

# The Importance of Personal Financial Management Awareness at the Padang Lawas Student Family Association in Yogyakarta, Indonesia

Mhd Akbar Hasibuan & Marwanti

## Abstract

This counseling aims to find out: (1) For students to know the importance of personal financial management awareness. (2). In order for students to implement and implement the importance of awareness of personal financial management for the Padang Lawas Student Family Association in Yogyakarta. Design carried out with an extension model. The location of this research was in Mie Balap Medan Kiosk Yogyakarta, Culinary Park, No. 07, Jalan Karangmalang, Sleman, Yogyakarta. The number of counseling participants was 21 people (total sampling). This counseling was conducted on Sunday, December 3, 2017. The data of this study were captured using a questionnaire to capture the Importance of Personal Financial Management Awareness. The data analysis technique is descriptive quantitative percentage analysis. Based on data obtained from counseling by distributing questionnaires as many as 30 items. It is known from the indicators of the use of funds with a percentage of 56.91%. Indicators of Determining Fund Sources with a percentage of 83.66%. Risk Management Indicator with a percentage of 31.51%. Future Planning Indicators with a percentage of 33.10%. Based on the data obtained from the results of counseling, the Importance of Personal Financial Management Awareness is still in the Enough category with a percentage of 51.29%. Thus, after this counseling was conducted and reviewed again within one month that there was a significant and increasing relationship with a percentage of 80.95%, after attending counseling with the theme The Importance of Personal Financial Management Awareness of the Padang Lawas Student Family Association in Yogyakarta.

**Keywords:** Personal Financial Management, IKPM Palas Yogyakarta.



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## Introduction

The implementation of education in improving understanding of finance in boarding children is very necessary. Developments and lifestyles that are all modern are increasingly rapid, so that it can result in boarding children unable to control finances to fulfill their lifestyle. So that the boarding house can control the finances to determine the product or item that fits your needs, the boarding house child must understand correctly that the products and services chosen are really needed in order to grow and control finances every day. The number of boarding houses is quite large in Yogyakarta because the city of Yogyakarta is an education city, where students from all over the archipelago flock to come to study in the city of Yogyakarta. As a boarding house child must be able to prepare themselves in planning and processing finance to become a good and wise consumer to be able to control finances in daily life to face the modern era. One way to respond to finance is that students must control and manage their personal financial expenses. When spending continuously and is not limited in number or in other words unable to control expenses in using finance, this shows that individuals need direction and guidance in managing finance. Knowledge of financial management and skills in managing personal finance are very important in daily life. Difficulties in managing finances are caused by errors in financial management (miss management) such as misuse of shopping, snacks, and the absence of financial planning and management. With the direction and guidance on financial management knowledge will help students in arranging planning, personal financial management, so that students can maximize financial expenditure every day.

Knowledge and understanding of personal finance is needed by students to be able to make the right decisions in financial management, so it is very necessary for everyone to manage optimally. Lack of knowledge about financial management is a serious problem and a big challenge for boarding children, especially students. From the results of interviews with the Padang Lawas Student Student Association of Yogyakarta, with the number of students 17 people interviewed stated that there was no personal financial management. So that the students of the Padang Lawas Yogyakarta Student Family Association experienced a lack of finances at the end of the month, borrowing from boarding friends, saving money by eating rice, tofu, tempeh and even two meals a day. With the background of the above problems, it is necessary to conduct counseling and dissemination to the boarding house children to be able to regulate and control personal finance with the title "The Importance of Personal Financial Management Awareness of the Yogyakarta Padang Lawas Student Family Association"

### a) Purpose of Extension

- 1) So that students know the importance of personal financial management awareness for the Padang Lawas Student Student Association in Yogyakarta.
- 2) In order for students to implement and implement the importance of awareness of personal financial management for the Padang Lawas Student Student Association in Yogyakarta.

### b) Benefits of Extension

- 1) Students are able to know the importance of awareness of personal financial management for the Padang Lawas Student Student Association in Yogyakarta.
- 2) Students are able to implement and implement the importance of awareness of personal financial management for the Padang Lawas Student Student Association in Yogyakarta.

