

Focus Group Discussion on Finance Literacy of Village- Owned Enterprises

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Abstract

As a form of Higher Education's Tridharma, community service through Focus Group Discussion (FGD) is needed to explore responses from students, namely Real Work Lecture participants to the economic phenomenon that is currently being rolled out by the government, namely Village-Owned Enterprises (BUM Desa). The purpose of this activity is to formulate a BUM Desa financial literacy model according to the perspective of students (participants of the Real Work Lecture) which at the same time implements the realm of knowledge received in college with real conditions in the field, namely the village. Considerations for choosing FGDs are: planned discussions, directed by trained moderators to explore participants' understanding and opinions regarding the topics discussed, namely financial literacy. The results of the FGD explained that the model applied in BUM Desa financial literacy is by integrating aspects of knowledge, skills and attitudes. Knowledge of finance is the basis for managers in managing achievements. Management skills or skills must also be owned by managers. Meanwhile, honesty is an important aspect and is inherent in financial managers.

Keywords: Attitudes, BUM Desa, Finance Literacy, Focus Group Discussion, Knowledge, Skills.

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1. INTRODUCTION

Focus Group Discussions (FGD) is basically a technique commonly used in qualitative research in order to collect proportional information about important issues discussed with participants or informants or informants. Information does not have to be as much (in terms of quantity), it is even stated that what the meaning of a lot of information is if this information is not feasible to be processed into data. In other words, quality information can certainly affect data quality so that it can provide correct and convincing recommendations to relevant concerned parties (Alfiyanti, 2008; Paramita & Kristiana, 2013).

Even Hennink (2014) suggested that the FGD examines specific matters and focuses on important issues. Then the FGD participants are limited to 6 to 8 participants, but it is highly recommended to increase the number of participants based on the research objectives. According to Baral *et al.*, (2016); Purnama (2015) that the FGD participants were free to discuss and involve small groups of usually 8 to 12 participants led by a moderator. Meanwhile according to O.Nyumba *et al.*, (2018), FGD are selected to gain an in-depth understanding of social issues from a purposefully selected group of individuals and not from the population.

The brief explanation above forms the basis of this FGD which is focused on the financial literacy of Village Owned Enterprises (BUM Desa). Financial literacy is an important study to provide training to managers of business entities, including BUM Desa, so that they avoid managerial mismanagement as a result of weak knowledge of financial literacy. Yushita (2017) argues that in developing countries in general, including Indonesia, the level of financial literacy is a serious problem. It is not surprising that financial literacy has become an important issue and the government has responded positively by increasing financial literacy for both economic and personal actors.

The performance of Micro, Small and Medium Enterprises cannot be separated from the level of financial literacy of the managers so that in the long run it has an effect on economic growth (Buchdadi *et al.*, 2020; Irikefe & Isaac, 2021). Financial literacy, which is focused on participants in the Real Work Lecture (KKN), departs from the deep thought that financial literacy is not only for business people but also for students as studies Brau *et al.*, (2019) that financial literacy can be a source of learning for young adults. Then the important role of parents in providing financial literacy to students is a benchmark for the success of financial education (Cude *et al.*, 2006), so the observation Lantara & Kartini (2015) explained that

students with high incomes and long work experience have high financial literacy.

2. METHOD

Focus Group Discussions were chosen in this program by considering that discussions between researchers and members of the participant groups facilitated by the moderator specifically discussed a special study, namely financial literacy. In this FGD the researcher discussed together with group members with a predetermined topic or issue. FGDs are also often used for qualitative research, especially related to data collection. The scope of the FGD is an easy and inexpensive way to collect people's views in one place at the same time. Ideally, 8 to 12 people will participate in this financial literacy FGD (Baral *et al.*, 2016; Purnama, 2015). But according O.Nyumba *et al.*, (2018) FGD participants were very flexible, most importantly they could provide information, views, data and understanding of the main issues of this program. So that the number of participants in this program was 29 people, who were chosen to speak freely in order to enrich the topics discussed/no one dominates/with different backgrounds to enrich the topics discussed, the role of the researcher directs the course of the discussion/where do you want this discussion to go.

The stages in this FGD are: (1) Survey; (2) preparation and (3) implementation (Purnama, 2015). In the first stage, researchers conducted a survey at the Office of Community and Village Empowerment in Tulungagung Regency, Indonesia. The survey results show that in Tulungagung Regency there are 18 types of BUM Desa businesses, namely: non-financial services, financial services, animal husbandry, shops,

trade, rental, agriculture, tourism, fisheries, stalls/cafes/restaurants, savings and loans, waste management, village markets, Drinking Water User Association (Hippam), creative industry, home industry/convention, transportation and crafts. At the preparatory stage, related to permits for the location of the FGD. While the implementation stage begins with the recruitment process of human resources involved in the FGD, namely moderators, minutes and participants, to the implementation of the discussion.

3. RESULTS AND DISCUSSION

As stated in the method section, that the stages of this activity are divided into three activities. In the survey section (Figure 1), the activities carried out were holding anjangsana (meetings) with related parties, in this case the Community and Village Empowerment Service (Dinas PMD) of Tulungagung Regency and KKN participants in Ngrejo Village, Tulungagung Regency. Based on in-depth interviews with the PMD Service represented by the Head of the Village Community Economic Business Empowerment Division, Mr. Wahyu Yuniarko, information was obtained that as of December 29, 2022, the number of BUM Desa in Tulungagung Regency was 257 units classified into 3 classifications, namely: beginners (27 units), developing (as many as 85 units) and advanced (as many as 145 units). Then out of these 257 BUM Desa units there are 189 BUM Desa with legal entities.

