

## **Optimizing Household Financial Management Based on Financial Literacy in Gintung Village, Sukadiri District**

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| INDEXING  | ABSTRACT   |
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| <p><b>Keywords:</b><br/>Keyword 1; Optimizing<br/>Keyword 2; Financial Management<br/>Keyword 3; Gintung Village<br/>Keyword 4; Household<br/>Keyword 5; Financial Literacy</p> | <p>Household financial management is a crucial aspect of maintaining family economic stability, particularly in rural areas where most residents rely on irregular income sources. Low financial literacy often leads to unplanned consumption patterns, a lack of a savings culture, and dependence on consumptive debt. Responding to this issue, a community service program was conducted in Gintung Village, Sukadiri District, Tangerang Regency, in August through a financial literacy seminar. The program aimed to equip households with the knowledge and practical skills necessary to manage their finances more effectively. The methods involved interactive seminars, group discussions, and simple financial recording simulations. Participants included household representatives such as farmers, daily laborers, small traders, and housewives. The results indicated significant improvement in participants' understanding of financial literacy concepts, such as differentiating between needs and wants, preparing a household budget, and allocating funds for emergencies and savings. Furthermore, the program encouraged new habits within families, including recording household cash flow and discussing financial matters collectively. This practice is expected to contribute to the long-term well-being of the community. Therefore, the program serves as a practical model of financial literacy education at the community level that can be replicated in other rural areas.</p> |

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### **INTRODUCTION**

Household financial management is a crucial aspect in maintaining family economic stability and sustainability (Adi & Fadila, 2023). In the context of daily life, finances are not only related to the amount of income received, but also how that income is allocated, managed, and prioritized to meet short-term and long-term needs. In many rural areas, including Gintung Village in Sukadiri District, Tangerang Regency, household financial issues remain a serious challenge that requires attention. The majority of villagers work in the informal sector, such as daily laborers, farmers, small traders, and housewives who rely on their husbands' income. This condition results in unstable income patterns that are often insufficient to meet all family needs. As a result, many households are trapped in unplanned consumption patterns, minimal savings, and a high dependence on consumer debt.

This phenomenon demonstrates that the primary problem lies not only in low income but also in weak household financial management (Gloukoviezoff, 2007). Low financial literacy is one of the main reasons why many families struggle to differentiate between primary and secondary needs, lack a clear financial plan, and are not accustomed to recording income and expenses (Czech *et al*, 2024). Yet, financial literacy is a crucial foundation for how families manage household cash flow, minimize the risk of economic

crises, and build financial resilience (Klapper and Lusardi, 2020). Therefore, education on financial literacy is not only relevant for urban communities with broad access to information, but is also crucial for rural communities with limited knowledge in this area.

Gintung Village, as the location for community service, has unique socio-economic characteristics. Most residents rely on informal sector employment for their livelihoods, with relatively diverse educational levels, ranging from elementary school dropouts to high school graduates. This situation results in limited access to information on modern financial management. On the one hand, the Gintung Village community has the potential to develop due to its spirit of mutual cooperation and desire to improve its standard of living. However, on the other hand, their limited understanding of financial management makes it difficult for them to optimize their income. Income is often spent on short-term consumption without any basic savings or investment planning to support their future.

This community service program is an effort to address these challenges through a financial literacy-based educational approach. The activity is conducted as an interactive seminar, aiming not only to provide theory but also to develop practical skills that can be immediately applied by the community. The seminar was chosen because it can reach a large number of participants simultaneously, facilitate two-way interaction, and open up a discussion space for sharing real-life experiences regarding household financial management. Through this seminar, the community is encouraged to understand basic financial literacy concepts such as distinguishing needs from wants, developing a budget plan, keeping simple cash flow records, and setting up savings for emergencies.

