EZRA SCIENCE BULLETIN
E-ISSN 2988-1897| DOI prefix 10.58526 | https://ezra.krabulletin.com

FAMILY FINANCIAL LITERACY TRAINING FOR HEALTHY AND RESPONSIBLE DEBT MANAGEMENT

Maulana Ghani Yusuf, Wulan Oktabriyantina, Deny Cahyadinanto Sanjoko, Navi'ah Khusniati[4]
Universitas Diponegoro, Semarang, Indonesia

Article info

Corresponding Author:

Maulana Ghani Yusuf
Maulanaghaniyusuf20@lecturer.undip.ac.id
Universitas Diponegoro

ABSTRACT

Debt management is an important thing, especially in a family. If debt is not managed properly, it can pose risks both financially and socially for the family. The purpose of this study was to evaluate the effectiveness of family financial literacy training so that family debt management becomes healthier and more responsible. The research method is a quasi-experimental approach and a pretest-posttest tool conducted on PKK RT3 mothers training participants in Griya Beringin Asri Housing. The training materials include how to manage income, calculate debt ratio limits, and strategies for debt repayment. The results of this study are that there is a significant increase in training participants regarding debt risk, payment priority scales, and considerations in making wiser family financial management decisions. Based on these findings, it can be seen that community service activities with the theme of financial literacy training based on debt management can be used as a fairly effective intervention in improving family financial health.

Keywords: *financial literacy, debt management, family training, debt ratio, repayment strategies, financial decisions*

INTRODUCTION

Financial and social risks can occur in a family if there is no proper debt management. The forms of financial risk include economic decline, conflict within the household to psychological stress. A fairly high level of consumption to the practice of borrowing money from financial institutions is one of the characteristics in the context of a society living in an urban area. Although consciously borrowing debt for consumption is a short-term solution, without a good understanding of debt management it can cause households to become unhealthy. Therefore, it is necessary to increase the capacity of the community, especially knowledge of literacy in managing debt so that family financial resilience can be built properly.

Theoretically, understanding the debt-to-income ratio is one of the efforts to manage debt healthily and wisely. In addition, there needs to be knowledge about the difference between consumptive and productive debt and strategies for debt repayment. Several of these concepts are widely reviewed in financial literacy literature, including the OECD (2016) which states that decisions in taking debt must be taken carefully and not in a hurry. Atkinson and Messy (2012) also added that financial risk awareness is one of the important things, especially in the main components of financial literacy.

In addition, Bandura's (1997) experiential learning and self-efficacy theories emphasize the importance of a participatory learning approach and increasing self-confidence in shaping changes in financial behavior.

The problem raised in this study is the low level of family financial literacy, especially in the aspect of debt management. Many families still make debt decisions without considering their ability to pay and long-term risks, and do not yet have the habit of recording and monitoring debt systematically. This creates a gap between das sollen (what is ideal, namely families who have a healthy understanding and practice of debt management) and das sein (what happens in the field, namely low understanding and awareness of debt risks). This gap indicates the need for educational interventions that are right on target and based on the real needs of the community.

In a review of previous studies, Sukmawati and Rukmana (2024) showed that family financial management training can reduce the risk of problematic credit, while Mulyani and Dewi (2024) emphasized the effectiveness of financial simulation-based training methods compared to lectures. However, there have not been many studies that specifically evaluate the effectiveness of financial literacy training with a focus on the aspect of debt management, especially in the context of urban families in Indonesia. Therefore, this study offers a novelty (state of the art) by examining the impact of contextually designed training on changes in participants' knowledge, attitudes, and debt management skills.

Based on the background, theory, problems, and gaps, this study aims to evaluate the effectiveness of family financial literacy training in improving understanding and skills in healthy and responsible debt management in the target group of PKK members in urban areas.

METHOD

This community service activity was carried out at Griya Beringin Asri Housing Complex RT 3, Wonosari Village, Ngaliyan District, Semarang City. The selection of this location was adjusted to the target participants of the training, namely members of the PKK group located in Griya Beringin Asri Housing Complex RT 3. This activity was carried out through several main stages, namely: preparation stage, preparation of training materials and tools, family financial literacy training, and preparation of the final activity report. The details of each stage are as follows:

1. Preparation Stage

   In the initial stage, the implementing team established communication and coordination with PKK members of Griya Beringin Asri Housing Complex RT 3. The focus of coordination included identifying prospective participants and determining the training time. Communication was carried out directly (offline) through the PKK chairperson to ensure the effectiveness of the activity. In addition, a preliminary survey was conducted to map the socio-demographic conditions of participants, the existing situation, and problems faced by the target group, especially related to debt.

