



Economic Empowerment of Households through Financial Management Training in Ciputih Village

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Abstrak

Pemberdayaan Ekonomi Rumah Tangga Melalui Pelatihan Pengelolaan Keuangan di Desa Ciputih merupakan upaya untuk meningkatkan kemampuan keuangan rumah tangga guna mendorong stabilitas ekonomi dan ketahanan komunitas. Melalui workshop interaktif yang disesuaikan dengan kebutuhan, kegiatan ini memperkenalkan konsep keuangan dasar, perencanaan anggaran, tabungan, dan strategi investasi kepada warga. Evaluasi pasca-kegiatan menunjukkan peningkatan pemahaman keuangan dan keputusan yang lebih baik, dengan lonjakan tabungan, perbaikan alokasi anggaran, dan minat terhadap kewirausahaan. Hasilnya menyoroti pentingnya pendidikan keuangan di tingkat masyarakat, memperkuat tidak hanya aspek individu tetapi juga ekonomi desa secara keseluruhan. Dengan demikian, pemberdayaan melalui literasi keuangan bukan hanya membantu rumah tangga, tetapi juga merangsang pertumbuhan ekonomi berkelanjutan di komunitas pedesaan.

Kata kunci: *Pengabdian Masyarakat, Desa Ciputih, Pengelolaan Keuangan, Pemberdayaan Ekonomi Rumah Tangga.*

Abstract

Empowerment of Household Economics Through Financial Management Training in Ciputih Village is an effort to enhance household financial capabilities to drive economic stability and community resilience. Through tailored interactive workshops, the initiative introduced basic financial concepts, budget planning, savings, and investment strategies to the residents. Post-activity evaluations revealed improved financial understanding and better decision-making, evidenced by increased savings, enhanced budget allocation, and a heightened interest in entrepreneurship. The outcomes underscore the significance of financial education at the community level, strengthening not only individual aspects but also the overall village economy. Thus, empowerment through financial literacy aids not just households but also stimulates sustainable economic growth in rural communities.

Keywords: *Community Engagement, Ciputih Village, Financial Management, Household Economic Empowerment*

Introduction

The COVID-19 pandemic, which began in early 2020, has significantly altered various aspects of social, economic, and health aspects worldwide. Indonesia has not been immune to its impacts, leading to drastic changes in people's daily lives. Amid these challenges, Indonesia has vigorously endeavored to tackle the pandemic's effects, implementing social restrictions, regional lockdowns, and stringent health protocols. (Hamzah et al. 2022)

One of the most felt economic impacts by the population is the decrease in income and job losses due to this pandemic. Industries like tourism, hospitality, and



the informal sector suffered severely due to reduced demand and limited economic activity. Consequently, many households, particularly in rural areas with inadequate access to resources and economic opportunities, faced economic difficulties.(Wulandari and Sri Utami 2020)

The COVID-19 pandemic has also exposed inequalities in access to resources and services across regions, including Ciputih Village. Limited access to education, training, and financial services has been a significant barrier for this village's residents in developing their financial skills. Travel and social interaction restrictions during the pandemic have hindered economic empowerment and education efforts in many rural areas.(Hamzah et al. 2022)

Besides its economic impact, the COVID-19 pandemic has provided a crucial lesson on the importance of financial literacy and prudent financial management. Many households faced financial crises due to a lack of understanding of emergency fund management, debt management, and appropriate investments. This crisis highlighted the importance of possessing strong financial knowledge and skills to navigate emergencies and prepare for a more stable future.(Lucyanda, Mihardja, and Priyanto 2020)

The significance of household financial management in Ciputih Village cannot be understated. Like many rural villages in Indonesia, this village faces unique economic challenges, notably limited access to adequate economic resources and financial services. In the midst of economic uncertainty, wise financial management is key to achieving economic stability and progress in this village.(Soegoto et al. 2020)

When households in Ciputih Village manage their finances well, it helps prevent excessive debt accumulation. Uncontrolled debt can become a heavy financial burden, hindering economic growth. With good financial management, households can plan for a more stable future, including investments in children's education, retirement funds, and preparation for emergencies.(Sukirman et al. 2019)

Prudent financial management also helps enhance the quality of life. It provides households the ability to purchase necessities, access good healthcare services, and plan for recreation or other positive activities. Stable family finances also reduce financial stressors that might disrupt family relationships.(Badriah and Nurwanda 2019)

Moreover, wise financial management also positively impacts the local economy. Ciputih Village has potential in natural resources, agriculture, and local crafts. By efficiently utilizing these resources through sound financial understanding, the village community can aid the growth of small and medium-sized enterprises and create job opportunities in their region.

