

Financial Literacy Training In The South Alai Village Community, lembak District, South Sumatra

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ABSTRACT

Alai Selatan Village is one of 10 villages in Lembak sub-district, has an area of 1.219 hectares. The activity was carried out at the KKNT location, Alai Selatan Village, Lembak District, South Sumatra. The aim of carrying out this community service activity is to provide education about financial literacy to the public so that it can reduce the risks posed by illegal financial products and the public can choose investments that are good and safe for them. The method used in this community service activity is using the training method with a total of 25 participants. From the results of the pre-test and post-test given during the training, it can be seen that there has been an increase in knowledge about financial literacy. During the pre-test, only 2 participants had a good level of understanding, 8 participants had a sufficient level of understanding and 15 people had a poor level of understanding. During the post-test there was an increase in the number of 8 participants with a good level of understanding, 14 participants with a sufficient level of understanding and 3 participants with a poor level of understanding.

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INTRODUCTION

In the midst of advances in financial and banking technology, education and literacy related to finance is very important and is a very crucial aspect for society so that it does not lag behind with the times. Financial literacy is a window to inclusive finance. (Fadhlorahman, 2023).

The Prevalence of fraudulent investment, moneylender bondage and problems in business in society are still recorded to be quite high. The factor suspected to be the cause is the low understanding of financial literacy for healthy financial planning. Low financial literacy has an impact on people being easily tempted by offers of investment or investment financial products that are less realistic, causing casualties in various regions in Indonesia. (Boku, 2023).

Based on a report by Financial Services Authority (OJK), total public losses due to illegal investments in Indonesia will reach IDR 120.79 trillion in 2022. The value of these losses has reached a record high in the last decade. The amount of investment losses 2022 even jumped to 4,655.51% compared to the previous year's period (year-on year/yoyo) which amounted to IDR 2.54 trillion. In total, the illegal investment losses reached IDR 152.87 trillion from 2012 to 2022. The value of these losses has fluctuated in the last decade. It was recorded that public losses due to illegal investment were highest in 2022, while the lowest were in 2014, which amounted to IDR 235 billion. According to OJK, the main characteristic of fraud under the guise of investment is the lack of valid licensing documents from relevant regulators (supervisors) such as OJK, Bank of Indonesia, Bappebti-Ministry of Trade, Ministry of Cooperatives and SMEs, and others. Apart from that, the following are other characteristics of illegal investment, including promising unreasonable profits in a short time, promising bonuses from recruiting new members, using community/religious/public figures to attract interest in investing, stating that it is risk-free, unclear legality, such as not having a business permit, having an institutional permit but not having a business permit, and carrying out activities that are not in accordance with the business permit they have. (Annur, 2023)

Education is seen as a way out to overcome this. By strengthening financial literacy, it is hoped that people can avoid fraudulent investments. Based on the results of the National Financial Literacy and Inclusion survey by the OJK, it is stated that 38% of Indonesian people are financially literate but this is not comparable to the inclusion index which reached 76% (OJK, 2016).

Nababan and Sadalia (2018) stated that in order for individuals to be motivated to achieve their prosperity, financial planning is needed that is adapted to the patterns and lifestyle they live. When someone plans to make an investment from the resources (money) they have, careful planning is needed when deciding whether investing in a financial product is worth doing. Financial literacy is closely related to financial management, where the higher a person's level of financial knowledge, the better the person's financial management. Financial literacy is an individual's ability to make effective judgements and decisions regarding financial management (Bhushan & Medury, 2013).

Alai Selatan Village, Lembak District, South Sumatra is one of the villages that is the location for the 2023 KKNT at Indo Global Mandiri University. Alai Selatan Village is one of 10 villages in Lembak sub-district, has an area of 1.219 hectares. This service theme was chosen because in general people do not understand financial literacy. One thing that often happens is fraudulent investment. Therefore, it is hoped that this training activity can increase knowledge about financial literacy so that it can reduce the risk of losses arising from illegal financial products.