The urgency of this initiative becomes even clearer when linked to the socio-economic conditions of the Gintung Village community. Households still heavily dependent on daily income make families vulnerable to economic risks. Without financial planning, sudden events such as illness, job loss, or a child's educational needs can create significant financial burdens. Families are often forced to seek quick solutions by borrowing from loan sharks, which only worsens their economic situation. By providing financial literacy education and skills, it is hoped that the community will be able to manage their limited economic resources more wisely and avoid falling into a detrimental cycle of debt.

in addition to the practical aspects, this activity also has important academic and social dimensions. From an academic perspective, this community service provides a means to implement financial literacy theories in real life. Financial literacy is not merely a concept; it must be applied contextually according to community conditions. Meanwhile, from a social perspective, this activity demonstrates a reciprocal relationship between academics and village communities. Academics act as facilitators, sharing knowledge, while the community plays an active role as participants, voicing experiences, challenges, and solutions relevant to their lives. This synergy is expected to strengthen the program's success and foster collective awareness of the importance of household financial management.

The overall objective of this community service activity is to improve the financial literacy of the Gintung Village community, particularly in the area of household financial management. Specifically, this activity aims to: first, provide an understanding of the basic principles of financial management; second, train the skills of recording family cash flow simply; third, encourage families to prepare a realistic and measurable budget; fourth, foster a culture of saving and preparing an emergency fund; and fifth, reduce dependence on

consumer debt. By achieving these goals, it is hoped that the Gintung Village community can build stronger economic independence, so that it is less easily affected by income fluctuations or potential crises.

The benefits of this community service activity can be seen from various perspectives (Yates & Youniss, 1996). For the community, it provides practical knowledge and skills that can be immediately applied in everyday life. For families, it helps create a new culture of financial management, including the habit of recording income and expenses, discussing financial planning, and consistently saving. For academics, it serves as a tangible contribution to community empowerment and a means of developing applied knowledge. For the village government, it aligns with socio-economic development programs focused on improving community welfare. Therefore, this activity has broad strategic value and can have a sustainable positive impact.

In everyday life, financial well-being depends not only on the amount of income earned but also on how that income is distributed, managed, and prioritized to address both immediate and future needs. In rural communities such as Gintung Village, located in Sukadiri District, Tangerang Regency, financial challenges at the household level remain a pressing concern. Most residents are engaged in informal employment—working as laborers, farmers, small-scale vendors, or housewives dependent on their spouses' earnings. This reliance leads to irregular and often inadequate income streams, making it difficult to fulfill all household necessities. Consequently, many families fall into patterns of impulsive spending, limited savings, and a heavy reliance on consumer credit.

From this description, it is clear that the community service activity in the form of a financial literacy seminar in Gintung Village is highly relevant to the community's needs. The household financial problems experienced by villagers cannot be resolved simply by increasing income, but rather through changes in mindset and behavior in managing finances. Financial literacy is the key to creating more economically independent families, avoiding the trap of consumer debt, and being able to better plan for the future. Therefore, this community service is expected to be more than a temporary activity, but also the beginning of a change in family financial culture in Gintung Village.

## **LITERATURE REVIEW**

Effective household financial management plays a vital role in ensuring the economic stability and sustainability of families (Adi & Fadila, 2023). Literature reviews also reinforce the importance of financial literacy in household management. The Financial Services Authority (OJK) defines financial literacy as the knowledge, skills, and beliefs that influence a person's attitudes and behaviors in managing finances (Andarsari and Ningtyas, 2019). Meanwhile, the OECD emphasizes that financial literacy is a combination of awareness, knowledge, skills, attitudes, and behaviors necessary for making sound financial decisions (Zait and Berteau, 2015). Therefore, financial literacy is not simply the ability to count money, but rather the ability to strategize and make intelligent decisions in managing economic resources (Stolper and Walter, 2017). Previous research also shows that good financial literacy is positively associated with improved family welfare, reduced levels of consumer debt, and increased savings habits.

In the context of community development, financial literacy plays a strategic role because it can improve families' capacity to plan their economic lives in a more focused manner (Kyeyune & Ntayi, 2025). Good financial literacy will help families recognize the importance of saving, even small amounts, avoid burdensome consumer debt, and prepare

emergency funds for unexpected needs such as healthcare and children's education. Furthermore, families with high financial awareness are better able to adapt their lifestyles to their income levels, thus less affected by the economic fluctuations often experienced in rural communities (Ruel et al., 2010). Thus, financial literacy is a form of social investment that can strengthen family economic resilience and, in turn, contribute to improving the overall well-being of rural communities.

