

Family Financial Planning Training for a Group of Pkk Women in Labuh Baru Barat District

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ABSTRACT

This community service activity is carried out because mothers as managers of family finances are expected to be careful in planning their family finances, so that they can avoid wasting money, prioritize fulfilling needs rather than desires, and not live by always relying on debt, because expenses are greater than income, and can set aside money for savings/investment. This training was carried out for 24 PKK mothers in Labuh Baru Barat Subdistrict, before being given material and training regarding family financial planning, a Pre Test was carried out with the results. 14 people have not managed their finances well, 6 people have only recorded family expenses, and 4 people have recorded household financial income and expenses. This shows that the family's financial planning is still not good, so sometimes for sudden financial needs they often take out loans by digging holes to cover holes. After that, materials and training were provided, then as an evaluation a Post Test was carried out, the results of which stated that 20 people could understand the difference between needs and wants, 18 people could calculate the entire family income, 21 people could make a list of priority expenses, 15 people could maintain the debt ratio, and 12 people can allocate Savings, Insurance and Investment. It is hoped that by carrying out this family financial planning training, PKK mothers will be able to plan their finances well, be able to make a budget for household income and expenditure, and be able to save/invest for other needs in the future, so that a prosperous family can be achieved.

Keywords: Training; Financial planning; Family

INTRODUCTION

The smallest social environment that every individual has is called family, or it can also be defined as a group of people living in one house who still have kinship/blood relations due to marriage, birth, adoption and so on. According to Lestari (2012), a family is a household that is related by blood or marriage or provides the basic instrumental functions and expressive functions of the family for its members who are in one network.

In general, the problems that are often encountered in households are related to financial problems. Sometimes it could be due to a lack of money, excess money, or because of confusion about managing finances, for families whose income is less than their needs. This is closely related to how to manage family finances well, intelligently, carefully and carefully. Household financial planning must not only be carried out by families whose income is limited compared to their needs, the middle class and the rich.

The family plays an important role in a country's economic activities, because households act as consumers and can also act as producers. Households as consumers cannot be separated from

the large number of routine expenses used to meet their needs. This is so that a family can live a decent life. Family income is a key factor to support these consumption activities. Family income comes from salary, wages, profits from transactions, investments or other income outside the main income (Yohana, 2014).

With the uncertainty of family income and inaccuracy in managing family finances, as the saying goes, a peg rather than a pole can become a major problem in the household. Economic stability in the family is one of the factors that determines family happiness, because income that is insufficient for life's needs can be the main cause of arguments in the family (Siagian, 2018).

Instability occurs in the family economy not only because of insufficient income, but because the family is not wise in spending money or income. Therefore, in order for the family to be stable, the family needs to make a budget plan and develop attitudes that support the realization of family economic stability, including openness between husband and wife in financial matters because in the family there is no "your money" or "my money" there is only "our money". Another attitude related to implementing a family financial plan is a disciplined attitude in carrying out what has been planned so that there will not be many deviations from what has been planned. Family background, the values held in the family and the culture one has influence a person's way of thinking about money and managing it (Triningsih and Widyasari, 2010).

Financial planning is very important and determines the success of a family, based on the results of Novianti and Denziana's (2012) research on managing their family's finances, if they are able to plan their family's finances then it can be said that 50% of them are successful and successful in terms of family financial planning. Research conducted by Mulyanti, D., & Sahidillah, N. (2018) regarding financial management of poor families, in a case study of the independent community program partner, Kartu Dhuafa Republika, the results showed that there were differences in income, level of ability and family independence for financial planning in each family of the independent community program partner, wallet dhuafa Republika in Bogor, Tangerang and Bekasi, where this is seen in terms of input, throughput and output.

This Community Service entitled Family Financial Planning begins with the results of the 2022 National Survey of Financial Literacy and Inclusion (SNLIK) showing that the Indonesian people's financial literacy index is 49.68% and financial inclusion is 85.10%. This gap has the potential to cause problems between Financial Services Business Actors and consumers (<https://ojk.go.id/id/berita-dan-kegiatan/siaran-pers/Pages/Tingkatkan-Literasi-Kuangan-di-Daerah,-OJK-Edukasi-Perempuan-Riau.aspx>, July 29, 2023). This is what prompted this community service which aims to increase financial literacy among PKK mothers in Labuh Baru Barat Village, Pekanbaru, Riau.

