

## Financial Literacy Education for the Fisherman Community Group in Bengkulu City to Improve Financial Knowledge

Febzi Fiona, Yovita Agustina\*, and Serly Apriansah

Faculty of Economics and Business Universitas Bengkulu, Bengkulu, Indonesia

[\\*yovitaagustina1400@gmail.com](mailto:*yovitaagustina1400@gmail.com)

**Abstract:** The rapid development of financial literacy has brought numerous benefits to the economic operations of both large and small-scale communities. When establishing a company, understanding how to manage finances is crucial. The population should possess basic financial knowledge, including financial technology (fintech) skills, as part of their financial literacy. Fintech has made borrowing money faster and easier. The objectives of this outreach are: 1) To enhance the financial literacy of the fisherman community regarding their financial management skills, enabling them to develop their businesses, and 2) To encourage the fisherman community to improve their financial intelligence. The implementation method used the Participatory Action Research (PAR) approach, oriented toward fishermen to provide input and solutions to their problems. The results of this outreach showed that a significant portion of the fisherman groups lacked a good understanding of finance and technology. Following this outreach, they better understood the importance of financial literacy.

**Keywords:** fishermen's group; financial literacy; financial technology; quality of hr

© 2024 Bubungan Tinggi: Jurnal Pengabdian Masyarakat

**Received:** 2 December 2023

**Accepted:** 9 August 2024

**Published:** 19 November 2024

**DOI** : <https://doi.org/10.20527/btjpm.v6i4.11105>

**How to cite:** Fiona, F., Agustina, Y., & Apriansah, S. (2024). Financial literacy education for the fisherman community group in Bengkulu city to improve financial knowledge. *Bubungan Tinggi: Jurnal Pengabdian Masyarakat*, 6 (4), 982-989.

### INTRODUCTION

Financial literacy refers to knowledge, skills, and beliefs acquired that positively impact a person's attitude and behaviour towards money and its management to achieve material well-being. According to (Chen & Vope, 1998), financial literacy is "a skill with money that paves the way to future prosperity." Financial literacy is crucial for the sustainability of Small and Medium Enterprises (SME) performance and provides entrepreneurs with an advantage in making financial decisions. In the business environment,

entrepreneurs face many financial challenges, and numerous studies indicate that entrepreneurs with financial knowledge tend to be more successful than those without such knowledge.

As society evolves and its demands become more nuanced, so does our understanding of the financial system. This potential is linked to an individual's intelligence and its application in achieving societal well-being in the face of inevitable globalization, such as making future choices indirectly related to short-term or long-term outcomes. Research by

(Joo & John, 2004) demonstrates a correlation between a person's financial status and their financial habits, such as paying off credit card bills in full each month, maintaining a weekly or monthly budget, and setting aside money for savings.

Financial literacy is defined as the ability to understand and manage one's and other people's money and the concepts and hazards connected with various financial situations. Individuals can use this information to make financial decisions that benefit both themselves and their community. Every community must learn how to manage their finances effectively in modern times to improve their living conditions (Kemdikbud, 2017) Children not taught financial literacy at a young age are more likely to have financial troubles in maturity.

The government promotes responsible spending as part of a more significant effort to encourage more people to entrust their money management to banks and other financial institutions. One aspect driving economic success is the community's capacity to allocate resources to the right institutions. The Financial Services Authority has published this information as part of a broader strategy to promote responsible money management. The first step is to create a community with financial objectives and plans, and the second step is to learn the skills required for responsible financial management. People with disabilities, pensioners, employees, professionals, students/youth, women, farmers/fishermen, and Indonesians living in rural and outlying areas are among the target groups (OJK, 2017).

Given that low financial literacy among women is linked to a variety of negative outcomes, including but not limited to a lack of awareness about saving, falling victim to fraudulent investments, becoming victims of illegal

online loans, having no savings at all, owning few assets, and engaging in excessive spending habits, it is critical to find solutions to ensure women have accurate financial literacy. The importance of financial literacy for individuals and families is highlighted by several findings presented by the Financial Services Authority. Households with low financial literacy tend to save less for retirement and possess fewer assets, whereas those with higher financial literacy are better able to manage their finances effectively (OJK, 2017)

After conducting a national survey, the Financial Services Authority arranged seminars and social outreach activities to educate the public about financial literacy, particularly the younger generation. Access to formal and informal education can impact financial literacy levels; restricted access to schools that provide financial training or curricula might be a barrier. This is significant since increasing financial literacy is a proven approach for driving. Reading and comprehending financial statements is essential for successful family budgeting. A financial management system tailored to a family's needs is important in establishing a solid financial foundation. Community members should be able to reliably analyze their family's financial condition and use sound budgeting techniques. Socialization is one technique for increasing financial literacy among community members and SME stakeholders. Higher education institutions can help such initiatives by implementing one of the three pillars of community service.

