



## **Strategies to Increase Financial Literacy for the People of Tirtawangunan Village**

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### **Abstrak**

Salah satu permasalahan yang dihadapi masyarakat yaitu pengelolaan keuangan. Kurangnya pengetahuan tentang literasi keuangan dapat menyebabkan berbagai masalah, seperti kesulitan dalam mengatur anggaran, memahami konsep investasi, mengelola utang, dan merencanakan masa depan keuangan. Untuk menjawab hal tersebut maka dilakukan pelatihan strategi dalam meningkatkan literasi keuangan di kalangan Masyarakat Desa Tirtawangunan melalui kegiatan pengabdian Masyarakat dengan penilaian indicator keberhasilan serta dilakukan evaluasi hasil kegiatan selama 2 pekan sesudah kegiatan berlangsung. Hal ini terbukti dari 25 peserta pelatihan didapatkan hasil sebanyak 20 orang peserta telah menerapkan penggunaan aplikasi catatan keuangan dalam mengelola keuangan yang lebih efektif dan efisien bagi mereka yang dijadikan strategi untuk meningkatkan literasi keuangan.

**Kata kunci:** *Strategi Keuangan, Literasi Keuangan, Catatan Keuangan yang Efektif dan Efisien.*

### **Abstract**

One of the problems faced by the community is financial management. Lack of knowledge about financial literacy can lead to various problems, such as difficulties in managing budgets, understanding investment concepts, managing debt, and planning for the financial future. To answer this, strategy training was carried out in improving financial literacy among the Tirtawangunan Village Community through community service activities with an assessment of success indicators and an evaluation of the results of the activity was carried out for 2 weeks after the activity took place. This is evident from the 25 trainees who have applied the use of financial record applications in managing finances more effectively and efficiently for those who are used as a strategy to improve financial literacy.

**Keywords:** *Financial Strategy, Financial Literacy, Effective and Efficient Financial Records*



## Introduction

One of the problems faced by the community is their financial management. Lack of knowledge about financial literacy can lead to various problems, such as difficulties in managing budgets, understanding investment concepts, managing debt, and planning for their financial future. Financial literacy is an important skill that has a significant impact on individuals, families, and the economy that helps in deepening the understanding of finance which contributes positively to the better financial decision-making process (Setiawan & Saputra, 2020). Therefore, increasing financial literacy is very important to help people improve their financial stability. One of the factors that affect financial literacy is limited access to resources and information needed to understand financial concepts, because most people do not care much about good financial concepts, especially in small contexts such as family finance. This ability is becoming increasingly important as economic and financial developments become more complex today. However, the level of financial literacy among Indonesian people, especially in rural areas, is still relatively low. The level of financial literacy in Indonesia only reaches 38.03% (OJK, 2022). This shows that there are still many people who do not understand financial products and services in depth, and do not have the skills to manage personal finances effectively.

Increasing financial literacy can have a significant positive impact on society. With a better knowledge of how to manage their money, they can avoid adverse financial actions, such as excessive debt or improper investments. Improving financial literacy can also help them plan for a brighter financial future, such as preparing for retirement funds or facing emergencies. Thus, strategies to increase financial literacy can help create resilience. In order to overcome the problem of financial literacy among low-income people, a comprehensive strategy is needed. This involves an approach that focuses on better access to knowledge, increased understanding of financial concepts, and the promotion of wise financial behavior. In addition, cooperation between governments, financial institutions, and non-profit organizations can also play an important role in executing this strategy. As such, financial literacy strategies must be carefully designed to ensure that people can access the resources and information they need to better manage their finances.

The purpose of this activity will be carried out in Tirtawangunan Village, Sindangagung District, Kuningan Regency. With a population of around 1,897 people, consisting of 907 women and 990 men, it is expected to increase understanding of the importance of financial literacy with a comprehensive strategic approach.

One way to improve financial strategy is to use an android application. This is evident from the results of the research (Febriansyah et al., 2024) shows that it is easier for people to access with android compared to manual, because the increasing level of smartphone use in society can be used as a medium to improve people's abilities in various fields, one of which is the improvement of financial literacy strategies.

## Implementation Method

There are 2 main problems in this activity, namely the aspects of understanding and performance. The problem of lack of understanding of financial literacy raises various problems related to the inability to manage finances, increasingly realizing how important financial literacy is, (Marwal et al., 2023) stated that improving financial literacy is important, especially for low-income people. Financial literacy helps individuals and families to better manage their finances, reduce financial risks, and

improve the quality of life.