Anjangsana (meeting) was also held for KKN participants, where they welcomed (enthusiastically) the FGD. Apart from being a factor to increase knowledge, by being included as participants or FGD participants they also feel that they get it.



Figure 1: Activities in Surveys at the Community and Village Empowerment Offices as well as KKN Participants



Figure 2: FGD preparation



Figure 3: Implementation of FGD

On the implementation stage of the FGD which was opened by the Village Secretary Mr. Wiwik Agung Suryanto (picture 3) with participants namely Regular KKN Batch 1 2023 UIN SATU Tulungagung students from various study programs including: Islamic Economics, Islamic Banking, Islamic Financial Management, Islamic Business Management and Islamic Accounting. The participants from the Faculty of Islamic Economics and Business were chosen because they have basic knowledge about the economy and empowering rural communities so they can make a positive contribution to this activity. The moderator for this activity was Adella Ramadhani Putri Raisandik, a student of the Islamic Elementary School Teacher Education Study Program, and the minutes by M. Khotibul Umam, a student of the Islamic Family Law Study Program.

At the time of implementation, the participants showed high enthusiasm as evidenced by their active participation in the discussion session. The results of the discussion explained that diversification of BUM Desa products was needed to provide services to village communities, considering Menkumham (2021) explained that in Government Regulation of the Republic of Indonesia Number 11 of 2021 concerning Village-Owned Enterprises article 3 paragraph b it states that the purpose of BUM Desa is to provide public services in the form of providing goods and services and meeting the needs of village communities.

So this BUM Desa was born for the community, so that the village's original income increases and can increase the economic independence of the village community. Meanwhile Yani *et al.*, (2019) and Pradini (2020) stated that BUM Desa can be a pilot project for successful business development in the village so that its existence departs from, by and for the village community.

The structured discussion in this FGD forum also resulted in the formulation of the Village BUM Des financial literacy model in accordance with Government Regulation of the Republic of Indonesia Number 11 of 2021, that the five principles below are absolute requirements in realizing the objectives of BUM Desa, namely: participatory, professional, priority of local resources, open and responsible and sustainable. More technically based on the discussion guided by the moderator converging on three conclusions that the model commonly used to carry out financial literacy is by strengthening the following aspects: knowledge, skills and attitudes. The literacy model that takes into account these three aspects is relevant to previous research, namely OECD (2019); Ozkale & Ozdemir Erdogan (2022); Potrich *et al.*, (2016).

According to OECD (2019) capacity is an important factor to strengthen one's competence, and to increase the capacity of young people including students regarding financial literacy, so that it does not

only master or process in schools or campuses but can also be integrated into the real world including in BUM Desa. Mastery of knowledge can be obtained from conducting FGD, for example. Where students are actively invited to think critically and realistically in both structured and unstructured discussion forums. Likewise with the mastery of skills, which can be obtained through a continuous and sustainable process.

ozkale & Ozdemir Erdogan (2022) also gave a positive response to this financial literacy FGD, where financial literacy can improve competence in the field of financial knowledge, financial skills and financial behavior. The results of this FGD are also relevant to the research Potrich *et al.*, (2016) that to improve financial behavior requires financial knowledge and financial attitudes which empirically have a positive impact on financial behavior. Meanwhile according to Wahyu *et al.*, (2019) in his research that tested the financial management of Public Health Center employees as many as 50 people explained that knowledge, behavior and financial attitudes when combined can prevent themselves from financial problems. Not only that, the more financial problems are avoided, according to respondents, supported by statistical data analysis, the quality of life can be improved.

The results of this study are also relevant to the following previous studies, according to which Yushita (2017) that financial literacy is important to avoid wrong financial management which could result in a decrease in welfare, especially individual welfare. Public financial literacy is still low in developed countries, and in developing countries including Indonesia it is even lower, so government intervention is needed in the form of declaring financial literacy as a national program. Meanwhile, to overcome the problem of low financial literacy, this is according to research Lusardi (2019), namely by promoting financial literacy in educational institutions in the form of financial education in schools and in tertiary institutions.

Financial literacy especially in the knowledge aspect is an important commitment in providing financial knowledge to the public (Lajuni *et al.*, 2022), which can be measured using three categories, namely low if the value is <60%, medium with values at intervals of 60% -79% and high when the value of financial literacy is >80% (Chen & Volpe, 1998). This research also supports the findings Maulani (2016) that with financial literacy, a person's skills in managing finances will increase so that financial problems can be avoided. Finally the same research was carried out by Wahyu *et al.*, (2019) that in order to improve the quality of life, financial literacy is needed which empirically can be implemented by combining the domains of knowledge, attitudes and behavior.

4. CONCLUSION

As a tool for gathering information which later became research data, the FGDs in this study were developed to obtain quality data about financial knowledge, financial skills and financial behavior of informants, namely KKN participants. Financial knowledge becomes important to improve the quality of life in the form of personal financial management, then financial skills become practical experience for managing financial resources and allocation. Meanwhile, the scale of priorities in allocating these financial resources makes individuals more prosperous by fulfilling the necessities of life based on quality financial planning.

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