

The Implementation of Financial Management and Family Investment Learning Package to Improve Financial Literacy of Housewives

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Abstract: *The Purposes of this study are reviewing social empowerment through the implementation of financial management and family investment learning package to improve financial literacy. The subject of this research is 50 housewives who are the members of PKK team in Malang City. The data collected through observation, free interview and non-test evaluation. The result of this research shows that there is a proof of cognitive learning result improvement (knowledge) and learning application improvement on financial management and family investment in daily life. Therefore this condition can be interpreted as an improvement on financial literacy of the research objects (housewives).*

Keywords: *Financial management, family investment, financial literacy.*

I. Introduction

Basically, family economic function can be run well if the family is capable to manage the economy. Family's economy essentially lays on the income from the salary or various business run by the family and its members. This income must be managed by the family so that it can be used to meet the family's needs as efficiently and effectively as possible. To be able to manage financial well, various tips and practical ways are needed. According to Senduk (2009: 4), each family needs to do a financial planning. There are several reasons that encourage the importance of family's financial planning: (1) There is a financial goal that needed to be reached; (2) High living cost, (3) The increase of costs each year, (4) Economic condition is not always good, (5) human is not always healthy, (6) there are many financial product alternatives. Hartoyo, et al. (2010) stated that from his research, women education in rural areas must be improved, because they are not only required to know how to make money, but also manage the money effectively. Therefore, financial management training should be held for women in rural areas to improve their financial management skill.

Beside, a saving facility renewal is needed in rural areas. Kerkmann (2000) stated from his research result that economic stress and financial management problems have significant influence on marital satisfaction. The increase of economical stress can create quarrels in relationships (decreasing couple's harmony) of husbands and wives. This condition contributes to the decrease of marital satisfaction. Marital satisfaction can be influenced by the quality of family's financial management quality. Based on this research result, it can be concluded that family's financial management need to be managed well by family's financial manager or other family members. A good family's financial management can give an effect on family's economy stability so that in turns, family's welfare can be reached.

Most women in Indonesia have roles as financial manager at home. Usually, the working husbands give their financial management role to their wives. Women's income are partly used as family's need and there are some people used for themselves. According to the data from Financial Service Authority (Otoritas Jasa Keuangan/OJK) in 2013, only 17% of women have financial literacy and understand a good financial management. Whereas women financial management capability determine the family's future. According to Hananto (2011), there are three important things that must be understood by women as financial manager of the family, which are: (1) cash flow management; (2) family's financial goals and (3) financial knowledge. Women are considered more thorough in managing cash flow so that she can manage the financial in the household. Women need to be careful so that they are not stuck merely as the manager of spendings, but also savings and investments. Women need to know the amount of their husbands' income. Women as financial manager in the household need to discuss the important goals such as emergency fund, education fund, retirement fund, recreation fund and others. The new financial target can be reached if women have a comprehensive financial plan. Consider as well how women manage their own money. There are many women who are very good in managing family's finance, but careless in managing their own money. The last, women need to improve their financial literacy. Now, women's curiosity in financial products and investment is increasing. If women who are in charge of family's financial management, therefore women must be willing to learn more. Lest the women select products that are not relevant with the family's financial goals only because their lack of knowledge. It is never late to learn and change for the better future.

Based on the above explanation, family especially women as the family's financial manager manage the economic resources of the family in the form of income, and meeting the needs through savings and investment on the excess income of their family. The previous research show that many problems faced by families are financial problems. The trigger such as the lack of knowledge and skill of the family in managing and investing their family's financial. As the research conducted by Ghozie (2011) on middle class families in Indonesia, it can be seen that nowadays, the middle class families in Indonesia only 24% of them can manage to save 20% of the monthly income, and 12% admitted that they do not manage to save their income. It is shown that the lack of the public knowledge about the planning and management of family financial. On the other hand, the research shows that society especially those who live in big cities are facing various lifestyle that encourage consumptive behavior. It makes them difficult to save let alone invest, although they realize that there are financial needs in the future. Therefore, the researcher suggested that there need to be a training program for the society in improving their financial literacy.