## **RESEARCH METHOD**

This community service activity on optimizing household financial management based on financial literacy was carried out in Gintung Village, Sukadiri District, Tangerang Regency, in August through a seminar involving people from various socio-economic backgrounds. The implementation method was systematically designed, prioritizing a participatory approach so that the community was not only an object, but also an active subject in the learning process. The activity stages began with preparation, namely coordinating with village officials and community leaders to determine the target participants, schedule, and location of the activity. After that, seminar materials were prepared, tailored to the socio-economic conditions of the village community to make it easier to understand and relevant to their needs.

The event was held as an interactive seminar combining presentations with group discussions. The material covered basic concepts of financial literacy, the importance of distinguishing between needs and wants, how to create a household budget, strategies for avoiding consumer debt, and simple techniques for recording family cash flow. To reinforce understanding, participants were given a simulation of household financial recording using real-life examples they face daily. During the discussion session, participants were invited to share their experiences and financial challenges, and the facilitator then provided practical solutions based on financial literacy principles.

In addition to the seminar, the program also included the distribution of a simple module containing a guide to household financial recording for participants to use in their homes. Evaluation was conducted through observations during the seminar, direct feedback from participants, and a follow-up plan in the form of mentoring for families who wish to consistently implement financial recording. With this structured implementation method, it is hoped that the activity will not only provide theoretical knowledge but also foster practical skills and behavioral changes in managing household finances.

## **RESULT AND DISCUSSION**

The household financial literacy seminar in Gintung Village yielded significant results in improving community understanding, attitudes, and behaviors related to financial management. Evaluations using pre- and post-tests, as well as direct observations, revealed improvements in almost all financial literacy indicators. Furthermore, the community demonstrated high enthusiasm for discussions, sharing experiences, and applying the skills learned. The following is a description of the results and further discussion:

### **1. Improving Financial Literacy Knowledge**

Participants experienced an increased understanding of the basic concepts of financial literacy.

#### **a. Basic Financial Knowledge**

Before the activity, the majority of participants did not understand the

importance of financial record-keeping and budget planning. They assumed that with limited income, financial record-keeping was unnecessary. However, after the seminar, 82% of participants were able to explain basic concepts regarding household financial management, such as the function of record-keeping, the benefits of savings, and strategies for controlling spending. This understanding opened the door to the realization that record-keeping is not only for high-income individuals but is even more beneficial for families with lower incomes, providing more direction.

b. Differentiating Needs and Wants

The material presented made participants aware that economic difficulties often arise not solely from low income, but from a lack of clear prioritization between needs and wants. Before the event, many participants admitted that spending was often directed toward consumer goods like new clothes or gadgets, while educational needs and savings were often neglected. After the seminar, participants understood that needs should always be the top priority. They also learned to create a list of needs and wants to better control every spending decision.

c. The Importance of Emergency Funds

Until now, most residents of Gintung Village have never had a dedicated savings account for emergencies. When faced with urgent situations, such as illness or job loss, the quick solution is to take out loans. Through the seminar, participants realized the importance of having an emergency fund equivalent to at least 2–3 months' expenses to better prepare families for unexpected situations. Group discussions revealed that even small savings, setting aside IDR 5,000–10,000 per day, can be a good start to building an emergency fund.

d. The Importance of Budget Planning

Participants learned how to create a simple monthly household budget. This method helped them control cash flow to avoid deficits. Previously, spending was done spontaneously without calculation, often resulting in running out of money mid-month. After the seminar, participants had a better understanding of how to allocate: 60% for basic needs, 20% for savings and emergency funds, 10% for children's education, and the remainder for social or recreational needs. This planning helped families balance expenses and income more wisely.