## Theoretical review

### 1) Management of Personal Finance

Personal finance management is the art and science of managing resources (money) from individual units / households (Gitman 2004). In the management process, it is not easy to apply because there are several systematic steps that must be followed. But by knowing personal financial management, is the first step for the right application when managing personal money. This is based on the reason that everything starts from the head. The point is to think first and then act. Management of personal finance requires a lifestyle that has priority. His reasoning is the power of priority (the power of priority) also influences the level of discipline of a person when managing his money (Benson 2004). Discussing discipline which is self-awareness to obey the rules and the ability to adjust themselves to change, it has explicitly touched self control. This is based on the reason that a person's success or failure is influenced by self control (Tangney, Baumeister & Boone 2004). According to Warsono (2010), managing personal finance can be seen from four domains, namely:

#### a. Use of funds

From wherever the source of funds is owned, the problem is how to allocate funds (use of funds) to meet their needs appropriately. Allocation of funds must be based on priority. The priority scale is based on the needs you need, but must pay attention to the percentage so that the use of funds is not used up for daily consumption. The allocation of funds that is 70% can be used to fulfill daily consumption, 20% for savings, and 10% for investment. Because 70% is used for daily consumption, carefulness is needed in calculating daily personal needs, such as eating, drinking, recreation, boarding, and others that help you with your personal goals. 70% must be right and not excessive. 20% that is saved is useful for urgent needs or if it is not used, one day it can be used as investment capital. 10% used for investment can be planned carefully, so that the investment can bring benefits in the future. It is indeed a very small percentage for investment, because investment needs are not something major in managing personal finance. The 10% is not invested directly if you have a large business plan, but can be saved first as an investment capital savings account. Keep in mind, that investing requires careful planning.

#### b. Determination of funding sources

A person must be able to know and determine the source of funds. Sources of funds can come from parents, donors or scholarships. In addition, someone can also determine the source of his own funds. Sources of funds can be created from various businesses. By being able to determine the source of funds, one knows and looks for alternative sources of funding as a source of financial income to be managed.

#### c. Risk management

Furthermore, someone must have good protection to anticipate unexpected events. Unforeseen events like sickness, urgent needs and others. The thing that is often done in doing this protection is by following insurance. What is meant by risk management is management of the possible risks that will be faced. In accordance with the results of Hyden's findings, and friends (2011: 99) said that reskio management is an action to prepare themselves carefully to prevent things beyond our reasoning. An example is unexpected costs when we are sick, unexpected costs when getting invitations from friends. Thus, we can prepare ourselves to face the risks that will befall us.

#### d. Future planning

The future is something that will be addressed by everyone, for that we need a mature plan in finance to meet the moment. By planning for the future, you analyze future needs so that you can prepare investments from now on.

### Research Methods

#### 1. Experiment / Action

This counseling respondent is the Padang Lawas Yogyakarta Student Family Association held on Day / Date: Sunday, December 3, 2018. Number of participants: 21 people. Time: 10.30 - 15.30 WIB. Address for counseling: At Mie Balap Kios Medan Yogyakarta, Karangmalang Culinary Park, No. 07, Jalan Karangmalang, Sleman, Yogyakarta.

#### 2. Analisis Data Penyuluhan

The data analysis technique used in this study is quantitative percentage descriptive analysis. As stated by Sudjana (2011), obtained by the formula as follows:

$$P\% = \frac{F}{N} \times 100\%$$

#### Information:

P = Percentage of answers

F = Frequency of answer

N = Total number of aspects of respondents

### Results and Discussion

#### 1. Description of the initial response before counseling

The results of interviews conducted at the Padang Lawas Student Student Association of Yogyakarta (IKPM Padang Lawas Yogyakarta) considered the issue of personal financial management not important in daily life. Of the 17 people I interviewed to dig and get information before the counseling was held there was no one making personal financial management. So that students from the Padang Lawas Yogyakarta Student Family Association experienced a lack of finances at the end of the month, borrowing money from boarding friends, getting sick with eating rice, tofu, tempeh and even eating twice a day. The low level of knowledge about personal financial management can be overcome by the Padang Lawas Student Student Association of Yogyakarta by providing direction or guidance to have a list of lists in the shopping needs of daily needs that are most needed until they are not needed. And at the end of the month there will be no savings because the financials are running low. With the existence of these problems, I want to hold counseling to overcome the problems faced by students of the Padang Lawas Yogyakarta Student Family Association with the theme The Importance of Personal Financial Management Awareness of the Padang Lawas Student Family Association Yogyakarta.