On the other hand, financial literacy is increasingly researched by many people. Financial literacy term suggested by the literature and many scholars are not similar. Financial literacy can be seen as financial knowledge, with the goal of welfare (Lusardi & Mitchell, 2007). Based on the survey in the end of 2013 by Financial Service Authority (OJK), Indonesian Public Financial literacy is 21.8%, it is still considerably low compared to Philippines 27%, Malaysia 66%, Thailand 73% and Singapore 93%. These numbers shows that Indonesia still have a low well literacy level. Of course there are many factors that causes people become unbanked, both from the society itself because the lack of access or from the service providers such as banks or other financial institutions because the lack of socialization. Although many surveys give various information but they are essentially agree that financial literacy in Indonesia is still low. Financial education is a big challenge for Indonesia as stated by Bank Indonesia Deputy, that stated Bank Indonesia and other banking sectors have moral responsibility in improving financial literacy in supporting the financial decision making process for the public. Furthermore, public understanding about capital market is still low and most of the public still not understand how to invest in stock market. Indonesia Stock market still low in terms of number of investors compared to the number of population in Indonesia, therefore financial literacy is very important to improve Indonesian Economy. (NidarandBestari, 2012).

Based on the above background, it can be identified that: (1) the importance of family financial management; (2) society's financial literacy is still low; (3) the education field on how to manage family's financial still not get the exact place; in the effort of solving those problems, the aim of this research is reviewing the financial literacy improvement for learners (stay at home mothers) through the implementation of financial management and family investment learning package.

II. Literature Review

2.1. The Implementation of Education Package for Public Empowerment Program

One of the actual programs of Non formal Education (PLS) is the society empowerment program. The background of this program is generally Indonesian Society today is facing the problem of low Human Development Index (HDI) quality compared to other countries. Indonesia is in 108 position from 177 countries in terms of HDI. The criteria or indicators used to measure this is educational, income and health aspects. Therefore, those three aspects must be used as the improvement target. For educational aspect, Non formal education is an educational track that is expected to give a real meaningful contribution. The questions arise now are what potential or which potentials that are really needed to be developed in a community? What community empowerment programs that might be appropriate to be developed for the related community? Community empowerment program is a program that faces various social problems. Because this program aims on changing the community as the learners, according to Moedzakir (2010), community empowerment program need transformative process, radical/critical and post modern, for the execution of strategies learning that can be used such as socratic, facilitative, participative, and transformative. Next, from the learning technique, the techniques that can be applied are modified lectures, questions and answers, opinions, group discussion, problem-based learning, demonstration, simulation, visitation, practices, and monitoring or assistance. One of the examples in this term is the need of specific life skills learning that demands life skill training which is relevant with the problems faced by that particular community. For example, for the low income communities that have sweet potatoes resources, communities that consists of young women and work as stay at home mothers. Those communities do not utilize the natural resources optimally, therefore the context of their problem is the vocational life skill learning in home industry field. The program that can be developed in this term is the training on how to process the sweet potatoes to be food products with various tastes and shapes and valuable. N this activity, an assistance is needed for the marketing.

Financial Management and Family investment Learning package implemented with the hope of giving education especially for Stay at home mothers who are the member of PKK. The long term goal expected from this learning activity is to improve stay at home mothers skill in family's financial management and investing

their family's financial appropriately. An appropriate family financial management will have an impact on family's economic stability so that in turn family's welfare can be realized.