## **2. Changes in Community Attitudes and Behavior**

In addition to understanding, this seminar also encouraged positive attitudinal changes.

a. The Habit of Recording Expenses

Before the event, only about 20% of participants were accustomed to recording expenses. The majority felt that recording daily expenses was a waste of time. However, after participating in a household cash flow recording simulation, 81% of participants expressed their readiness to start recording. They realized that record-keeping is not just about writing down numbers, but also a means of controlling financial leakage. With simple records, they can see where their money is going and where they can save.

b. Family Discussions about Finances

One positive change is the emergence of the habit of discussing financial planning within the family. Previously, financial decisions were typically made unilaterally by the head of the family, with the wife and children following suit. After

the seminar, participants began involving all family members in planning, spending, saving, and deciding spending priorities. This increased transparency and a sense of shared responsibility within the household.

c. Reducing Consumer Debt

Many families in Gintung Village are accustomed to borrowing money, either from daily cooperatives or loan sharks, to cover unexpected expenses. Unfortunately, these loans are often used not for basic needs but for consumer spending. After the seminar, participants became more aware of the negative impact of high-interest debt on their long-term financial condition. They began to commit to reducing their reliance on consumer loans by setting aside savings at the beginning of the month.

d. Improving Saving Habits

The saving habit, once considered difficult, is now being implemented through a simple method: "saving before spending." Participants have realized that saving doesn't require waiting for leftover money, but rather involves setting aside a portion of their income immediately upon receiving their salary or business income. Some participants have also started using a daily piggy bank system to practice consistency.

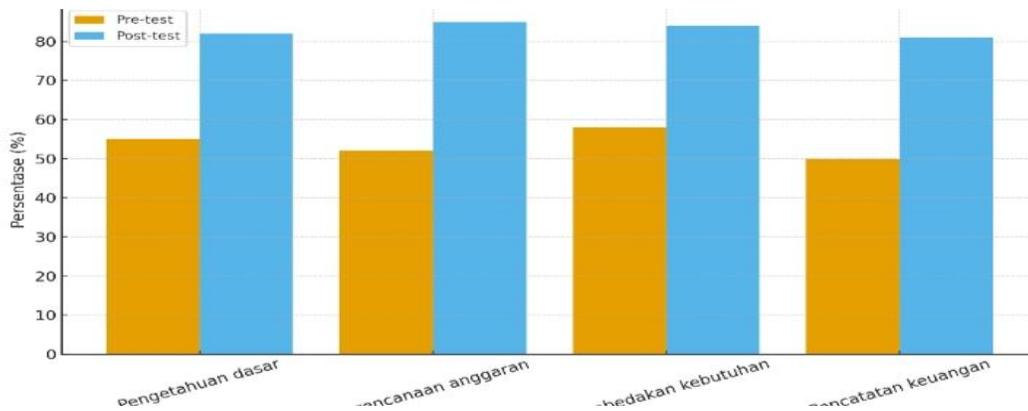
The results of the impact of the dialogue facilitation are detailed in the following table:

**Table.1 Pre-test and Post-test Results of Financial Literacy of Gintung Village Community**

| <b>Financial literacy indicators</b>  | <b>Pre-test (%)</b> | <b>Post-test</b> |
|---------------------------------------|---------------------|------------------|
| Basic financial knowledge             | 55                  | 82               |
| Understanding budget planning         | 52                  | 85               |
| Attitude in differentiating needs     | 58                  | 84               |
| Behavior of recording expenses/income | 50                  | 81               |
| <b>AVERAGE</b>                        | <b>54</b>           |                  |

Source: Author (2025)

Overall, this table shows that the community service program is effective in improving the financial literacy of Gintung Village residents, both in terms of knowledge, understanding, attitudes, and daily financial behavior.



**Figure 1. Comparison diagram before and after the seminar**

Source: Author (2025)

Notes from Figure 1

Pengetahuan dasar (Basic understanding), Perencanaan Anggaran (Financial Planning)  
Perbedaan Kebutuhan (Different Needs), Pencatatan Keuangan (Financial recording)

### **3. Social and Family Impacts**

The benefits of seminars are not only felt by individuals but also have an impact on the social environment.

