

HOUSEHOLD FINANCIAL MANAGEMENT TRAINING TO IMPROVE COMMUNITY WELFARE FOR IMIGA OFFICER MEMBERS

Mila Asmawiani Okta, Ika Kartika

Correspondent: neelha82@gmail.com

Abstract

Household financial management is a crucial aspect in improving family and community well-being. Many families, particularly those in the community of IMIGA members, still face financial challenges due to low financial literacy, unstructured budget planning, and inadequate financial record-keeping. This Community Service (PKM) activity aims to improve the understanding and skills of IMIGA members in managing household finances effectively and sustainably. Implementation methods include counseling, training, interactive discussions, and hands-on practice in budgeting and simple financial record-keeping. The results of the activity indicate an increase in participants' understanding of financial planning, spending control, and the importance of saving and emergency funds. This activity is expected to have a positive impact on improving family well-being and the economic independence of IMIGA members.

Keywords: Household Financial Management, Financial Literacy, Community Welfare, Officership, PKM

1. INTRODUCTION

1.1 Background

Family well-being is the primary foundation for building broader societal well-being. One of the determining factors of family well-being is the ability to manage household finances wisely and in a planned manner. Good household financial management includes income and expenditure planning, consumption control, financial record keeping, and long-term planning such as savings and investments.

In reality, many families still lack an adequate understanding of household financial management. This often leads to an imbalance between income and expenses, consumer debt, and low family savings. This problem is also experienced by some members of the IMIGA (Indonesian Migrant Workers Association), the majority of whom act as family financial managers.

As a forum for religious and social activities, the Perwiritan has great potential to be used as a medium for community empowerment, including improving financial literacy. Through targeted and applicable training, Perwiritan members are expected to be able to manage household finances more effectively, thereby improving the well-being of their families and the community.

1.2 Problem Formulation

Based on this background, the problem formulation in this PKM activity is:

1. What is the level of understanding of IMIGA Officers' members regarding household financial management?

2. How is the implementation of household financial management training for IMIGA Officers?
3. How does the training impact participants' knowledge and skills in managing household finances?

1.3 Activity Objectives

The objectives of this PKM activity are:

1. Improving the financial literacy of IMIGA Officers' members.
2. Provides practical skills in preparing budgets and recording household finances.
3. Encourage the creation of healthy financial behavior to improve family welfare.

1.4 Benefits of Activities

The expected benefits of this activity include:

1. For participants, improving the ability to manage household finances effectively.
2. For the community, supporting the improvement of community welfare in a sustainable manner.
3. For institutions, as a form of implementation of the Tri Dharma of Higher Education.

2. LITERATURE REVIEW

2.1 Understanding Household Financial Management

Household financial management is a systematic process that includes planning, organizing, implementing, and controlling family financial resources to achieve predetermined financial goals, both short-term and long-term. According to Garman and Forgue (2017), family

financial management encompasses how individuals or families earn income, allocate expenses, record expenses, and make rational financial decisions.

Lusardi and Mitchell (2019) emphasized that good household financial management focuses not only on meeting daily needs but also on future planning, such as education savings, emergency funds, investments, and retirement planning. Without planned management, families are at risk of financial imbalance, which can reduce their well-being.

Household financial management is also closely related to the ability to control consumer behavior. According to Arifin (2020), many family financial problems arise from a lack of prioritization of needs and weak spending control. Therefore, household financial management requires discipline, commitment, and a thorough understanding of the family's financial situation.

2.2 Financial Literacy

Financial literacy is a key factor in successful household financial management. Huston (2020) defines financial literacy as an individual's ability to understand and use financial concepts to make effective economic decisions. Financial literacy relates not only to knowledge but also to skills and attitudes in managing finances.

Chen and Volpe (2018) stated that individuals with good financial literacy tend to be better at financial planning, managing debt, and having better savings habits than those with low financial literacy. This suggests that financial literacy plays a crucial role in developing healthy financial behavior.

In Indonesia, the public's financial literacy remains a challenge. The Financial Services Authority (OJK, 2022) reported that improving financial literacy is a national strategy to

strengthen family economic resilience. Through financial education and training, it is hoped that the public will be able to manage their income optimally and avoid long-term financial problems.

2.3 Community Welfare

Social well-being is a condition in which individuals and families are able to adequately meet their basic needs, including material, social, and spiritual needs. According to the OECD (2020), well-being is measured not only by income levels but also by quality of life, economic security, and an individual's ability to cope with financial risks.

Sari (2022) stated that community well-being is closely linked to household financial management skills. Families that manage their finances well tend to have stronger economic stability, which can improve the quality of education, health, and social life.