2.2. Family Financial Management

According to Hartoyo, et al. (2009), financial planning written is basically made for: (1) protecting from financial risks, and (2) accumulating the capital/asset. The key of good financial planning is the identification of long term and short term goals. Families can identify these goals in the financial goal setting step which is the part of the financial planning process. A family usually has general goal to reach a particular living standard, that usually related to the quality and quantity of the goods and services desired by someone or a family. While the level of living is usually related to the quality and quantity of the goods and service desired (standard of living), therefore someone or a family will be motivated to reach a better living standard. A financial planning of a family according to Hartoyo, at al. (2009) need the skill of: (1) estimating the change of situation (related to the income and spendings) in the future, (2) considering the alternative and decision making, and (3) discussing family plans. Every family has differences in terms of those capabilities, therefore a good financial planning for a family does not always give a good result if applied to other family. Family financial planning varies among families in terms of: (1) scope of time period from financial plan, (2) flexibility, (3) giving level for each item, and (4) activity priority in the financial planning process. Furthermore, each family has various goals and priorities in according to (1) family cycle steps, (2) family income, (3) interests of each member of family, and (4) ownership of resources (Senduk, 2009).

One of important aspects from the financial planning process is budgeting. Budgeting is the money utilization plan in the future. The main purpos of this budgeting is to help people or families to reconsider the money utilization plan. The items from income or spendings can be reconsidered according to the relation of the items with the goals. Budgeting is one of the examples from *multi-track thinking* process because in the same time, a family consider the balance between current interest with the future interest. Furthermore, budgeting also has to balance between: 1) spendings for current consumption, 2) spendings (savings) for future consumptions and 3) general plan for the future spendings (Senduk, 2009).

After planning and budgeting, the next step is implementation. The complexity of the management will be increased if a group of people (family) work together to realize a mutual goal. To overcome this, it needs to be a party who integrate and coordinate the tasks of each family member. The success of the implementation of financial plan will depends on the ability of each family member to make a right chice. This capability is not automatically acquired by each family member, but through a learning process that might take a long time. Implementation process in financial planning, Hartoyo, et al (2009) consists of several processes, such as *facilitating, coordinating, checking, and adjusting*. In each process of implementing will be a decision making. Based on the above discussion, it can be concluded that family financial management is an action to plan, implement, monitor, evaluate and control the income and the utilization of family economy sources. Basically, family economic unction will be run well if the family can manage the economy. Family's economy essentially relied on the income from job or various businesses run by the head of the family and the members. This income must be managed as efficiently and effectively as possible. To be able to manage financial well, various tips and practical ways are needed (Senduk 2009).

2.3. Managing Family's Financial Investment

In the discussion about family investment, the first thing that must be understood is the definition of investment and savings. Investment is various businesses run by someone to add the value of the assets owned. While savings is part of the income that is saved for the future needs. Indonesian Society today need to understand investment deeper, therefore, many information sharing from mass media, electronic media, books and investment seminar from the household is increasing. The effect of the increase of this society's knowledge impacts on the savings in bank have shifted to investments. According to Senduk (2009), he stated that investment is beneficial for families and is important to be managed, because investment is not like savings, and need to be planned, tricks and evaluated. Therefore people in investment world must be smarter than people who are savers. But a good saver if study aout investment will be a good investor.

In managing finance and smart investment, it is expected that families can have a good financial health. Whether they are salary people, or business people, they need to plan when to retire and when to enjoy their old time happily without any burden of unsupporting financial condition. Investment itself does not mean that it will make the investor suddenly get rich and the financial condition will be stronger. It has to be realized that in investment, there are risks that make the investor loss and even bankrupt. Therefore, investors need to learn about the arrangement of portfolio. Because there are many choices in investment. They can invest their money in mutual funds, gold investment, or by buying asset property.

2.4. Women Participation in Managing Family's Finance and Investment

According to Hananto (2011), there are 3 important things that must be known by women as financial manager at home, such as: (1) the management of cash flow; (2) the family goals, and (3) financial knowledge. Cash flow management of women is considered more thorough compared to men so that they can manage the cash flow of the household. Women need to be careful to not stuck to be the daily money manager, but also managing the amount that will be saved or invested. Women need to know how much their husbands make. Women as financial manager need to discuss the important goals such as emergency fund, education fund, recreation fund, retirement fund, and others. The realization of new financial goal can be reached if a woman has a comprehensive financial planning. The last, women need to improve their financial literacy. Nowadays women's curiosity on financial products and investment is developing. If it is true that women managing the family's financial, women must learn continuously. Lest women select the products that are not relevant with the family's financial goals because of lack of knowledge. It is never too late to learn for the better future. Education for women in investment is the part of education in financial planning. We need to emphasize here that the investment capability of a family depends on the family's capability in managing the cash flow, as well as the capability to save and then the capability to invest for specific financial goals. Women's role in managing the cash flow is very important because the daily and short term financial operational control is mostly in the hand of women.