2. Preparation of Training Materials and Tools
   The materials used in this community service activity are sourced and adapted from training modules that have been previously created by the International Labor Organization (ILO) Training of Trainers. This module has also been adjusted to the needs and conditions at the service location with the aim of making it easier to understand and relevant for participants.
3. Implementation of Family Financial Literacy Training
   At this stage, the training begins with a pre-test activity that aims to determine the participants' initial understanding of the material to be presented. Participants are also asked by the team to provide expectations for this training activity so that it can be used as an indicator in the evaluation process of community service activities.
4. Evaluation and Mentoring
   During the training and community service activities, monitoring was carried out with interactive activities such as discussions, exercises, and quizzes. At the end of the activity, a post-test was given to participants to measure the increase in their knowledge and skills.

RESULTS AND DISCUSSION

Results

Table 1. Summary of Pretest and Posttest Statistics for Questionnaire Questions

No	Question	Average Pretest	Average Posttest	Difference (Pretest-posttest)
1	Know the difference between productive and consumptive debt	1.97	3.36	+1.39
2	Understand the risks of having too much and uncontrolled debt	2.00	3.61	+1.61
3	Know how to calculate the debt-to-income ratio	2.15	3.73	+1.58
4	Know the safety limits of debt	1.94	3.55	+1.61
5	Understand debt repayment strategies	1.73	3.21	+1.48
6	Get used to recording the amount and maturity of debt	2.03	3.64	+1.61
7	Be able to prioritize debt repayment	2.18	3.48	+1.30
8	Be able to manage personal finances related to debt	2.30	4.06	+1.76
9	Know the legal and social consequences of defaulting on debt	2.00	3.48	+1.48
10	Consider carefully before taking on new debt	1.94	3.39	+1.45

Source: author's data processing results, 2025

Debt management training aims to improve participants' understanding and skills in managing debt wisely and responsibly. To measure the effectiveness of the training program, a pretest and posttest evaluation was conducted on 33 respondents using a questionnaire instrument with 10 Likert-scale statements (1 = strongly disagree to 5 = strongly agree).

The results of the analysis showed that there was an increase in the average score on all questions after the training. The average pretest score ranged from 1.73 to 2.30, while the average posttest score increased significantly, ranging from 3.21 to 4.06. The highest increase occurred in the aspect of "ability to manage personal finances related to debt", which increased by 1.76 points (from 2.30 to 4.06). This shows that the training not only improves conceptual knowledge, but also has an impact on the aspect of participants' self-confidence and readiness to apply debt management in real life.

All aspects measured showed a significant increase, with the average difference between the posttest and pretest scores ranging from 1.30 to 1.76 points. Among the most developed aspects besides personal financial management are understanding of debt risk (difference +1.61), debt recording habits (+1.61), and understanding of safe debt limits (+1.61). This increase reflects that the training material has succeeded in reaching the dimensions of knowledge, attitude, and skills simultaneously. Furthermore, to test the effectiveness of the training in improving participants' understanding of debt management material, a paired sample t-test was conducted on the pre-test and post-test scores. The results of the analysis showed that there was a significant increase in scores after training.

Table 2. Summary Statistics and Paired t-Test Results

Statistic	Pre-test	Post-test
Total mean	20,24	35,52
Standard deviation (SD)	2,41	2,75
Minimum	14	31
Maximum	24	40
Number of respondents (n)	33	33
t-statistik	21,81	
p-value	p < 0,01	

Source: author's data processing results, 2025

Evaluation of the effectiveness of the training program was conducted by comparing the pre-test and post-test scores. The results of the descriptive statistical analysis showed a significant increase in participants' scores after attending the training. The average pre-test score was 20.24 with a standard deviation of 2.41, while the average post-test score increased to 35.52 with a standard deviation of 2.75. The minimum score increased from 14 to 31, and the maximum score from 24 to 40, indicating an increase in participants' understanding of the training material.

The difference test using the paired sample t-test produced a t-statistic value of 21.81 with a significance level of $p < 0.01$. A p-value that is much smaller than 0.05 indicates that the difference between the scores before and after the training is statistically significant. Thus, the training has a real impact on improving participant competence.