METHODS

The method used in this service activity is the lecture and practice method, namely a delivery method using oral communication and demonstration. In order for the lecture and demonstration method to be successful, several things must be done, namely:

1. Preparation phase

This includes formulating the goals you want to achieve, determining the main points of material you want to lecture on, and preparing tools.

2. Implementation stage

Opening steps, presentation steps, ending or closing steps of the lecture. Methods that will be carried out by the team during community service activities for the group PKK mothers in West Labuh Baru Village are as follows:

- a. Providing motivation about the importance of family financial planning.
- b. This activity is carried out in the form of training on how to plan and manage family finances, so that there is no waste in household finances.

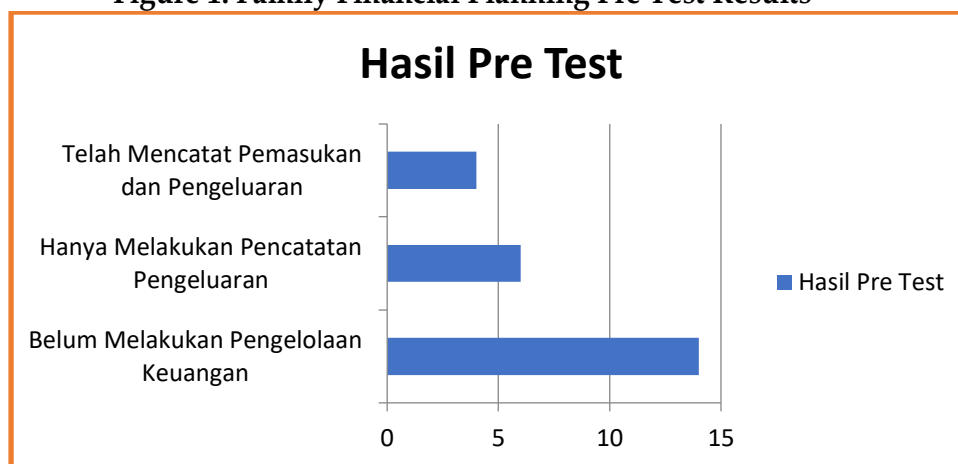
- c. Providing material on family financial planning, both regarding the amount of income and how family expenses can be met according to needs, not desires.
- d. Evaluation on PKK mothers in Labuh Baru Barat Subdistrict in measuring their understanding of the material and training that has been provided with practice the process of creating and compiling household income and expenditure budgets, both routine and non-routine, in one period according to what has been taught by the service team. Here PKK mothers in West Labuh Baru Village will also be guided and accompanied by a service team. Mentoring will later see and measure the extent PKK mothers in West Labuh Baru Village can create and detail the Revenue Budget and Expenditure Budget then report the evaluation results to the service team.

RESULTS

Family Financial Planning Training Activities for PKK mothers in West Labuh Baru Village, Pekanbaru will be held on Tuesday, March 14 2023, PKL. 09.00-15.00 at the office West Labuh Baru Village, Pekanbaru. This activity was attended by the Village Head West Labuh Baru Village, And There are 24 PKK mothers in West Labuh Baru Village.

This training activity consists of a Pre Test, delivery of material related to family financial planning and a post test as the end of this training activity. The Pre Test was carried out at the beginning before the activity was carried out to determine the extent of the participants' understanding of financial planning. The following are the results of the Family Financial Planning Pre Test which are presented in Figure 1.

Figure 1. Family Financial Planning Pre Test Results



Source: Processed Data, 2023

Based on Figure 1, namely the results of the Pre Test survey carried out before the service was carried out, it shows that from the 24 participants it is known that the financial literacy level of mothers in West Labuh Baru Village is still low and must be improved. In the survey, the results obtained were that 14 people had not managed their finances well, 6 people had only recorded family expenses, and 4 people had recorded household financial income and expenses. This shows that the family's financial planning is still not good, so sometimes for sudden financial needs they often take out loans by digging holes to cover holes.

Family financial planning is a way of managing family finances regularly and carefully through the planning, implementation and monitoring/assessment stages. This financial planning skill is very important for every family to have, because whether or not the family's income is sufficient depends on how the family economy is managed. Without knowledge about financial planning, the family economy can be "torn up", so that family life becomes unstable and family prosperity cannot be achieved. Even further consequences can cause family breakdown.

An orderly economy is one of the conditions for achieving peace of mind for all family members. Therefore, efforts need to be made, especially for housewives as the holders of family

finances, to always be wise in meeting their family's needs. Financial planning is very important, because:

1. Money to fulfill needs is limited.
2. Human memory is very limited, as a result we don't remember what money was spent on.
3. Life's needs are very diverse, so a priority scale is needed.
4. Discussion material and means of communication between family members.
5. Prevent waste.