In the context of Community Service Program (PKM) activities, improving community welfare can be achieved through financial education-based economic empowerment. Household financial management training is one effective intervention to increase family economic independence, particularly in religious-based communities such as the clergy.

2.4 The Role of Women in Household Finances

Women, particularly housewives, play a strategic role in family financial management. Hilgert, Hogarth, and Beverly (2019) suggest that women often serve as primary decision-makers in daily expenses, family planning, and household budget management.

Yushita (2019) emphasized that improving women's financial literacy can significantly impact overall family well-being. Women with a good understanding of finances tend to be

wiser in managing their income, controlling expenses, and preparing for their family's future needs.

In the priesthood community, women not only play a role in religious activities but also have significant potential as agents of change in improving the well-being of families and communities. Therefore, household financial management training targeting women is expected to have a lasting impact on the economic stability of families and communities.

3. IMPLEMENTATION METHOD

3.1 Activity Objectives

The target of this Community Service Program (PKM) is members of the IMIGA (Indonesian Migrant Workers Association), an active community group with regular meetings and a strategic role in the social, religious, and economic life of families. IMIGA members generally consist of housewives and small-scale micro-entrepreneurs who have great potential in managing family and business finances, but still face various limitations in financial literacy and simple financial record-keeping.

Based on initial observations and preliminary discussions with the IMIGA branch management, it was discovered that most members lacked a thorough understanding of financial planning, budgeting, and systematic cash flow recording. Financial management remained traditional and informal, often leading to an imbalance between income and expenses and difficulties in objectively evaluating financial conditions.

Therefore, this PKM activity is focused on increasing the capacity and skills of IMIGA Officers in:

1. Understand the basic concepts of family and small business financial management.

2. Prepare a simple but structured financial budget.
3. Maintain neat, systematic and sustainable financial records.
4. Raising awareness of the importance of financial discipline as an effort to improve family welfare.

By making IMIGA Officers' members the target of activities, it is hoped that the results of the service will not only provide individual benefits, but also have a collective impact through the process of sharing knowledge and good practices among group members.

3.2 Activity Method

The implementation method for this PKM activity is designed to be participatory and applicable so that the material presented can be easily understood and directly applied by participants in their daily lives. The methods used include the following approaches:

1. Counseling and Lectures

Counseling and lecture methods are used as an initial step to provide participants with a conceptual understanding of the importance of sound financial management. The material is delivered in a conversational manner and tailored to the participants' backgrounds, using simple language and examples relevant to everyday life.

Key topics in this session include:

- Definition and objectives of family financial management.
- Basic principles of financial planning and budgeting.
- The importance of separating personal and business finances.
- The impact of unplanned financial management on family welfare.

The material is delivered interactively to maintain the interest and involvement of participants throughout the activity.

2. Discussion and Q&A

A discussion and question-and-answer method was used to explore real-life challenges participants face in managing their daily finances. In this session, participants were given the opportunity to share their experiences, challenges, and current financial habits.

Through group discussions, participants are invited to:

- Identifying financial problems that frequently arise.
- Looking for simple and realistic solutions according to each individual's condition.
- Learn from the experiences of other participants.

This method is expected to increase participants' understanding while fostering self-confidence and openness in discussing financial issues.

3. Budget Preparation Simulation and Practice

Simulation and practice are the core methods in this PKM activity. Participants are encouraged to directly practice preparing a financial budget using case studies relevant to their circumstances, such as a monthly household budget or a small business budget.

In this session, participants are given:

- Example of a simple budget format.
- Practice preparing a budget based on income and expenses.
- Financial decision making simulation.

This practical approach aims to ensure that participants not only understand the theory, but are also able to apply it independently after the activity ends.

4. Financial Recording Assistance

Mentoring is provided to ensure participants are able to consistently and correctly record their finances. Participants are guided in recording daily income and expenses using a simple financial notebook.

This assistance includes:

- How to record financial transactions regularly.
- Grouping of types of expenses.
- Simple evaluation of financial recording results.

Through this mentoring, it is hoped that participants will have practical skills that can be used sustainably.

3.3 Implementation Stages

The implementation of PKM activities is carried out through several planned and systematic stages, as follows:

1. Preparation Stage

The preparation phase is a crucial initial step to ensure the smooth implementation of the activity. Activities at this stage include:

- Coordination with the IMIGA Officials regarding the time, place, and number of participants.
- Preparation of training materials and supporting modules.
- Preparation of activity facilities and infrastructure, such as stationery, practice materials, and presentation media.
- Preparation of activity evaluation instruments.