The second problem is performance, lack of understanding of financial literacy can cause poor performance for their financial stability such as adverse financial actions, excessive debt and inappropriate investments. According to (OJK, 2017), there are two initiative programs to be achieved, namely 1) Creating a society that has financial goals and planning, 2) Being able to manage finances wisely. The target is students/students/youth, women, employees, professions, micro, small, and medium enterprises, retirees, farmers, fishermen, people with disabilities, Indonesian workers, and communities in remote/outermost areas. With good financial planning, it is hoped that it can improve the performance of community financial management.

There are several solutions that can be offered in this activity located in Tirtawangunan Village as follows:

1. Conduct counseling and training on the use of applications that make it easier to understand financial literacy

One of the causes of the problem is the understanding of financial literacy. Therefore, the first solution is to conduct counseling and training on the use of financial literacy applications that are easy, effective and efficient. This training can be done by identifying instructors who are experienced in the field of financial literacy and the use of supporting applications. Furthermore, training materials that are tailored to the needs of trainees and current technological advances need to be determined. A regular training schedule and keeping up with technological developments also need to be arranged.

2. Providing an understanding of the importance of financial literacy.  
This can be done by making financial management easier which is integrated with each participant's smartphone. Periodic evaluations need to be carried out to determine the effectiveness of continuous training.

3. Providing assistance related to financial management.  
This mentoring program can teach skills in using easy financial management applications. The schedule and duration of the mentoring program that are in accordance with the participant's schedule need to be determined. Qualified instructors also need to be identified to provide ongoing mentoring.

4. Conduct joint evaluations with partners and related parties.  
With a structured and integrated solution, it is hoped that it can improve financial management performance in Tirtawangunan Village and improve community skills in the use of financial management applications. So, the community is ready to face challenges in the future that are increasingly technologically competitive in the era of technology industry 5.0.

The stages of implementing community service activities carried out in Tirtawangunan Village, Sindangagung District are as follows:

1. This service activity was carried out at the Tirtawangunan Village Hall, Sindangagung District on September 12-14, 2024.
2. The target participants are PKK women and the Tirtawangunan Village Community, Sindangagung District who do not understand family financial literacy.
3. Service activities by understanding financial literacy and the use of the Financial Records application to make it easier to understand.
4. Success indicators are seen when participants have understood the importance of financial literacy and can apply the application of financial records in daily

life, one of which is by giving a pretest at the beginning of the activity and a posttest at the end of the activity.

5. Evaluate the activities carried out for 2 weeks to find out the conditions before and after the training took place.

## Results and Discussion

Table 1. Participant Profile

| No. | Name               | Address |
|-----|--------------------|---------|
| 1   | Sri Lestari        | RT 04   |
| 2   | Komariyah City     | RT 09   |
| 3   | Entin Suntini      | RT 06   |
| 4   | CINTA Rahmavati    | RT 07   |
| 5   | Aat Suryana        | RT 10   |
| 6   | Mother Sutisna     | RT 06   |
| 7   | Ikah               | RT 12   |
| 8   | Oyoh S             | RT 10   |
| 9   | Yayan Suherman     | RT 06   |
| 10  | Ikoh Supiri        | RT 12   |
| 11  | Castati Gums       | RT 10   |
| 12  | Iroh Rohati        | RT 08   |
| 13  | Tati Hartati       | RT 05   |
| 14  | Titin Sumartini    | RT 07   |
| 15  | Tuti Yuliati       | RT 08   |
| 16  | Take a look at the | RT 03   |
| 17  | Yoyoh              | RT 01   |
| 18  | Edi Sunadi         | RT 01   |
| 19  | Irwansyah          | RT 09   |
| 20  | The Day Of The Day | RT 02   |
| 21  | Edi Rusnaedi       | RT 02   |
| 22  | Nurhasanah         | RT 03   |
| 23  | Dadang             | RT 04   |
| 24  | Jojo Suwarjo       | RT 05   |
| 25  | Ikhwan Mauludin    | RT 05   |

This service activity was attended by 25 participants spread from various RTs in Tirtawangunan Village and was officially opened by the Head of Tirtawangunan Village, Sindangagung District, this dissemination aims to inform and invite the surrounding community to understand the importance of financial literacy and the use of mobile applications.