Financial planning is not an easy matter and can be done just like that by everyone. As is known, there are many human needs, such as food, drink, clothing, shelter, education, health, recreation, transportation, and so on, while the means of satisfying needs in the form of money are limited. This is what causes people to tend to say less rather than more, because they don't know how to plan their finances.

Through financial planning, we will learn how to make decisions based on a priority scale according to the conditions of each family. We can prioritize needs that are very important, important and less important, so that we hope there will be money left for future needs by saving.

It is important to have knowledge and skills in financial planning because each family has different abilities in meeting their needs, both material (physical) and non-material (spiritual) needs. This ability really depends on the source of income and the family's seriousness in achieving it.

With good financial planning, the use of even limited money can be controlled, so that it will bring prosperity to the family. For families with mediocre incomes, financial planning is very important to have, because with the money they have, very few types of needs can be met. . Likewise, for well-off families, financial planning is also very important, because desires are unlimited and it is very possible for uncontrolled spending to occur.

FAMILY FINANCIAL PLANNING

According to Manullang (1981) family financial planning is divided into three steps, namely:

1. Family Financial Expenditure Planning

The first step that must be taken in planning family finances is to record all income input obtained by the family. This is necessary so that we can find out how much our family's income actually is per month. After recording the total income, the next step is to make a list of routine expenses that must be paid every month, such as monthly shopping (sugar, soap, toothpaste, tea, oil, rice, etc.), paying for electricity, water, telephone, servants (if any).), children's tuition fees, stove gas, and others. Next, all routine expenses are added up.

The next step is to make a list of non-routine expenses with a priority scale (order of fulfillment). Add up all the expenses on the list, then match it with the total income we have (already deducted from routine needs). If it turns out that our planned expenses exceed existing income, then we have to re-select which expenses can be postponed. After these three steps have been completed, an evaluation is carried out before the plan is implemented. Evaluation is carried out to check:

- a. Whether there is an error in adding up income and expenses.
- b. Whether or not routine needs have been missed.
- c. Whether there are actual needs or not is not important, if there are, we can replace them with other, more important needs.
- d. Which part of your needs can be saved/reduced expenses, so that the rest can be used as money in case of unexpected needs, such as: illness (child, father, mother, etc.), traveling because someone has died, guests who come suddenly, etc.
- e. Additional income that may be earned.

After the evaluation is carried out, we rewrite the plan neatly and stick it in a certain place. How to prioritize needs? The steps are presented below:

- a) Write down all the needs that must be met that are not routine needs or something that is desired.
- b) Cross out needs that don't require money, namely needs that we can do ourselves or for which we already have the materials, such as computer lessons for children, if we can teach them ourselves and have our own computer, then these needs can be crossed out, then it is possible that the written budget can be reduced.
- c) Mark the needs that require large amounts of money, then estimate whether or not we have enough money to fulfill them.
- d) Put a mark (V) in the "yes" or "no" column for these needs, keeping in mind whether or not these needs can be met, then give a priority scale number to the needs to which we answer "yes".

2. Implementation of Family Financial Planning

In implementing the expenditure plan that we have prepared, we can use various models/systems, including:

a. Envelope System

It is a system that uses envelopes as a place to temporarily store our money according to planned needs. So, the money is divided into envelopes that have been determined and written on the outside. This means that the number of envelopes corresponds to the number of needs that have been planned and agreed upon previously.

b. Cash Book System

The cash book system in question is of course not like that taught in accounting lessons, but is simplified into how much total income and how much total expenditure has been detailed.

c. Family Cash System

It is a family financial bookkeeping system that emphasizes dividing expenses into groups: fixed, daily and unexpected expenses. Everything is recorded in detail in a book and each type of expenditure is added up and then totaled with other types of expenditure.

d. Daily Cash System

It is a financial bookkeeping system that emphasizes daily expenditure records. This system is usually successful if it is adopted by people who diligently record everything they spend every day without being lazy about writing, even if the expenses are small. Housewives who use this system must write patiently and painstakingly, because missing even one day will mess up the next bookkeeping, because people's memory is limited.

3. Family Financial Assessment/Supervision

Basically, the assessment has a good influence on seeing what has been achieved regarding the implementation of financial planning which has been prepared as a basis for improving the budget plan for the following month. Based on this assessment, we will also obtain information about the advantages and disadvantages of our budget plan so that it can be corrected or perfected in the future.