#### **a. Increasing Collective Awareness**

The community has become more open to sharing experiences regarding household financial management. In group discussions, several participants shared their past financial mistakes, which became a shared learning experience. This collective awareness sparked a spirit of reminding and supporting each other to be wiser in managing their finances.

#### **b. Creating New Habits**

After the seminar, the culture of financial record-keeping began to be introduced among housewives. As agents of change, mothers are now more active in managing daily expenses and controlling household spending. This new habit is expected to become a positive tradition passed down to their children, thus fostering financial literacy across generations.

#### **c. Increased Self-Confidence**

Participants, especially housewives, felt more confident after gaining new insights. They no longer felt inferior due to perceived financial incompetence. They now felt confident in proposing financial plans within the family and felt they played a vital role in maintaining household economic stability.

#### **d. Support from the Village Government**

The Gintung Village Government expressed its high appreciation for this activity and expressed its commitment to making it a regular program. Support from village officials included the provision of facilities, community mobilization, and a follow-up plan, which included the formation of small groups focused on family financial recording. This demonstrates the recognition of financial literacy as a vital component of the village's socio-economic development.

### **4. Evaluation and Challenges**

Although the results are positive, there are several important notes that need to be considered.

#### **a. Time Limitations**

The seminar only lasted one day, so not all the material could be covered in depth. The limited time meant that some participants had not yet fully mastered financial record-keeping and planning skills. Therefore, follow-up sessions or regular mentoring are needed in the future to further internalize the material.

#### **b. Differences in Education Level**

Participants had diverse educational backgrounds, ranging from elementary school dropouts to high school graduates. This also resulted in varying levels of understanding of the material. Some participants needed simpler explanations with concrete examples to understand the seminar's content. Therefore, a more inclusive approach is needed in subsequent activities.

#### **c. Consistency of Implementation**

Although participants were enthusiastic after the seminar, there is still the potential for them to revert to old patterns without mentoring. Consistency is the biggest challenge in changing financial behavior. Without monitoring or a mentoring group, participants could again neglect record-keeping and saving.

#### d. Program Expansion

This activity only targeted a portion of Gintung Village residents. However, many hamlets and neighborhood units (RTs) have not yet benefited. Therefore, program expansion is crucial to ensure that all residents feel the impact. By expanding the scope, a stronger collective awareness will be formed so that a culture of financial literacy can take root in all levels of village society.



**Figure 2. Group photo after the seminar and evaluation**

Source: Author (2025)

## CONCLUSION

A community service activity conducted in Gintung Village, Sukadiri District, Tangerang Regency, in August, through a household financial literacy seminar, has proven to have a positive impact on improving community understanding, attitudes, and behavior. Evaluation results, including pre- and post-tests, showed an increase in average financial literacy from 54% to 83%. This demonstrates that the seminar not only increased knowledge but also encouraged changes in family financial behavior.

Participants began to understand the importance of differentiating needs from wants, creating a monthly budget, recording simple cash flow, and establishing an emergency fund. Furthermore, the seminar fostered a new culture of family discussions about finances, reducing consumer debt, and raising awareness of the importance of saving. The social impact was also evident in the growing collective awareness of the community and support from the village government to make financial literacy part of a sustainable empowerment program.

However, challenges remain, such as limited time for the seminar, differences in participant education levels, and the lack of consistency in implementing financial management after the event concludes. Therefore, follow-up efforts are needed in the form of ongoing mentoring, regular monitoring, and program expansion to other hamlets in Gintung Village. Thus, financial literacy can truly become a strong foundation for family economic independence and the sustainable improvement of village community welfare.

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3. Community leaders and village officials, who assisted in outreach and encouraged community involvement.
4. Academic colleagues and the implementation team, who prepared the materials, accompanied participants, and ensured the smooth running of the activity.

Hopefully, this activity can be the first step in building a culture of financial literacy in Gintung Village and serve as an inspiring model for other villages facing similar challenges.

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