METHOD

The design for evaluating program success in this PKM activity is initial evaluation, process evaluation, and final evaluation. An initial evaluation was carried out to determine the participant's level of knowledge about financial literacy before the training began. The initial evaluation was carried out by giving

participants a questionnaire containing questions about financial literacy. Meanwhile, the process evaluation was carried out by providing material presentation and financial literacy training to participants followed by a question and answer session and discussion. Finally, the evaluation is carried out to evaluate the activity as a whole and is carried out at the end of the activity by giving the questionnaire back to the participants. The teaching and learning process which is preceded by using the pre-test method and ends with a post-test aims to see the extent of cognitive development in participants with the material that will be and has been taught. (Effendy, 2016)

The stages in this community service activity are described as follows :

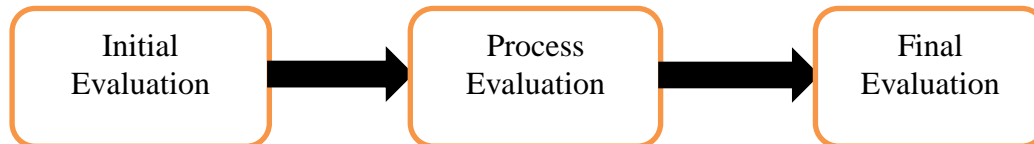


FIGURE 1. Flowchart of Method

RESULT AND DISCUSSION

Community service activities were carried out on August 1, 2023 at the KKNT location, Alai Selatan Village, Lembak District, South Sumatra, at the village head's house. Training activities are carried out in one day. Participants in this community service activity were housewives with a total of 25 participants. The method used in this pkm activity uses the training method. Training is an involving activity accompanied by demonstration and operation of a system or equipment (Morelli, 2015). The training began with opening remarks by the village head of Alai Selatan village, Lembak sub-district, namely Mr. Lukman, S.Sos. Then continued with financial literacy training by the presenters, namely Mrs. Vhika Meiriasari, Miss Mutiara Kemala Ratu, Miss Emilda and Mr. Kgs. Nurkholis.

Financial management, derived from the term "management" which signifies the act of overseeing, and "finance" encompassing aspects related to money, including financing, investment, and capital, can be conceptually understood as encompassing all activities associated with the effective management of financial resources. (

The widespread cases of fraudulent investments illustrate that people tend to want to make profits instantly. The aim of this financial literacy training is so that people understand how to choose investments that have low risk, including : (Bokiu, 2023)

- Buy Gold
Gold can be bought when they have enough excess money to invest in gold bullion and can be resold when they need cash. Easy to buy and resell, making gold the most liquid investment compared to deposits or land investments.
- Deposit
Deposits can be an investment option for residents if they have excess idle funds so that with deposits they will have the opportunity to earn income from deposit interest. Deposits can be made according to a period of three months, four months, six months, according to the period of our choice. The size of the deposit interest is very much influenced by the Bank Indonesia (BI) benchmark interest.
- Buying assets in the form of land
Assets in the form of land can be the right choice for long-term investment, because land prices tend to rise from year to year, making investment in this sector provide quite large profits compared to investing in gold and deposits.

Initial Evaluation

An initial evaluation was carried out to determine the level of participants' knowledge about financial literacy before the training was carried out. From the results of the initial evaluation based on the pre-test, it can be said that the financial literacy skills of the South Alai Village community are still very low.

Process Evaluation

Process evaluation is carried out by presenting material regarding financial literacy. In this session the presenters tried to explain financial investment products to the people of South Alai Village for approximately two hours using tools such as laptops, LCDs and monitor screens. After presenting the material, a discussion and question and answer session was held between the presenter and the training participants. This effort was made so that the training material could be well absorbed by the training participants considering that financial literacy knowledge is still low in South Alai Village.

Final Evaluation

The final evaluation is carried out to evaluate the activity as a whole and is carried out at the end of the activity, namely by distributing questionnaires again to the activity participants. The following pre-test and post-test results are depicted in the table :

TABLE 1. Pre-test result

Level of understanding	Frequency	Percentage
Good	2	8%
Enough	8	32%
Not enough	15	60%

TABLE 2. Post-test result

Level of understanding	Frequency	Percentage
Good	8	32%
Enough	14	56%
Not enough	3	12%

From the table above it can be seen that there was an increase after the training was carried out. During the pre-test, only 2 participants had a good level of understanding, 8 participants had a sufficient level of understanding and 15 people had a poor level of understanding. During the post-test there was an increase in the number of 8 participants with a good level of understanding, 14 participants with a sufficient level of understanding and 3 participants with a poor level of understanding.



FIGURE 2. Training atmosphere

CONCLUSION

The conclusions obtained from this community service activity are as follows :

- The training is expected to increase financial literacy in South Alai Village to avoid fraudulent methods such as fraudulent investments, online loans, etc. it is hoped that in the future people of South Alai Village will be able to choose investment instruments that are legal and safe.
- In the form of output published in the form of a journal that has been accredited by Sinta.

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