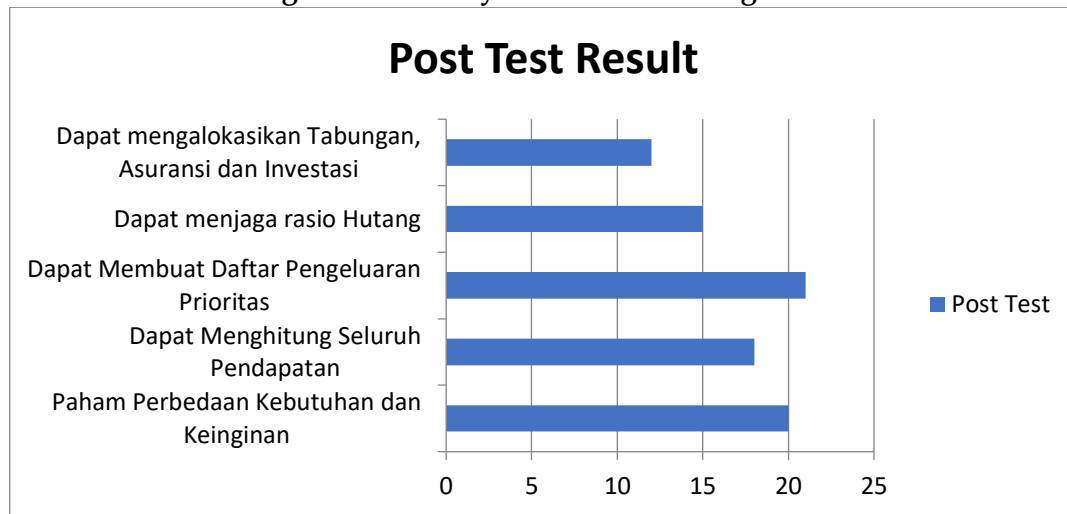
The criteria used to assess financial planning can be guided by 5 things, namely: appropriate use, right time, right place, right price, and right quality (Pearce and Robinson, 1997). In other words, before we spend money, of course we must have in mind the question: What are we spending money on? Why was the money spent? Where is the money issued? When should the money be released? Who needs it? and How do I withdraw money (cash or credit)?

The assessment will be successful if it is carried out continuously, comprehensively, objectively, systematically, and there is cooperation between all family members. The assessment can be carried out in part or in whole. The overall assessment covers the program in general, for example, can the overall plan be implemented? How are your overall finances (minus or remaining)? Meanwhile, partial assessment is an assessment of each part of the

planned expenditure, such as which part ultimately cannot be covered? What caused it? Does it have to be budgeted to be fulfilled next month? etc.

After being given the material and carrying out training, the service team conducted a Post Test to measure the participants' understanding of their own family's financial planning. The following are the Post Test results of the participants which are presented in Figure 2 below:

Figure 2. HFamily Financial Planning Post Test results



Source: Processed Data, 2023

Based on the Post Test results in Figure 2 above, it can be seen that out of 24 participants who can understand financial planning, namely: (1) 20 participants who can understand the difference between needs and desires; (2) There are 18 participants who can calculate their entire family income, who usually earn income from only 1 source, such as a salary, and there are 6 people who cannot calculate their entire income because the money from business and household income is still mixed up, so they cannot calculate the total amount of all his income; (3) There are 21 participants who can make a list of priority expenses, these expenses are usually routine monthly expenses; (4) There were 15 participants who were able to maintain their debt ratio after being given this training, of which 9 more people were still involved in digging holes, covering holes, especially since it was made easier by the large number of Online Loans (Pinjol) only with KTP capital; (5) There are 12 participants who can allocate savings, insurance and investments, while there are 12 more people who cannot set aside income for savings, insurance and investments because their expenses are greater than their income.

From the results of the Post Test, it can be concluded that there is an increase in understanding regarding family financial planning with the hope that in the future PKK mothers in Labuh Baru Barat Subdistrict will be able to live prosperously, without being in debt whose ratio exceeds their income.

CONCLUSION

Family financial planning is a skill that a mother must have as the holder of family finances. Through good and careful planning, it is hoped that the income earned by the family can be used appropriately, at the right time, at the right place, at the right price and at the right quality. The hope is that through this training, we can learn the lesson that whatever good fortune God has given us, if we are grateful for it and use it correctly and appropriately, it will actually bring joy in living life, at least blessings in the form of happiness, prosperity and family harmony.

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