2.5. Financial Literacy

Financial knowledge or financial literacy is a basic need for each individual. The benefit of having financial literacy is for individual to have a good financial planning and avoid financial problems. Each individual's financial literacy must be improved so that it will help to make a better financial decision and be able to manage personal finance optimally. Lusardi, Mitchell andCurto (2008) defined financial literacy as financial knowledge and ability to apply it. According to PISA (2012), financial literacy is the knowledge and understanding of the financial concepts used to make effective financial decisions, improving financial well being of an individual and group as well as to participate in economic live. Blue print of financial literacy issued by Financial Service Authority (OJK) in November 19, 2013 defined financial literacy as a series of process or activities to improve knowledge, confidence, and skill of the customers and society at large so that they are able to manage financial better. Financial literacy in this research is individual knowledge about financial management and family investment and ability to apply it in daily lives. With this definition, it can be interpreted that financial products and services customers as well as the society at large is expected not only knowing and understanding the financial service institutions as well as financial products, but also can change or improve society's behavior in financial management, so it can improve their welfare. Financial literacy in this research is individual knowledge in financial management and family investment the ability to apply it in daily lives.

III. Methods

Participatory Action Research (PAR) conducted with the aim on reviewing society empowerment through adult learning. PAR is conducted with the cooperation between society (Housewife) with researcher from academic field. The model used in this research is Kemmis and Taggart (Suwarsih, 2009) model. This model includes several cycles with each cycle consists of the following steps: (1) planning; (2) implementation and observation; (3) reflection; (4) plan revision. The success of the treatment is determined by the success indicator in terms of the improvement of financial literacy of the learners (stay at home mothers), after the financial management and family investment education program. *Financial Literacy* in this research is individual knowledge about financial management and family investment and the ability to apply it in daily lives (Lusardi, Mitchell andCurto, 2008). The objects of this research are stay at home mothers who are active in PKK team from 5 districts in Malang City, East Java, which are 50 people. The accomplishment data of the education is collected using observation, while the learning success data is collected using non test with Patrol Model (Suprijanto, 2009). Patrol model evaluation is a type of evaluation of the learning result for andragogy by prioritizing non test approach in the execution. The measurement of learning result reached by the students in the patrol model evaluation is done through observation process and free interview with the students. With this evaluation model, it is possible to see the capability acquired by the students starting from the learning process thoroughly until the application in the daily lives of the students. Learning result data is analyzed to know the cognitive ability learning result and the application in daily lives of the research objects (Housewife). Based on the success indicator, there is an improvement of the Cycle I with cycle II average score, it can be seen that there is an improvement in students' financial literacy.

IV. Results and Discussion

The focus of the financial management and family investment learning application is to improve the knowledge on how to arrange, apply the financial record of the family and the good investment, with three types of material topics, it is expected that the students can apply it in daily lives. The result of the research is the following

4.1. Cognitive Skill Test Result (Knowledge) of the Learners

First, the measurement during learning process is performed with the goal to measure the cognitive (knowledge) learning results. Measuring learning result in this step using non test method, which is conducted by assessing the tasks given and done during learning process as well as the homeworks. The learning result based on the cognitive ability (knowledge) of the research subjects (Housewife) from three kinds of materias: (topic 1) Family budgeting, (topic 2) recording; (topic 3) investment steps in cycle I (C.I) and cycle II (C II) is presented in the following table.