Furthermore, financial education integrated into financial management activities in this village plays a significant role in improving financial understanding and financial inclusion among the community. Thus, household financial management is not just about recording income and expenses but also about laying a strong foundation for sustainable economic growth and welfare in Ciputih Village. In the long term, this can help alleviate poverty, strengthen economic sustainability, and bring positive change to the overall lives of the village community.(Suwarni and Arman 2017)

Implementation Method

Place and Time. The household economic empowerment through financial management training will take place in Ciputih Village, Brebes Regency, Central Java Province. The activity will span 2 days, commencing from September 5th to 6th, 2023. The venue for the activity is at the Ciputih Village Hall.

Target Audience. The target audience for this activity comprises all household members in Ciputih Village seeking to enhance their understanding and skills in financial management. The primary focus is on low to moderate-income households requiring support to bolster their economic resilience.

Service Approach. The activity will adopt an interactive training method involving a participatory approach. This will encompass training sessions, workshops, case studies, and group discussions. Participants will receive practical guidance on budget planning, debt management, investment, and comprehension of more complex financial concepts.

Success Indicators. The success indicators for this activity include: (1) Enhanced understanding of financial management among participants. (2) Reduction in household debt levels. (3) Improved ability to plan and manage budgets. (4) Growth in household investments and savings. (5) Active participation of attendees in training sessions and evaluation activities.

Evaluation Method. The evaluation of this activity will employ various approaches, including pre- and post-training surveys to measure knowledge enhancement and participant behaviors. Additionally, an analysis of household financial data will gauge changes in budgeting, debt, and savings. The evaluation will primarily focus on achieving success indicators and actively involve participants in identifying the positive impacts achieved.

Result and Discussion

The initial condition of the participants before the training reflects several economic challenges and uncertainties. Many participants have limited knowledge about basic personal financial concepts such as budget management, debt management, or investment. Access to financial institutions and resources is often restricted in rural areas like Ciputih Village, leading some participants to potentially lack bank accounts or easy ATM access. Excessive debt burdens are also problematic, becoming a significant source of financial stress. Household expenditures are often poorly planned, and some participants might spend money without considering important financial priorities. Moreover, investments and savings for long-term financial goals like children's education or retirement preparation are lacking. Particularly after the impact of the COVID-19 pandemic, participants face economic uncertainties and higher unemployment risks. Additionally, awareness of existing local economic opportunities in Ciputih Village, such as crafts, agriculture, or small and medium-sized enterprises, is limited.



Figure 1: Documentation During Presentation of Materials

Household economic empowerment is a crucial effort to enhance community welfare, especially in rural areas like Ciputih Village. This activity adopts a structured approach through financial management training aimed at providing knowledge and skills to participants in wisely managing their household finances. The training process is divided into three important stages covering financial literacy, household financial planning and management, and household investment.

The first stage is the introduction to financial literacy. Participants are provided with basic understanding of personal finance concepts, available financial products and services, and how they can leverage this knowledge in their daily lives. They learn about the risks and benefits of various financial products, as well as why financial planning is crucial in achieving long-term financial goals.

The second stage involves household financial planning and management. Participants are taught how to plan monthly budgets, manage debt, and develop wise money management habits. They understand the importance of prioritizing expenses, avoiding excessive debt, and creating an emergency fund to handle unforeseen situations.

The third stage revolves around household investment. Participants learn about various investment options available, such as stocks, mutual funds, and properties. They comprehend the risks and benefits associated with each investment option, as well as how to develop investment strategies aligned with their financial goals and risk profiles.



Figure 2: Documentation After the Training Activity

The results of this empowerment activity are highly significant. Training participants acquired the knowledge and skills needed to manage their finances wisely, avoid excessive debt, and maximize investment opportunities. Consequently, they can achieve economic stability within their households and plan for a brighter future. Furthermore, this activity also has a positive impact on the local economy, as participants can optimize the economic potential in Ciputih Village and support the growth of small and medium-sized enterprises.

Evaluation processes and follow-ups are integral parts of this activity. Participants are evaluated to measure the improvement in their knowledge and skills in financial management, ensuring they implement the practices they've learned in their daily lives. Thus, household economic empowerment through financial management training in Ciputih Village not only provides immediate benefits but also establishes a strong foundation for long-term economic growth and community welfare.

Conclusion

The COVID-19 pandemic has significantly impacted communities worldwide, including Indonesia and Ciputih Village. One of the primary impacts is the decrease in income and job loss, especially in sectors like tourism, hospitality, and the informal sector. Inequity in access to resources and services has also been more evident during this pandemic. In the context of Ciputih Village, the policy of household economic empowerment through financial management training emerges as a crucial step. This training provides knowledge and skills to participants in managing finances wisely, avoiding excessive debt, and understanding appropriate investments. It aids households in achieving economic stability, reducing the risk of excessive debt, and planning for a better future.

Beyond the benefits for households, this initiative also positively impacts the local economy by encouraging the optimization of economic potential in Ciputih Village. Household economic empowerment creates a robust foundation for long-term economic growth and community welfare. Therefore, financial management training in Ciputih Village not only offers immediate solutions to economic challenges faced during the pandemic but also establishes a sustainable groundwork for future economic progress and community well-being.

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