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NEEDS ASSESSMENT OF TRAINING AND EDUCATION ON MONEY MANAGEMENT TO INCREASE THE LOW-INCOME FAMILY'S FINANCIAL EMPOWERMENT

Abstrak
Penelitian ini bertujuan untuk menyajikan penilaian kebutuhan pelatihan terkait dengan pengelolaan uang keluarga berpenghasilan rendah di Bandung, Indonesia. Mengadopsi pendekatan penelitian kualitatif dengan metode studi kasus, pengumpulan data dilakukan melalui wawancara mendalam dengan tujuh informan, menawarkan wawasan yang kaya tentang perilaku dan tantangan keuangan mereka. Analisis data, yang dilakukan dengan menggunakan analisis tematik, menyoroti beberapa pola dan temuan utama. Ketidakpuasan yang nyata dengan praktik keuangan saat ini muncul, semakin diperkuat oleh sumber daya yang terbatas dan meningkatnya biaya hidup. Temuan penelitian mencakup bahwa mayoritas responden tidak memiliki perencanaan keuangan terstruktur, sering gagal dalam pengambilan keputusan spontan dan jangka pendek. Meskipun strategi ini mungkin menawarkan solusi segera, strategi ini menimbulkan potensi risiko keuangan jangka panjang. Pengakuan bulat tentang kesenjangan dalam literasi keuangan juga terbukti, menunjukkan kekosongan pendidikan yang lebih luas dalam segmen ini. Kesulitan keuangan reguler, terutama menjelang akhir bulan, dan kecenderungan pinjaman keluarga adalah tema yang berulang. Kecenderungan kuat terhadap program pelatihan literasi keuangan muncul, menekankan kesadaran akut akan kekurangan pengetahuan mereka. Faktor budaya, terutama reservasi sosial tentang utang, juga disorot, menunjukkan pengaruh yang lebih dalam pada perilaku keuangan. Singkatnya, wawasan ini menggarisbawahi kebutuhan kritis akan program pendidikan keuangan yang disesuaikan dan peka budaya, menangani kebutuhan pelatihan khusus keluarga berpenghasilan rendah Bandung, untuk mendorong kesejahteraan finansial berkelanjutan mereka.
Kata Kunci: Asesmen Kebutuhan Pelatihan, Pengelolaan Keuangan, Keluarga Berpendapatan Rendah, Pemberdayaan Keuangan.

Abstract
This study sought to present a training needs assessment related to the Money management of low-income families in Bandung, Indonesia. Adopting a qualitative research approach with case study method, data collection was undertaken through in-depth interviews with seven informants, offering rich insights into their financial behaviors and challenges. The data analysis, conducted using thematic analysis, highlighted several key patterns and findings. A marked dissatisfaction with current financial practices emerged, further amplified by limited resources and growing living costs. Notably, the majority of respondents lacked structured financial planning, often defaulting to spontaneous, short-term decision-making. While this strategy might offer immediate solutions, it poses potential long-term financial risks. A unanimous acknowledgment of a gap in financial literacy was also evident, pointing to a broader educational void within this segment. Regular financial hardships, especially towards the month's end, and a tendency for familial borrowing were recurrent themes. A strong inclination towards financial literacy training programs emerged, emphasizing an acute awareness of their knowledge deficiencies. Cultural factors, notably societal reservations about debt, were also highlighted, suggesting deeper influences on financial behaviors. In summation, these insights underscore the critical need for

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tailored, culturally sensitive financial education programs, addressing the specific training needs of Bandung's low-income families, to foster their sustainable financial well-being..
Keywords: Training needs assessment, Money Management, Low-Income Family, Financial Empowerment.

INTRODUCTION

Financial stability remains an elusive goal for many low-income families around the world. These families often operate on thin financial margins, making them particularly vulnerable to economic downturns, unexpected expenses, and financial missteps. The challenges faced by low-income families are multifaceted (Qudsi & Nurhayati, 2023; Thomas, 2020). They not only grapple with limited resources but also with systemic barriers that can hinder their financial progress. These barriers might include limited access to affordable financial services, predatory lending practices, and a lack of formal employment opportunities that offer steady incomes and benefits(Nurhayati & Falah, 2020; Sugiharti & Maula, 2019). Moreover, the cyclical nature of poverty means that many of these families have been trapped in a pattern of financial instability for generations, making it difficult to break free and achieve lasting financial empowerment . Financial literacy has been a focal point of numerous studies, given its correlation with the financial well-being of individuals and families (Laksono, 2019; Lindiawatie & Shahreza, 2021; Qudsi & Nurhayati, 2023). Individuals with higher levels of financial literacy are more likely to engage in sound financial behaviors, such as budgeting, saving, and investing (Kewal Anastasia Sri, 2013; Răzvan, 2021; Srisusilawati et al., 2021). Similarly, a study by Rahman and Kumar (2017) emphasized the positive association between financial literacy and the ability to avoid high-interest loans and debt traps.