Figure 1. Opening of the Activity

One of the mobile-based applications that can be used is the Android-based Financial Records application provided for free where this application can be downloaded through the Playstore on the Smartphone of each participant as shown in figure 1 below:

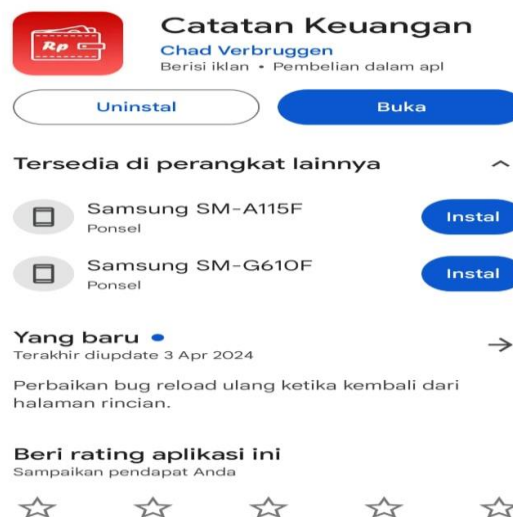


Figure 2. Financial record application

The presence of this application will make it easier for people to record their financial transactions. Most people find it difficult when using technology that they have never used before (Maryam et al., 2023). This can be seen from the number of participants who attended as many as 25 people in Tirtawangunan Village, after initial counseling was carried out it was obtained that 100% of the participants had not recorded their finances. With this training, it is hoped that it can support performance and make a strategy in understanding financial literacy. Some of the advantages in using this application include:

1. It's easier; Anytime, Anywhere
2. No need to understand Accounting in depth before

3. Avoiding human error factor recording errors
4. The results are immediately visible

With the various advantages present through this financial record application, there is no need for a manager who understands its use. This training can improve the quality of management to the maximum in carrying out financial transaction recording activities located in Tirtangunan Village. This is in accordance with the principle *human capital* which aims to increase investment in human beings towards prosperity (Puspasari et al., 2019).

The next stage is to provide an understanding of the importance of financial literacy and the use of financial record applications.



Figure 3. Financial Literacy Materials

This activity began by providing understanding material about financial literacy, because the provision of financial literacy training can increase the knowledge of the community (Aslamiyah & Reviandani, 2021). Furthermore, training on the use of financial record applications and how to read the results was given.



Figure 4. Activity Training

After this training and mentoring activity, trainees will be able to properly apply how to use financial records that can be used as a strategy in understanding financial literacy so that the use of financial management can run well, and an evaluation will be carried out for 2 weeks to see the understanding of financial literacy and the use of financial record tools.

Table 2 Evaluation of activities

| Types of Training                  | Before Training   | After Training   |
|------------------------------------|---|--|
| Use of financial record mobile app | A total of 25 people previously only used <i>smartphones</i> only to open social media, play games.     | A total of 20 people have used smartphones as a medium for recording finances  |
| Understanding financial literacy   | A total of 25 people did not understand financial literacy and the use of funds a day was not recorded. | A total of 20 people from Tirtawangunan Village who participated in this training have understood the basic concepts and understood the importance of financial literacy |

The results of the evaluation of this activity are also in accordance with the results of the pretest and posttest carried out during the implementation of the activity, where the trainees were given 5 questions related to financial literacy.

Table 3 Pretest and Posttest Results

| Participants | Correct answer  |                | Information |
|--------------|-----------------|----------------|-------------|
|              | Before training | After training |             |
| 1            | 2               | 5              | Increase    |
| 2            | 2               | 5              | Increase    |
| 3            | 1               | 5              | Increase    |

|    |   |   |          |
|----|---|---|----------|
| 4  | 0 | 5 | Increase |
| 5  | 0 | 4 | Increase |
| 6  | 2 | 5 | Increase |
| 7  | 3 | 5 | Increase |
| 8  | 1 | 5 | Increase |
| 9  | 1 | 5 | Increase |
| 10 | 2 | 5 | Increase |
| 11 | 1 | 5 | Increase |
| 12 | 2 | 5 | Increase |
| 13 | 2 | 5 | Increase |
| 14 | 0 | 5 | Increase |
| 15 | 1 | 5 | Increase |
| 16 | 0 | 5 | Increase |
| 17 | 0 | 5 | Increase |
| 18 | 0 | 5 | Increase |
| 19 | 2 | 5 | Increase |
| 20 | 3 | 4 | Increase |
| 21 | 1 | 5 | Increase |
| 22 | 2 | 5 | Increase |
| 23 | 3 | 5 | Increase |
| 24 | 1 | 5 | Increase |
| 25 | 2 | 5 | Increase |

## Conclusion

This training activity is one of the Community Service Activities that aims to increase the understanding of financial literacy among the community, especially the people of Tirtawangunan Village, Sindangagung District in managing finances more effectively and efficiently through the help of *smartphones*. Prior to this activity, the people of Tirtawangunan Village, Sindangagung District were still having difficulties in terms of their financial management so that problems continued to recur, hopefully the results of this activity could be applied by the majority of the Tirtawangunan Village Community, Sindangagung District.

The suggestion from this Community Service activity is that people in Tirtawangunan Village who have participated in the training and have not participated in this training can be disciplined to record every financial activity on a daily or periodic basis by using a financial record application that can be used to be able to feel the benefits optimally in the context of financial decision-making.

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