Table 1. Cognitive Learning Results (Knowledge)

Score	Topic 1		Topic 2		Topic 3	
	Cycle I	Cycle II	Cycle I	cycle II	Cycle I	Cycle II
lowest	75	79	65	70	46	39
highest	90	91	90	95	83	82
Category average	82,9	84,1	78.3	80,7	63,6	66,7
	Very good	Very good	Good	Very good	Average	Average

Based on the analysis result of the data in table 1 above, it is shown that: (1) the result of family budgeting learning (topic 1), there is an improvement from the cycle 1 average 82.9 to 84.1 in cycle II with very good category; (2) the financial recording learning result (topic 2) there is an improvement from cycle I average which is 78.3 to be 80.7 in cycle II with category good to be very good; (3) investment learning result (topic 3) there is an improvement from cycle I average which is 63.6 to be 66.7 in cycle II with average category. It shows that the average learning result of the cognitive ability (knowledhe) of the research object (stay at home mothers) there is an improvement for three types of learning material topics. From the earning of three types of materials, the third topic (investment) shows the lowest result compared to othe rtwo materials. To explain the learning result in terms of cognitive ability (knowledge) from topic 1, topic 2 and topic 3, is presented in the following picture.

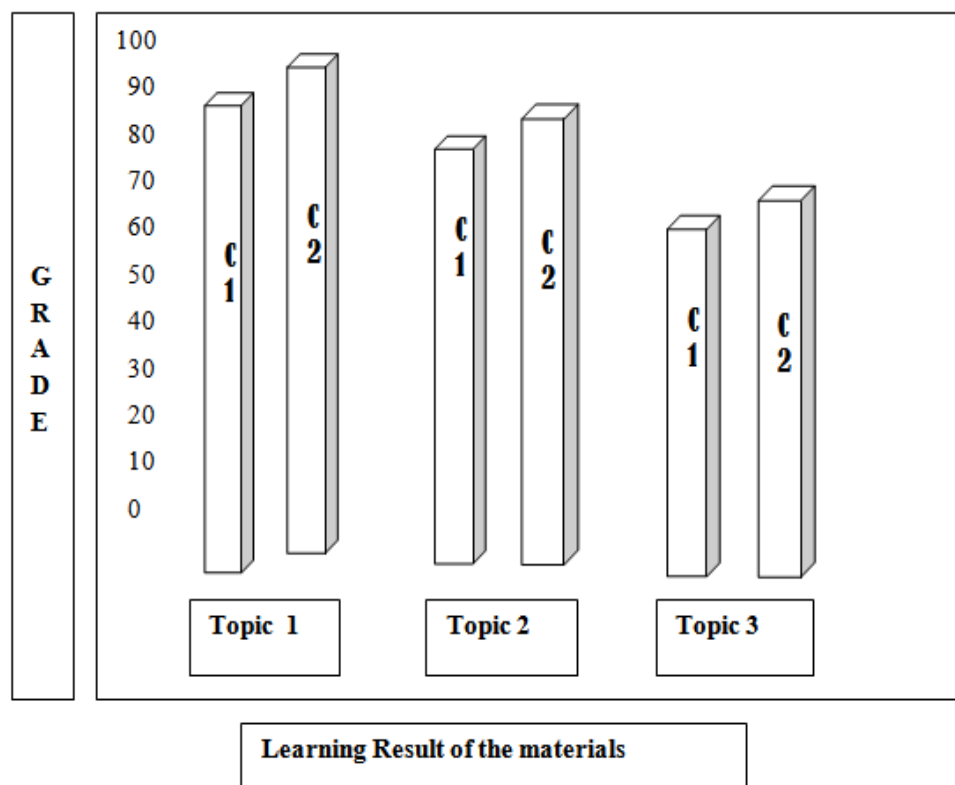


Figure 1. The comparison of learning results of the material T1, T2, and T3.

From table 1 and figure 1 above, it can be seen that the research object cognitive learning result (stay at home mothers) about T3 (investment is the lowest compared to other results (T1 and T2)). This condition is relevant with the previous research result by Ghozie (2011) that stated from the research result that today Indonesian people especially those who live in big cities is facing various lifestyle that encourage consumptive behavior. It causes difficulties for them to save or invest, although they realize that they have financial needs in the future.