In the context of training and education for improving skills and competences, several interventions have been examined for their efficacy (Hidayat & Nurhayati, 2023; Intadiyah et al., 2021; Nurhayati, 2015; Nurhayati & Rosita, 2020; Nurmawati et al., 2021; Syafrudin & Nurhayati, 2020). Hati (2017) highlighted the positive impact of financial education programs on low-income families in Taiwan. Participants in their study reported improved financial behaviors and a greater sense of financial empowerment after attending structured financial literacy workshops. Furthermore, financial education, especially when tailored to the needs of the target audience, can lead to significant improvements in financial decision-making and confidence (Cedeño et al., 2021; Qudsi & Nurhayati, 2023).

Despite these challenges, one of the often-overlooked factors exacerbating the financial vulnerability of low-income families is a lack of adequate financial literacy. Financial literacy, defined as the ability to understand and use various financial skills, including personal financial management, budgeting, and investing, is crucial for making informed decisions that can lead to financial stability (Qudsi & Nurhayati, 2023; Răzvan, 2021). However, many low-income families in Bandung lack access to reliable financial education resources, leading to decisions that can further entrench them in poverty. Without proper knowledge and understanding of financial principles, these families are more likely to fall prey to high-interest loans, incur unnecessary debts, and miss out on opportunities to save, invest, and grow their wealth. In essence, the absence of financial literacy becomes both a symptom and a cause of ongoing financial disempowerment. Despite the numerous studies on financial literacy and its effects, there are noticeable gaps in the literature, particularly pertaining to low-income families in specific regions, like Bandung. While general patterns and behaviors can be discerned from global studies, local cultural, economic, and social nuances play a critical role in shaping financial behaviors, and there's a paucity of research that delves deep into these localized dynamics.

Another gap pertains to the long-term impact of financial education interventions. While many studies highlight the immediate benefits of such training, there's a need for more longitudinal research to understand the sustained impact and potential behavioral changes over time. Additionally, the integration of technology and digital tools in financial education has been an emerging trend, but there's limited research on how these tools can be optimized for low-income families, especially in regions with potential technological barriers. Given this backdrop, the primary objective of this research is to assess the need for training and education on money management for low-income families in Bandung. By understanding their current financial behaviors, knowledge gaps, and the challenges they face, this study aims to provide recommendations for targeted interventions that can empower these families with the tools and knowledge they need to achieve greater financial stability and independence.

METHOD

This study adopts a qualitative research design using the case study method. Qualitative research offers an in-depth understanding of individuals' experiences, perceptions, and the meanings they attribute to those experiences. The case study method allows for an in-depth exploration of specific instances, in this case, seven low-income families in Bandung, to gain insights into the broader phenomenon of financial literacy and empowerment. Families were selected based on their income level, which falls below the regional average for Bandung. Additionally, families who expressed challenges in managing their finances were given priority. Seven low-income families in Bandung were selected for this study. Their age ranging from 30-50, number of family members are 4-6, occupation as small business owner, freelance, and teachers. Semi-structured interviews were conducted with each family. These interviews, lasting between 60 to 90 minutes, focused on understanding their current financial practices, challenges faced, perceptions about money management, and their awareness or experiences with any financial literacy programs. Observational visits were made to each family's residence to gain a contextual understanding of their living conditions, lifestyle, and any visible signs of financial challenges or strategies they adopt. Relevant documents, such as monthly budgets, bills, or any financial logs maintained by the families, were reviewed (with their consent) to understand their financial habits better.

Data from the interviews, observations, and documents were analyzed using thematic analysis. This involved transcribing interviews, coding the data, identifying patterns, and grouping these patterns into larger themes. This method allowed for the identification of core issues, challenges, and perceptions surrounding financial literacy and empowerment among the participants. To ensure the trustworthiness of the study, several strategies were employed: 1) Triangulation: Data was collected from multiple sources (interviews, observations, document analysis) to corroborate findings. 2) Member Checking: Preliminary findings were shared with the participants to ensure accuracy and resonance with their experiences. 3) Peer Review: Another qualitative researcher reviewed the research process and findings to ensure consistency and reliability.

RESULT AND DISCUSSIONS

The compiled findings from the interviews with the informants Y, Ij, Iy, B, Bu, An, and A offer a meticulous understanding of the intricate financial dynamics that characterize Bandung's low-income families. A pervasive sense of dissatisfaction with current financial management practices was palpable across all respondents. Such uniform discontent suggests that the challenge may be endemic within this community, where financial constraints are routinely exacerbated by limited resources and rising expenses.

