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# FINANCIAL MANAGEMENT TRAINING TO IMPROVE LITERACY AND FINANCIAL MANAGEMENT EFFICIENCY FOR SMEs IN THE SPECIAL CHOICE OF IRON BUSINESS IN TIMANG DELI – MEDAN AMPLAS

**Farina Jessen Yap**
STIE Professional Management College Indonesia
E-mail:farina.yap@gmail.com

## Abstract

Financial management is a crucial aspect in supporting individual well-being and organizational sustainability. A lack of understanding of financial management often leads to poor financial planning, spending control, and sound financial decision-making skills.
This Community Service (PkM) activity aims to improve literacy and financial management skills for MSMEs in the Specially Selected Iron business (abbreviated as BP K in this business), which is located in the Timbang Deli area - Medan Amplas.
The activity was held on June 25, 2026, to June 27, 2025, with 25 participants. The implementation method included identifying participant needs, delivering materials, interactive discussions, financial budget preparation simulations, and activity evaluation.
The implementation results demonstrated an increase in participants' understanding of personal and family financial management, budgeting, debt management, and the importance of investing and emergency funds. This activity had a positive impact on improving participants' financial literacy and is expected to support healthier and more productive financial behaviors.

**Keywords:**Financial Management, Financial Literacy, Community Service, Financial Planning, Employees.

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## 1. INTRODUCTION

The increasingly dynamic economic landscape demands that every individual possess the ability to manage their finances effectively. Financial literacy is essential not only for business owners but also for employees who manage household finances. Good financial management can help individuals achieve their financial goals, avoid debt problems, and improve their well-being.

Based on various research findings, the level of financial literacy among Indonesians still needs improvement, particularly in financial planning, risk management, investment, and consumption control. This lack of understanding can lead to consumptive behavior and a low ability to cope with financial emergencies.

The MSME business actor in the Special Size Reinforced Steel Business, hence the name Special Choice Iron – abbreviated as B.P.K. is a company that has human resources with diverse educational backgrounds and experiences. Based on the results of initial discussions with the MSME management, it was found that some actors in running their businesses still need a better understanding of personal and family financial management. These problems include preparing monthly budgets, debt management, savings planning, and utilizing simple investment instruments.

As part of the implementation of the Tri Dharma of Higher Education, the Professional Management College Indonesia (PMCI) held a Community Service activity in the form of Financial Management Training for BP.K MSMEs in the Timbang Deli area - Medan Amplas. This activity is expected to improve participants' knowledge and skills in managing finances more effectively and sustainably.

## 2. PARTNER PROBLEMS

Based on the results of identifying partner needs, several problems were found.

as follows:

1. Low understanding of personal and family financial planning.

2. The ability to prepare a monthly income and expenditure budget is not yet optimal.
3. Lack of understanding regarding healthy debt management.
4. Low awareness of the importance of emergency funds and investment.

Lack of knowledge regarding strategies to achieve short-term and long-term financial goals

## 3. SOLUTIONS AND OUTPUT TARGETS

The solution offered through this community service activity is the implementation of

financial management training that includes:

- Basic concepts of personal financial management.
- Preparation of financial budget.
- Healthy debt management.
- Establishing an emergency fund.
- A simple introduction to investing.
- Strategies to achieve financial goals.

The output targets of the activities include:

1. Improving participants' financial literacy.
2. Improving financial budgeting skills.
3. Publication of community service articles in national journals.
4. Documentation of PkM activities and reports.

## 4. Implementation Method

The implementation of activities is carried out through several stages as follows:

### 4.1 Preparation Stage

This stage includes coordination with the Specially Selected Iron MSME business actors in Timbang Deli – Medan Ampas, then identifying participant needs, preparing training materials, and preparing supporting facilities for activities.

### 4.2 Implementation Stage

The activity was carried out on: June 25, 2026, finished on June 27, 2025 with 25 participants.

The material provided includes:

- The importance of financial management in everyday life.
- Monthly budgeting techniques.
- Personal cash flow management.
- Debt and credit management.
- Emergency funds and investments.

The delivery method uses lectures, discussions, case studies, and financial budget preparation simulations.

### 4.3 Evaluation Stage

Evaluation is carried out through:

- Participant participation observation.
- Question and answer session.
- Activity evaluation questionnaire.
- Measuring participants' understanding before and after training.

## 5. Results and Discussion

The Community Service activities ran smoothly according to the scheduled schedule. All participants were present and actively participated.

In the initial session, participants' understanding of financial management was assessed. The discussion revealed that some participants lacked the habit of systematically preparing a monthly budget.

The training material is delivered interactively, featuring case studies relevant to participants' lives. In the simulation session, participants are asked to create a financial budget based on their individual income and expenditures.

The evaluation results showed that participants experienced increased understanding regarding:

- The importance of financial records.

- Management of income and expenses.
- Establishing an emergency fund.
- Controlling consumer debt.
- Simple investment planning
- The importance of financial records.
- Management of income and expenses.
- Establishing an emergency fund.
- Controlling consumer debt.
- Simple investment planning.

**Table 1. Results of Participant Understanding Evaluation**

| Indicator | Before (%) | After (%) |
|---|---|---|
| Budget Preparation | 58 | 85 |
| Debt Management | 62 | 87 |
| Emergency Fund | 55 | 88 |
| Basic Investment | 48 | 82 |
| Financial Planning | 60 | 90 |

Based on the evaluation results, there was an average increase in participant understanding of 30%. This indicates that the training provided significantly improved participants' financial literacy.

In addition to increasing their knowledge, participants also demonstrated a commitment to implementing better financial management in their daily lives. Their enthusiasm was evident in the high level of participation in the discussion and consultation sessions.

## 6. Conclusion

The Community Service Activities carried out by the Professional Management College Indonesia (PMCI) for Specially Selected Iron MSMEs in Timbang Deli – Medan Amplas, have gone well and provided positive benefits for the participants.

The financial management training successfully enhanced participants' understanding of personal finance management, budgeting, debt management, emergency funds, and simple investments. This activity is expected to encourage healthier financial behaviors, thereby supporting improved employee well-being.

**Thank-you note**

The Community Service Team would like to thank the management of the Specially Selected Iron Business MSME (BPK) in Timbang Deli, Medan Amplas, for their support and facilities during the activity. They also thank the Professional Management College Indonesia (PMCI) for their support in implementing this community service activity.

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PHOTO DOCUMENTATION OF PKM 2026 IMPLEMENTATION

**AT THE LOCATION OF JL. SM RAJA NO. 202 B – TMBANG DELI – MEDAN AMPLAS**


PHOTO DOCUMENTATION OF PKM 2026 IMPLEMENTATION

**AT THE LOCATION OF JL. SM RAJA NO. 202 B – TMBANG DELI – MEDAN AMPLAS**

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