Discussion

The increase in the indicator of understanding the risks of having too much debt confirms the effectiveness of the training in building participants' awareness of the dangers of over-leverage, such as psychological pressure, social disruption, and the risk of bad debt. This understanding is important so that participants can avoid the trap of uncontrolled debt. This finding is supported by research by Atkinson and Messy (2012) which explains the existence of financial risks in financial literacy lessons.

There is an increase in the score on the indicator regarding how much safe limit can be met if someone wants to go into debt. This increase indicates that participants' understanding of the principles of healthy debt management is starting to develop. Moreover, participants become aware of the proportionality and maximum installment limit when compared to income, which is below 30%. This is in accordance with the OECD report (2016) which contains information about being careful before going into debt.

Furthermore, the indicator of being accustomed to recording the amount and maturity of debt also experienced an increase in the score, which was +1.61. This indicates that participants already understand that recording is an important thing in healthy financial economic practices and is in accordance with Xiao et al. (2011) which shows that this is important as a form of individual control.

This finding is also in line with the results of research by Sukmawati and Rukmana (2024) which states that financial management training can provide understanding to participants, especially regarding money and debt management skills so that they are healthier and can reduce risk. In addition, Mulyani and Dewi (2024) added that financial simulation-based training can provide better and more effective results compared to lecture methods.

Overall, the significant increase in scores on all indicators shows that this community service activity carried out with financial literacy training-based interventions has had a real positive impact. This program can also have opportunities for other groups to replicate or modify other training, especially for more varied objects such as housewives and informal workers.

In ensuring the sustainability of the impact of this training activity, further efforts are needed such as the use of digital media so that participants can access it more easily. This is in accordance with the recommendations by Lusardi and Tufano (2015) who emphasize the importance of sustainability in financial education with the aim that people have more consistent habits and behaviors.

Figure 1. Group photo between the community service team and PKK Griya Beringin Asri RT 3

Figure 2. Socialization activities by the community service team

CONCLUSION

Based on the evaluation results regarding this community service activity, it can be seen that this activity is quite effective, especially in significantly increasing the knowledge and skills of participants. This can be seen from the significant increase in the pretest and posttest scores. This increase indicates that this training has been considered successful in covering various important aspects that are the objectives of this community service activity, including debt management, which consists of initial conceptual understanding to practical application, including debt recording and payment dates to payment planning.

In addition to providing a positive impact on increasing participants' understanding of debt management, this training also contributes to increasing participants' self-confidence in managing their family finances in a healthier and more responsible manner. The success of this training program also occurred because of the participatory approach so that it can strengthen individual capacity in facing financial challenges. In the future, this training program is worthy of being replicated in other communities with a strategy of ongoing assistance and education, especially using digital media.

DAFTAR PUSTAKA

Lusardi, A., & Mitchell, O. S. (2014). The Economic Importance of Financial Literacy: Theory and Evidence. Journal of Economic Literature, 52(1), 5–44. https://www.aeaweb.org/articles?id=10.1257/jel.52.1.5

Atkinson, A., & Messy, F.-A. (2012). Measuring Financial Literacy: Results of the OECD / International Network on Financial Education (INFE) Pilot Study. OECD Working Papers on Finance, Insurance and Private Pensions, No. 15. https://doi.org/10.1787/5k9csfs90fr4-en

Huston, S. J. (2010). Measuring Financial Literacy. Journal of Consumer Affairs, 44(2), 296–316.

Xiao, J. J., Chen, C., & Sun, L. (2011). Age differences in consumer financial capability. International Journal of Consumer Studies, 35(2), 212–222.

Mann, R. J. (2012). Bankruptcy Reform and the “Sweat Box” of Credit Card Debt. Illinois Law Review.

OECD/INFE. (2020). 2020 International Survey of Adult Financial Literacy.

Sukmawati, R. & Rukmana, I. (2024). Pelatihan Pengelolaan Keuangan Keluarga untuk Masyarakat. Jurnal Gotong Royong, Vol. 1 No. 1. https://jurnal.unived.ac.id/index.php/goro/article/download/6296/4434/

Mulyani, L., & Dewi, N. (2024). Pelatihan Manajemen Keuangan Rumah Tangga untuk Meningkatkan Literasi Keuangan. Jurnal Sains dan Generasi, Vol. 2 No. 1. https://ojs.ukip.ac.id/index.php/jsg/article/download/291/342