The preparation stage is carried out by considering the needs and characteristics of the participants so that the activity can run effectively.

2. Training Implementation Stage

The implementation phase is the core of the PKM activity. During this phase, all planned methods are implemented in a structured manner, from outreach and discussions to simulations and mentoring.

The activities were implemented in stages and adjusted to fit the available time, while ensuring participant comfort and active participation. The community service team acted as facilitators, assisting participants throughout the learning process.

3. Activity Evaluation Stage

The evaluation stage is carried out to assess the effectiveness and success of PKM activities.

Evaluation is carried out through:

- Observation of participant participation and enthusiasm during the activity.
- Reflective discussion with participants regarding perceived benefits.
- Assessment of the results of budget preparation and financial recording practices.

The results of this evaluation are used as material for improving and developing PKM activities in the future, as well as as a basis for compiling community service reports.

4. RESULTS AND DISCUSSION

4.1 Implementation of Activities

The training was conducted face-to-face according to a schedule agreed upon with the IMIGA Officials. The training took place in a conducive, communicative, and participatory atmosphere, ensuring participants felt comfortable participating in the entire series of

activities. The material was delivered in stages, starting with counseling and lectures, discussions and questions and answers, budgeting simulations, and financial record-keeping assistance.

In the initial phase, the facilitator presented material on the basic concepts of family and small business financial management, emphasizing the importance of planning, budgeting, and proper financial record-keeping. The material was presented using simple language and accompanied by concrete examples relevant to the participants' circumstances, making it easy to understand and absorb.



Figure 4.1 implementation of activities

The event continued with an interactive discussion session, where participants were given the opportunity to share their experiences and challenges in managing their finances. The discussion was lively and provided a platform for sharing experiences. Many participants expressed that financial management has been carried out unplanned and without clear record-keeping, making it difficult to accurately assess their financial situation.

The budgeting simulation and practice session was the most engaging part for the participants. In this session, participants were directly trained to create a simple financial

budget based on their individual income and expenses. The facilitator provided a sample budget format and guided participants step-by-step through the preparation process. Furthermore, participants were also trained in daily financial record keeping using a simple notebook.

Overall, the training proceeded smoothly and according to plan. Active participant participation was a key contributing factor to the success of this training.

4.2 Participant Responses and Participation

The participant response to the PKM program was very positive. This was evident in the high attendance rate and their active involvement throughout the event. Participants demonstrated great enthusiasm, particularly during the discussion and practical sessions, where they were directly involved in the learning process.

During the discussion and Q&A session, participants asked questions about family financial management, how to manage expenses so they don't exceed income, and easy-to-implement financial record-keeping techniques. Several participants also shared personal experiences about the difficulties of controlling spending and the importance of disciplined financial record-keeping.

Participant participation was also evident during the budgeting simulation and practice sessions. Participants followed the instructions diligently and strove to complete the exercises. Although some initially struggled to categorize expenditures, with intensive guidance, they were able to understand and successfully complete the exercises.

Furthermore, participants demonstrated an open and cooperative attitude toward the guidance provided by the community service team. Two-way interaction between facilitators

and participants proceeded well, creating a lively and less monotonous training environment.

This demonstrates that the training methods used were appropriate for the participants' characteristics and needs.

4.3 Impact of Training

The implementation of this PKM activity had a positive impact on improving participants' knowledge, understanding, and skills in financial management. Based on simple observations and evaluations, participants' understanding of the importance of budget planning, financial record-keeping, and expenditure control improved.

Before attending the training, most participants did not fully understand the concepts of budgeting and financial record-keeping. However, after the training, they began to realize that good financial management can help them control spending, avoid waste, and plan for both short-term and long-term financial needs.

In addition to improving understanding, this training also resulted in changes in participants' attitudes toward financial management. Participants demonstrated a greater awareness of the importance of disciplined recording of every financial transaction, both income and expenses. Several participants even expressed a commitment to implementing regular financial record-keeping in their respective households.

In terms of skills, participants have been able to prepare a simple financial budget and maintain accurate daily financial records. It is hoped that these skills can be continuously developed and implemented, providing long-term benefits for family well-being and the management of their small businesses.

Overall, this training activity can be said to have been successful in achieving its stated objectives. The results demonstrated that the educational and practical approach through PKM activities was able to increase the community's capacity to manage finances more effectively and responsibly.

5. CONCLUSION AND SUGGESTIONS

5.1 Conclusion

Household financial management training for IMIGA officers has successfully improved participants' financial literacy and skills, potentially improving family welfare.

5.2 Suggestions

Similar activities need to be carried out continuously with more varied materials and continued mentoring.

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