Vacation, etc.			
1	SAVINGS			
2	Education Savings			
3	Vehicle Savings			
4	Retirement and Other Savings			
5	Others			
V	TRANSPORTATION			
1	Father's and Mother's Transportation			
2	Children's Transportation			
3	Other Family Members' Transportation			
VI	HEALTH			
1	Doctor and Medicine Fees			
2	Health Equipment			
VII	FAMILY CLOTHING			
1	Father's and Mother's Clothing			
2	Children's Clothing			
VIII	DEBT AND INSTALLMENTS			
	Credit Installments			
IX	TRAVEL/ENTERTAINMENT			
	Recreation			
	Family Dining			
	Vacation, etc.			
IX	SAVINGS			
	Education Savings			
	Vehicle Savings			
	Retirement and Other Savings			
X	Others			

RESULT AND DISCUSSION

Result

In the lecture material, families are provided with an understanding of the motives behind spending the money that households have. Factors to keep in mind include that every family, when

spending their income, uses three motives: the transaction motive, the precautionary motive, and the saving motive. The transaction motive relates to allocating income to meet the family's daily living needs. The precautionary motive involves allocating income to establish an emergency fund to anticipate any unforeseen circumstances that may affect the family. The saving motive is crucial for the family's future sustainability. This motive emphasizes the need to have future funds, such as retirement funds, travel funds, and car purchase funds.

After understanding the three motives for spending income, it is also important to remind that the financial controller of the family is not just the wife or just the husband, but both the wife and husband play a role as financial controllers of the household. Joint financial management is the most ideal approach, as both husband and wife work together to implement the three motives in spending their income. Financial management conducted by the wife indicates that the husband places complete trust in her. Therefore, the wife must be wise and disciplined in applying the three motives when spending the husband's income.

Figure 2
 Example of Daily Cash Format

Date - - - -	Description	Income	Receipts	Balance
Total				

In the sharing and discussion conducted, it was found that the main issue in household financial management is that family income cannot meet family expenditure needs, resulting in expenses being greater than income. Another common problem in households with excess income is the inability to manage expenditures, leading to just enough to meet needs but not enough to save or invest. Therefore, understanding household financial management and introducing investments is crucial for mothers to improve family welfare as part of community well-being.

CLOSING

Managing family finances indeed requires knowledge and wisdom in its execution. Many individuals from families still feel intimidated by this issue, often neglecting it. This matter should be a family priority, as many problems arise due to the lack of wisdom of either spouse as the family financial manager in managing and organizing finances. As family financial managers, there are several aspects that need to be addressed, including:

- a) Creating and periodically monitoring family financial priorities;
- b) Wisely managing limited income;
- c) Estimating needs and learning to invest funds in appropriate forms of investment;
- d) Optimally preparing educational funds for children;
- e) Shopping wisely;
- f) Teaching children about finances from an early age.

From this activity, participants gained knowledge and skills regarding household financial management and record-keeping. Based on the discussions and sharing conducted at the end of

the event, there were no negative impressions from participants during the activity, in terms of material delivery, training, or facilities. Participants suggested that this activity should be conducted in a more structured and broader scale.

CONCLUSION

Thus, this community service activity was carried out by the PKM Team of the Indonesian Christian University of Maluku (UKIM) Ambon. It is hoped that there will be follow-up activities to assist families in implementing effective financial management. It is also hoped that parties such as local governments and churches can pay attention to community activities that aim to improve community welfare.

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