
Financial Literacy Education for Students of Learning Center At-Tanzil Ampang Kuala Lumpur, Malaysia

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Abstract: *The Financial Services Authority (OJK), in collaboration with the ministries and Financial Services Institutions, continues to synergize efforts in the "Let's Save" campaign. This initiative is part of the government's commitment to enhance financial literacy among the public and foster a savings culture from an early age. Therefore, financial literacy education is deemed necessary at the early childhood education level, both domestically and internationally. As part of this educational outreach, financial literacy education was provided to students at one of the learning centers, namely sanggar belajar (SB) At Tanzil Ampang Malaysia, under the coordination of the Indonesian School Kuala Lumpur, Malaysia. The objective of this activity is to increase awareness and understanding among children regarding the significance of early savings, instill good financial habits, and enable them to identify and distinguish between wants and needs. The methodology employed involves lectures on the importance of early savings and interactive question-and-answer sessions. The participants exhibited great enthusiasm throughout the program. This Community Service Program yields benefits for the students, as possessing knowledge of sound financial literacy is expected to encourage a desire for savings intensely within their minds and reflect in their daily behaviour.*

INTRODUCTION

One of the essential skills that should be taught from an early age is financial literacy, considering that early-age literacy is an integral part of the developmental process for children and has a significant impact on various aspects of their lives. The values instilled through financial education at a young age will leave a lasting impression on a child's mindset.

Research by Mukhyar et al., (2021) concludes that financial literacy is fundamentally crucial for children. Therefore, the quality of their early education is vital, especially in imparting financial skills from an early age. This is to equip children with the ability to manage finances effectively, laying the foundation for preparing the next generation.

Hence, having a sound understanding of finance at an early age is crucial in building a healthy attitude and knowledge about money and financial management in the future (Masrifah et al., 2023). This will also significantly influence a child's knowledge of the importance of wise spending (A. D. Ariyani et al., 2022).

In Indonesia, financial literacy education, especially for young children, is still infrequently conducted, both within the family and schools (Meinarni et al., 2019). Research by Masrifah et al. (2023) further concludes that the introduction and education about financial literacy are not appropriately and systematically delivered because they are perceived as something unimportant and unnecessary for children.

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Therefore, synergy between the government and various stakeholders, such as educational institutions, parents, and the community, in financial literacy activities for young children is crucial. This is to ensure the positive impact of the savings promotion movement, forming the basis for healthy knowledge and attitudes towards money and financial management in the future.

The Financial Services Authority (OJK) emphasizes once again the importance of instilling savings awareness from an early age. OJK introduces the "One Account One Student" (Kejar) program as an implementation of Presidential Decree (Keppres) Number 26 of 2019 on National Savings Day, celebrated every 20th of August. This is also part of OJK's target to increase the financial literacy index to 53 percent by 2023 (Kompas, 2023).

These circumstances motivate us to provide financial literacy education to the children of the At Tanzil Ampang learning center in Kuala Lumpur, Malaysia. According to instructors, teaching about savings is crucial since the students in this learning center always bring packed lunches, yet they still tend to buy additional snacks. Thus, it can be concluded that the core issue is the limited understanding and knowledge of the children at Tanzil Ampang learning center regarding financial literacy. Considering that this learning center was established less than two months before this Community Service program was conducted. Thus, introducing financial literacy is highly appropriate with the hope that they will understand at early stage on how to manage money effectively.

METHOD AND IMPLEMENTATION

The International Partnership Community Service Program (PkM-KI) is a collaborative initiative of the Institute for Community Service and Organizational Development (LMPPP) at Muhammadiyah University of Surakarta. It aims to enhance and expand community service projects through partnerships with foreign institutions, targeting Indonesian citizens or communities abroad. This overseas PkM initiative serves as a strategic approach to bolster the international recognition of institutions, study programs, and faculty members involved in the PkM team.

UTM Jakarta, a Muhammadiyah Higher Education institution, is committed to actualizing and promoting the principles of Washatiah Islam, in alignment with the directive of the Muhammadiyah Central Executive. This outreach extends beyond Indonesia, through overseas PkM initiative, UTM Jakarta conducted this financial literacy education to the children of the At Tanzil Ampang learning center (Sanggar Belajar) in Kuala Lumpur, Malaysia on November 7 2022 with approximately 30 participants.

The method of implementing financial literacy education includes lectures by using PPT, providing several questions for evaluation, and singing together. Another approach used is through a fun guessing game where those who can correctly categorize items according to needs or wants and students who can answer the posed questions will receive a beautiful piggy bank as a prize.

The material provided is straightforward, presented in simple language, and accompanied by easily understandable simulations. The material covers the following stages: a. Knowledge about the concept of money and skills to distinguish types of money. b. Using money in daily life and the ability to differentiate between needs and wants. c. Knowledge and skills to set aside money for future use. d. Awareness of giving assistance to friends or others in need through charity. However, the emphasis here is on how students can consider options, compare prices, and decide on priorities.

RESULT AND DISCUSSION

The results of this Community Service Program activity was reflected in the positive responses from the students of learning center At Tanzil Ampang Malaysia. The participating students were also enthusiastic and actively engaged in answering throughout the program.

During the material presentation, students are encouraged to sing together to boost their enthusiasm for learning. They are asked about the amount of pocket money given by their parents, with an average ranging from RM5 to RM10 (approximately Rp.16,000 to Rp.32,000). Considering their primary school level, their pocket money can be considered substantial, requiring them to develop awareness of saving money in a piggy bank.

Following the material presentation, a question-and-answer session was conducted to evaluate the extent of the children's financial literacy understanding. Through the fun game 'guess the picture' and Q&A, it can be concluded that some children could identify immediate needs and desires. They were asked to come to the whiteboard and wrote the names of items in the corresponding 'needs' or 'wants' columns on the provided table.

The benefits of this activity are that early-age children: (1) acquire knowledge about the concept of saving and practical skills in money management; (2) gain an understanding of the cultural habit of saving, useful for their personal needs and preventing consumeristic attitudes; (3) can plan finances through simulated prioritization of spending, distinguishing between needs and wants; (4) foster social awareness, such as making contributions or zakat from their saved money to those in need; (5) in the long run, early-age financial literacy education enables children to independently and wisely manage their finances, enhancing their well-being in the future.





Picture 1: Documentation of Community Service Program Activities

CONCLUSION

Financial literacy needs to be taught from an early age, considering that children require knowledge about prudent financial management to discern the urgency of various items. Utilizing engaging and enjoyable teaching approaches such as audiovisual media, group singing, and fun games will inspire children to learn. Consequently, the delivered material will be effectively absorbed by the students. However, the culture of saving and skills in financial management are not instantaneous. Serious follow-up actions by educators are essential to ensure that the culture of saving and financial management skills are ingrained in them as they mature.

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