The fisherman community in Malabero Village, Bengkulu City, will benefit immensely from financial literacy and community financial planning education. The Malabero Sub-district Fishermen's Association requires urgent economic management and

development support. Future fisherman communities are predicted to be more competitive and capable of raising household income. Given these challenges, our services aim to: (1) To enhance the financial literacy of the fisherman community regarding their financial management skills, enabling them to develop their businesses, and (2) To encourage the fisherman community to improve their financial intelligence.

## METHOD

The implementation method used Participatory Action Research (PAR), a research approach conducted collaboratively among community members to encourage empowering actions. The PAR method was collaborative in performing systematic service processes to solve problems (Rohinah, 2017) and was oriented towards fishermen providing input and solutions to their issues.

The training was delivered using exploration techniques, which delved deeply into one or more narrow aspects of the subject (Salmon, 2013). Furthermore, opinions and evaluations of potential solutions were consulted. The service also utilized an approach of giving and receiving innovations.

## RESULTS AND DISCUSSION

The outreach activities were carried out in the form of socialization, question-and-answer sessions, and evaluations:

- 1) Collected information about the current situation of the partners; provided information on “Financial Literacy”; facilitated partner discussions and opened question-and-answer sessions about financial literacy; analyzed and corrected errors in the current financial system; encouraged resource groups or fishermen to commit to and maintain consistency in applying new formulations; developed an indicator system to

measure the impact of the new formulations.

- 2) Requested information about the current situation of the partners; provided content on “Fintech”; encouraged partners to discuss and ask questions about their current financial management; identified and corrected deficiencies in the current management system; encouraged fishermen or resource groups to commit to and maintain consistent implementation of the new formulations; and developed a set of indicators to measure the success of the system in implementing the new formulations.
- 3) Collected information from the fisherman communities regarding their members’ participation in training and education programs that emphasized the value of financial literacy. Developed quality assurance measures for educational and professional growth; created metrics to measure the program’s performance and evaluated it three months after implementation.

On April 28, 2023, the volunteers worked for a day to improve their environment. The organizers of this community service activity first sought potential volunteers among the fishermen of Malabero Village, Bengkulu City. On the event day, everyone arrived on time, was ready to go, and followed health protocols exactly as instructed. Before the commencement of the handover ceremony at 08:30 AM WIB, the committee started the participant registration process. Introductory comments were made from 9:00 AM to 10:00 AM. Entering the main event of this community service activity, participants were provided with material on financial literacy. Financial literacy is

defined as awareness, knowledge, skills, attitudes, and behaviours combined to help individuals make sound financial decisions and manage finances adequately for the long term (Razen et al., 2021). Yovita Agustina, the first speaker of the session, spoke about "The Importance of Financial Literacy in Daily Life" from 10:00 AM to 11:30 AM. There was a break for prayers and coffee from 11:30 AM to 12:30 PM. Febzi Fiona, the speaker for the second session, addressed the topic "Financial Technology in the Digital Era." This second core material encouraged housewives to plan and manage family finances to achieve financial resilience effectively. Considering the role of women in households as financial managers who need to be skilled in financial planning and management, families with strong financial resilience are better off than those with weak financial resilience. This material supported the Financial Services Authority's strategic program on building strong family financial resilience during economic shocks from 12:30 PM to 2:00 PM.

During the allowed question-and-answer period, the fishermen were eager to share their problems. They asked various questions about the practical applications of financial literacy, such as how to quickly and efficiently learn about fintech and apply what they had learned to their firms. The speakers gathered to discuss the difficulties they faced. Many fisherman groups reported feeling empowered after the training session.

The financial literacy material presented focused on the introduction to financial technology, or fintech. In the digital age, where the use of mobile phones had become widespread and touched all aspects of life, it seemed outdated if financial management still relied on conventional methods. Research by (Lyons et al., 2021)

showed that high levels of financial and digital literacy were aligned in building financial resilience within communities. Through digital technology, entrepreneurs and the public could use applications that made their lives easier. An example of business activities was through online loan applications, where borrowing funds for a business could be conducted. This was known as Lending. Through lending, fund providers and recipients did not have to meet face-to-face. The loan process could be carried out online.