Another salient observation was the recurrent absence of structured financial planning. Without a systematic approach to managing monthly expenditures, the respondents appear to rely on spontaneous decision-making. Such an approach, while practical in the immediate sense, can lead to unforeseen financial challenges and, over time, amplify vulnerabilities inherent in their financial landscape. A consistent theme that emerged was the acknowledged deficit in financial knowledge. Despite the diverse professional backgrounds of the respondents, they uniformly identified a gap in their financial literacy. This consistent sentiment underscores a broader lacuna in financial education among the low-income demographic of Bandung. Financial challenges, especially towards the close of the month, emerged as a prevalent issue. The uniform recourse to borrowing from family members during such constraints is particularly telling. This pattern might either indicate systemic barriers in accessing formal financial avenues or reflect an ingrained cultural or trust-based inclination towards familial support systems. The unanimous inclination towards financial literacy programs was another significant revelation. This collective interest not only signals an awareness of their knowledge gaps but also showcases a proactive eagerness to bridge them. Such a sentiment strengthens the case for introducing tailored financial literacy initiatives within this demographic.

A notable concern is the evident lack of preparation for unexpected financial challenges among all respondents. Such unpreparedness can leave them susceptible to severe financial setbacks during emergencies or pivotal life events. Interestingly, despite the proliferation of digital media, all respondents predominantly rely on social media platforms for financial insights. While this adaptability to contemporary platforms is commendable, it simultaneously raises concerns about the credibility and authenticity of the financial information they consume. A recurring cultural theme was the societal stigma associated with debt. This sentiment suggests deeper societal and cultural influences that might shape their financial behaviors and decisions. Such nuances underscore the need for financial education initiatives that are not only content-rich but also culturally sensitive. Finally, in terms of educational modality, there was a pronounced preference for face-to-face learning interactions. This uniformity in preference, even in a digital era, emphasizes the enduring value of personal touchpoints in the educational journey for this demographic.

The compiled findings from the empirical data provide valuable insights into the financial dynamics of low-income families in Bandung. The empirical data revealed a pervasive sense of dissatisfaction with current financial management practices among the respondents. This finding aligns with previous research that has shown that low-income families often face instrumental and financial hardships(Cedeño et al., 2021; Thomas, 2020). The findings also highlighted the recurrent absence of structured financial planning among the respondents, leading to reliance on spontaneous decision-making (Siswanti, 2020). This lack of systematic financial management can result in unforeseen challenges and amplify vulnerabilities in their financial landscape (Siswanti, 2020). A consistent theme that emerged from the empirical data was the acknowledged deficit in financial knowledge among the respondents. Despite their diverse professional backgrounds, the respondents uniformly identified a gap in their financial literacy. This finding is in line with previous research that has shown the importance of financial knowledge in influencing financial management behavior (Kaiser & Menkhoff, 2020; Siswanti, 2020). The findings also revealed that financial challenges, especially towards the end of the month, were a prevalent issue among the respondents. This finding is consistent with research that has highlighted the financial struggles faced by low-income families (Lazar & Davenport, 2018; Lee et al., 2023). The interviews also shed light on the respondents' reliance on borrowing from family members during financial constraints. This pattern may indicate systemic barriers in accessing formal financial avenues or reflect a cultural inclination towards familial support systems. The unanimous inclination towards financial literacy programs among the respondents further emphasizes their awareness of their knowledge gaps and their eagerness to bridge them. This finding supports the need for tailored financial literacy initiatives within the low-income demographic of Bandung.

In conclusion, the findings from the interviews with low-income families in Bandung provide a nuanced understanding of their financial challenges, behaviors, and aspirations. These findings align with previous research on the financial struggles faced by low-income families and the importance of financial knowledge in influencing financial management behavior. The interviews also highlight the need for tailored financial literacy initiatives that are culturally sensitive and provide personalized learning experiences. By addressing these challenges and empowering low-income families with financial education, it is possible to promote sustainable financial resilience and growth within this community. The consolidated insights from the interviews provide a nuanced portrait of the financial challenges, behaviors, and aspirations of Bandung's low-income families. These findings accentuate the imperative for well-structured, culturally attuned financial education programs aimed at empowering this community towards achieving sustainable financial resilience and growth.

CONCLUSION

The comprehensive empirical data unveiled pressing financial challenges and aspirations. A prevailing dissatisfaction with informants' current financial management practices underscores a systemic issue, exacerbated by limited resources and escalating living costs. Significantly, the lack of structured financial planning emerged as a critical concern. This reliance on spontaneous decision-making, while seemingly pragmatic, could have long-term repercussions, a sentiment echoed in established research. Additionally, an undeniable gap in financial literacy was identified across the respondents, indicating an overarching educational void in Bandung's low-income segment. While financial strains, especially towards the month's end, were commonplace, the unanimous recourse to familial borrowing suggests potential systemic barriers or deep-seated cultural norms. Encouragingly, there's a collective enthusiasm for financial literacy programs, highlighting a recognized need to bridge knowledge deficiencies. However, the prevalent unpreparedness for financial emergencies and the predominant reliance on social media for financial insights underscore vulnerabilities and potential misinformation risks. Cultural nuances, especially the societal aversion to debt, further complicate the financial landscape. In essence, these findings illuminate the urgent need for tailored, culturally sensitive financial education initiatives to empower Bandung's low-income families towards sustainable financial resilience.

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