#### 2. Description of respondents to planting values during training / counseling

Based on the results of counseling, it was found that the Fund Usage indicator with the number of counseling participants was 21 people with a percentage of 56.91%. Indicators for Determining Fund Sources with the number of counseling participants 21 people with a percentage of 83.66%. Risk Management Indicators with the number of counseling participants 21 people with a percentage of 31.51%. Future Planning Indicators with the number of counseling participants 21 people with a percentage of 33.10%.

### 3. Description of respondents to changes / acceptance of values internalized after training / counseling

The results of counseling conducted on Sunday, December 3, 2017 to the Padang Lawas Student Family Association of Yogyakarta (IKPM Padang Lawas Yogyakarta) received a positive response with this counseling with the theme The Importance of Personal Financial Management Awareness of the Padang Lawas Student Association of Yogyakarta. From the response obtained after this counseling, the Padang Lawas Student Association of Yogyakarta (IKPM Padang Lawas Yogyakarta) gave comments that need to be applied or made a list of expenses, financial management, self-control in consuming both goods and services. In addition, one of the counseling participants wanted to explore how to make good personal financial management, so that at the end of the month they would no longer experience shortages of money. Of the 21 number of students there were 17 students, there were changes with the percentage of 80.95%. Thus there is a significant change and has begun to make notes on expenses since participating in counseling. This is because all this time they have not cared and do not want to know how important it is to make a budget list in one day, and manage personal finances. Based on the explanation above, it can be concluded that the Padang Lawas Yogyakarta Student Family Association has a significant relationship with a percentage of 80.95%, after attending counseling with the theme The Importance of Personal Financial Management Awareness of the Padang Lawas Student Family Association in Yogyakarta.

### 4. Discussion

Based on data obtained from counseling by distributing questionnaires as many as 30 items. It is known from the Fund Use indicators that the number of counseling participants is 21 people with a percentage of 56.91%. Indicators for Determining Fund Sources with the number of counseling participants 21 people with a percentage of 83.66%. Risk Management Indicators with the number of counseling participants 21 people with a percentage of 31.51%. Future Planning Indicators with the number of counseling participants 21 people with a percentage of 33.10%. From the results of counseling above, future planning is the lowest percentage of the other indicators. For this reason, it is necessary to implement and conduct counseling to increase and open the horizons of students' minds, especially the Padang Lawas Student Family Association, Yogyakarta (IKPM Padang Lawas Yogyakarta) to start fixing themselves, evaluating expenditure costs, listing detailed expenses for each transaction, listing goods and the most priority services. So that in the future there will be no shortage of money if at the end of the month.

### CONCLUSION:

The conclusions in this extension are as follows:

1. Indicators of Use of Funds with the number of counseling participants 21 people with a percentage of 56.91%.
2. Indicators of Determining Fund Sources with the number of counseling participants 21 people with a percentage of 83.66%.
3. Risk Management Indicators with the number of counseling participants 21 people with a percentage of 31.51%.
4. Future Planning Indicators with the number of counseling participants 21 people with a percentage of 33.10%.
5. There is a significant relationship with a percentage of 80.95%. As well as the benefits of counseling after the holding and taking part in the counseling with the theme The

## Importance of Personal Financial Management Awareness of the Padang Lawas Student Family Association in Yogyakarta.

### Recommendation:

Based on the results of this counseling, it can be suggested as follows:

1. For the Padang Lawas Student Student Association of Yogyakarta to pay more attention to how financial management, self control, financial knowledge.
2. For the Padang Lawas Student Student Association in Yogyakarta to make detailed budgetary costs every day so as not to be too wasteful in spending.
3. For the Padang Lawas Student Student Association in Yogyakarta to be more careful in conducting transactions in order to minimize expenses in one day.

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