The fintech (financial technology) revolution was the subject of the financial education resources provided. Surprisingly, modern financial management still relies on outdated methods in this digital era, when mobile phone usage is so prevalent and affects every aspect of society. According to research, high financial and digital literacy levels were compatible with building financial resilience within communities (Lyons et al., 2021) Both groups and customers could benefit from digital technology by accessing and using streamlined tools. Companies could operate using online loan applications. This was described as "lending" money. Loan transactions between lenders and borrowers did not require an in-person meeting. One could apply for a loan online.

Financial literacy outreach was not limited to any specific age group. The importance of financial education transcended age. Financial education classes could also help parents teach their children about money management at home. It was hoped that their children could absorb and apply this knowledge early. Research by (Bottazzi & Lusardi, 2020) emphasized the need to teach young people about money early on.

Most of the population in the Malabero area of Bengkulu City were poor fishermen. Their cultural and social norms were rooted in their coastal

location. This was evident in how they processed new information and interacted with outsiders. The assumption that financial literacy should only be targeted at older adults must be corrected. Financial literacy is also important for young people, especially concerning their long-term financial decisions related to college expenses (Bottazzi & Lusardi, 2020). Indeed, most older adults often use delegation through a financial advisor as an alternative way to become financially educated (Kim et al., 2021). Definitions and measures of financial literacy from various research findings indicated the necessity of financial literacy across all layers of society, regardless of gender, age, type of occupation, or geographic location.

Financial literacy significantly impacts an individual's financial resilience when facing economic crises or shocks in their financial life (Hassan et al., 2018). In line with this research, community service aimed to enhance the financial resilience of individuals and families. Similarly, the income earned was not considered a determining factor for family financial resilience, according to (Mcknight, 2020) however, adequate financial knowledge made decision-making during economic shocks and pressures easier, as individuals would have a comprehensive and correct understanding of the meaning of money, appropriate consumption behaviour, and wise allocation of finances for daily and future expenditures. Thus, this community service was very beneficial in shaping housewives' financial attitudes and behaviours, which would subsequently influence their children's financial attitudes and behaviours. Research supported these findings, showing that financial education received by a student within their family environment positively impacted their financial management behaviours (Rufaidah & Setiyono, 2023).

Women were like the foundation of the family unit, contributing what they could to keep the household together. This claim was not entirely unfounded. When discussing topics such as financial literacy, for example, women played a crucial role as caregivers and role models at home (Rink et al., 2021). Financial literacy should have encompassed all ages. For those over 45 or considered elderly, modern and sound financial understanding could have assisted them in preparing for a prosperous retirement (Kim et al., 2021). Besides these reasons, parents could convey this information to their homes through this financial literacy outreach (Fong et al., 2021). It was hoped that their children could receive this information well and apply it from a young age. Research by (Bottazzi & Lusardi, 2020) showed the importance of young people receiving financial literacy information early on.

Following the presentation and conversation, the presenter delivered questionnaires to the groups of fishermen. The questionnaire assessed how well the knowledge presented had been retained. This was done so that the presenters could more readily analyze and assess the audience's comprehension of the material. The participant ratings were as follows: rating 1 = very knowledgeable about the subject matter, rating 2 = somewhat knowledgeable about the subject matter, and rating 3 = not knowledgeable about the subject matter.

The survey responses were as follows: There were 27 participants, 14 of whom were rated at the top level. These findings indicated that the majority of the fishermen community understood the concepts presented.

1. The fishermen's community learned the value of financial literacy for daily life and business.
2. Thanks to digital marketing training, the fishermen groups now

had the knowledge and skills to effectively use social media and other promotional tools.

3. The fishermen's community valued financial education.
4. The fishermen groups had mastered business basics and could now compete successfully on a global scale.

The team demonstrated the system for accurate financial record-keeping and showed attendees how to use Excel to ease financial record management. The team analyzed the participant-created records and provided feedback. The fishermen's enthusiasm for engaging in the events and their high level of curiosity sparked lively discussions, all of which contributed to the community service project's success. The fisherman and the implementing

organization contributed significantly to developing this service. To maintain the program's long-term viability and enable communication, friendship-building, problem-solving, and group cohesion among the fishermen, the committee formed a WhatsApp group where members could share their difficulties and challenges. The community in Malabero mostly belonged to the lower economic class. The long distance from the city also affected their cultural and social patterns. This was reflected in how they received information and interacted with newcomers. During the outreach activities and discussions with businesspeople and households, they were curious about fintech lending but lacked access to information on it. Documentation of activities is listed in Figure 1.