4.2. Application measurement result in students' daily lives

The measurement of the learning result in terms of the application is the learning result assessment in terms of affective and psychomotorik side of the students. In this assessment, the researcher uses patrol model. The assessment of patrol model is an evaluation tool type for the result of non formal education by prioritizing the non test approach in the execution. The learning result assessment reached by the students in this patrol model process is done through observation and free interview with students (Supriyanto, 2009). Patrol model learning result assessment is a form of evaluation of the learning result, in which the facilitator as the evaluator observes the learning result progress achieved by the students. The observation is not only performed in class or during courses. The facilitator need to conduct visitation to houses, activity centers or work place of the students to assess the application ability of the result of the learning in their daily lives. The assessment of the learning result application in daily lives is done through observation and free interview with the students in their houses in assessing their abilities in budgeting (topic 1) and financial recording (topic 2). Investment topic is not included in the application assessment due to the limited research time, that to review the application of investment need a long period of time.

The assessment of learning application in students' daily lives shows the result of: (1) family budgeting learning result monitoring and evaluation 1 shows the result that most (40%) students have applied the learning result with many results need to be improved, and the second monitoring and evaluation less (30%); (2) the application of financial recording learning result monitoring and evaluation 1 shows that mostly (45%) students have applied the learning result with many of the result needed to be repaired, and the second monitoring and evaluation became less (40%). From the two monitoring and evaluation of the learning result application in daily lives of the research objects (Housewife) from the three topics of the learning materials can be concluded that the level of application is increasing, it is proven by the decrease of the result of application that need to be repaired. The empirical findings in the field as explained above, is the implication of the research findings on the Andragogy application in economics education in non formal education. The students in the financial management and family investment education are adults. Therefore, the financial management and family investment education need to emphasize the learning principles for adults. According to Sutisna (2009), the main concern on the andragogy education lies on the involvement of the students in the learning process, the creation of conducive climate to support the achievement of learning goals, facilitator who is actively involved in helping to find the learning easiness for the students in realizing the determined learning goals. The involvement of students and conducive learning environment in the learning package become a central dynamics of the learning goals. In this term, educational background, learning readiness and the willingness to change are behaviors that need to be developed to keep sustainability of the learning result, especially learning result application in the students' daily lives.

Learning materials and tasks designed in the learning package based on the analysis result of the students needs and formulated collaboratively, so that it will be more meaningful to be studied. Learning activity involves active participation of the students will improve their memories. The task of the facilitator is to create conducive learning environment by giving chance and opportunity to the students to develop themselves optimally. On the other hand, facilitator need to get feedback of the work and identify the needs of the students that have not been fulfilled.

V. Conclusion and Recommendation

Based on the result and discussion of the research shows the following: The learning result of budgeting (topic 1) there is an improvement from Cycle I average 82.9 to be 84.1 in cycle II with very good category; The learning result of financial recording (topic 2) there is an improvement of average cycle I 78.3 to be 80.7 in cycle II with good category to be very good; the learning result on investment (topic 3) there is an improvement from cycle I average of 63.6 to be 66.7 in cycle II with average category. It shows that the average of the learning result of the cognitive ability (knowledge) of the research objects (Housewife) there is an improvement for three types of learning material topics. From the material topic of investment (topic 3), shows the lowest result compared to other two materials. The application of the learning result in daily lives of the research objects (Housewife) from two topics of the learning material can be concluded that the application level is increasing, it is proven by the application result that need to be repaired is decreasing.

With the proofs of cognitive learning result (knowledge) and the learning application improvement in daily lives of the research objects (Housewife), this condition can be seen to be an improvement of financial literacy of the reserach objects (Housewife) through the implementation of financial management and family investment learning package. For the follow up of the above research result, several recommendations are proposed. To optimize the implementation of learning package on financial management of the family with the activity agenda: (1) TOT for facilitator candidates, (2) implementation of learning package on financial management and family investment for the community is broaden; (3) the inclusion into the work program of the Working Group II PKK Malang City.

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