Figure 1 (a) Welcome address by Mr. Agus Susanto, S.Sos., Head of Malabero Village, Bengkulu City, (b) Fishermen's group sharing issues/challenges encountered, (c) Group photo with fishermen and students who contributed to the event, and (d) Photo of the speakers who delivered the related materials

The community responded well to the outreach campaign, as shown by their improved understanding and desire

for their children—whether students, scholars, or single youth—to acquire responsible financial attitudes and

practices. This involved tackling excessive spending, poor financial planning and management, misunderstanding of spending priorities, and consumer behaviour emphasizing wants over needs. Such attitudes and practices were dangerous when facing economic pressures or financial shocks.

## CONCLUSION

According to the community service project findings, the majority of Malabero fisherman communities still had a low degree of financial literacy. The fishermen groups discussed the obstacles they encountered. The presenter made suggestions for addressing the issues identified throughout the conversation. The fisherman communities noted that the guidelines were quite useful. Furthermore, the survey results revealed that most fisherman groups thoroughly comprehended the topics presented.

The WhatsApp group enabled the team to communicate, share difficulties and barriers faced, and conduct regular monitoring. On the other hand, the fishermen groups' knowledge of the content given improved steadily. Future training should include all stakeholders, particularly those who own or operate many firms so that any hurdles or complaints encountered by business operators early on can be addressed most effectively. If community concerns and complaints were properly managed, the information offered would be easier to implement, and the community's demand to learn how to run a business might be satisfied by leveraging or integrating existing digital media.

One suggestion was to provide additional training to fisherman organizations in Bengkulu City through mentoring and empowerment programs. This would give other academics more opportunities to teach, aiding in the development of community knowledge and understanding.

## REFERENCES

- Bottazzi, L., & Lusardi, A. (2020). Stereotypes in financial literacy: Evidence from PISA. *SSRN Electronic Journal*, 71. <https://doi.org/10.2139/ssrn.3727141>
- Chen, H., & Vope, R. P. (1998). An analysis of personal financial literacy among college students. *Financial Services Review*, 7(2), 107–128. [https://doi.org/https://doi.org/10.1016/S1057-0810\(99\)80006-7](https://doi.org/https://doi.org/10.1016/S1057-0810(99)80006-7)
- Fong, J. H., Koh, B. S. K., Mitchell, O. S., & Rohwedder, S. (2021). Financial literacy and financial decision-making at older ages. *Pacific-Basin Finance Journal*, 65, 101481. <https://doi.org/10.1016/j.pacfin.2020.101481>
- Hassan, N. M., Kassim, E. S., & Maon, S. N. (2018). Factors influencing individual financial resilience in facing economic crisis: Does financial literacy really help? *International Journal of Academic Research in Business and Social Sciences*, 8(11), 1613–1623. <https://doi.org/10.6007/IJARBS/v8-i11/5284>
- Joo, so hyun, & John, G. (2004). An exploratory framework of the determinants of financial satisfaction. *Journal of Family and Economic Issues*, 25(1), 25–50. <https://doi.org/0.1023/B:JEEI.0000016722.37994.9f>
- kemdikbud. (2017). *Materi Pendukung Literasi Finansial*. <http://repositori.kemdikbud.go.id/id/eprint/11633>
- Kim, H. H., Maurer, R., & Mitchell, O. S. (2021). How financial literacy shapes the demand for financial advice at older ages. *The Journal of the Economics of Ageing*, 20, 100329. <https://doi.org/10.1016/j.jeoa.2021.100329>
- Lyons, A., Kass-Hanna, J., Liu, F.,

- Greenlee, A., & Zeng, L. (2021). Building financial resilience through financial and digital literacy in south asia and sub-saharan africa. *SSRN Electronic Journal*, 51. <https://doi.org/10.2139/ssrn.3496562>
- Mcknight, A. (2020). *The financial resilience of households: 22 country study with new estimates, breakdowns by household characteristics and a review of policy options*.
- OJK. (2017). *No Title*. <https://www.ojk.go.id/>
- Razen, M., Huber, J., Hueber, L., Kirchler, M., & Stefan, M. (2021). Financial literacy, economic preferences, and adolescents' field behavior. *Finance Research Letters*, 40, 101728. <https://doi.org/10.1016/j.frl.2020.101728>
- Rink, U., Walle, Y. M., & Klasen, S. (2021). The financial literacy gender gap and the role of culture. *The Quarterly Review of Economics and Finance*, 80, 117–134. <https://doi.org/10.1016/j.qref.2021.02.006>
- Rufaidah, M., & Setiyono, W. P. (2023). Exploring the role of family financial education and lifestyle on financial management behavior: the mediating effect of financial self-efficacy. *Indonesian Journal of Public Policy Review*, 22. <https://doi.org/10.21070/ijppr.v22i0.1310>
- Salmon, G. (2013). *E-tivities* (2nd Editio). Routledge. <https://doi.org/10.4324/9780203074640>