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Building Financial Literacy Awareness and Entrepreneurial Mindset among Young Generation

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Abstract: The purpose of this community service is to improve the understanding of high school students in terms of financial management, financial literacy, and entrepreneurship. This community service aims to provide important knowledge and skills for students, which can later help them make wise financial decisions and prepare them to face future economic challenges. The method used in the implementation of the activity is through direct delivery of material, practice and questions and answers to all students of SMA Muhammadiyah 4 Jakarta. The results of this activity are expected to increase the knowledge, confidence and enthusiasm of the students to pay more attention to financial management and for how build entrepreneurial mindset. Giving pre-test, post-test and dialog through questions and answers to students shows that students understand more and are more eager to start managing self financial and become successful entrepreneurs in the future.

Keywords: Financial Literacy, Entrepreneurial Mindset, Young Generation

Introduction

In the current era of globalization and digitalization, financial literacy skills and an entrepreneurial mindset are very important competencies for the younger generation (Putri et al., 2021). Financial literacy, which includes an understanding of personal finance management, investment, and long-term financial planning, is a basic skill that every individual needs to have to achieve financial well-being (Artha Aulia & Wibowo Adi, 2023). Meanwhile, an entrepreneurial mindset encompasses the creativity, innovation and risk-taking ability needed to create opportunities and face challenges in the business world. create opportunities and face challenges in the business world (Kurniawan & Nurachadijat, 2023). Mostly youthful grown-ups see enterprise as the perfect way to form their claim position security and good career (Biney, 2023).

However, reality shows that many young people in Indonesia still lack an adequate understanding of financial literacy and not many are brave or interested in entrepreneurship one of the reason is government support (Sun et al., 2023) in facilitating bureaucratic and licensing processes, disbursement of funds, and creating a conducive business environment for businesses in general is not yet optimal (Joesyiana et al., 2023). Based on a survey from the Financial Services Authority (Ojk, 2023), the level of financial literacy among Indonesian youth is still at a low level, which is around 38.03% in 2019. In addition, data from the Central Statistics Agency (Bps, n.d.) shows that only around 3.47% of Indonesia's total population was entrepreneurial in 2020. This low level of financial literacy and lack of interest in entrepreneurship can be an obstacle in achieving economic prosperity and national development (Satria et al., 2023).

Some of the factors that lead to low financial literacy and entrepreneurial interest among the younger generation include lack of formal education on finance and entrepreneurship (O. S. & B. Z. Stojan Debarliev, 2020), lack of access to relevant information and resources, and lack of support and motivation from the surrounding environment (J. M. Martins, M. F. Shahzad, 2023). Therefore, a concerted effort is needed from various parties, including the government, educational institutions, nongovernmental organizations, and the private sector (Cekule et al., 2023), to increase the awareness and knowledge of the younger generation on financial literacy (D. I. Zainul Wasik, n.d.)and entrepreneurship. In addition, technological developments require economic actors to be able to master the development well (Khan et al., 2023).

Through a community service program with the theme "Building Financial Literacy Awareness and Entrepreneurial Mindset among the Young Generation", we aim to provide comprehensive education and training to the young generation so that they have a better understanding of financial management and have the courage and skills to start a business. The program will include various activities such as seminars, workshops, panel discussions, and mentoring involving financial practitioners and experienced entrepreneurs. Thus, it is hoped that the younger generation can be better prepared to face future economic challenges and contribute to sustainable economic development.

Financial literacy awareness and a strong entrepreneurial mindset will be an important asset for the younger generation in building a better future for themselves (A et al., 2023) and for the wider community (Zulpahmi et al., 2024). This community service program is expected to can be a significant first step in creating an independent young generation, creative, and innovative, and able to have a positive impact on the economy and social welfare in Indonesia (Ramdan & Septiana, 2024). Digital creation is able to support products and relationships with consumers (Jastacia & Adha Akbar, 2023).

Research Results

This community service activity is carried out by providing assistance and training related to building awareness of financial literacy and entrepreneurial mindset among the younger generation. The stages in the implementation of community service activities are:

The Community Service Team conducted surveys and research to identify schools that still need to improve financial literacy and entrepreneurship development. The target school in this activity is SMA Muhammadiyah 4 Jakarta with approximately 145 students consisting of girls and boys.

Community service activities were carried out offline in May-July 2024 at SMA Muhammadiyah 4 Jakarta. The activity began by assessing participants' knowledge of financial literacy and interest in becoming entrepreneurs through a pre-test. The trainer then provided material on how to manage finances that are suitable for school students, how to start a business for beginners, factors that greatly influence entrepreneurship, the reasons for the increasing number of entrepreneurs, the advantages and benefits of being an entrepreneur, and the scope of an entrepreneur including (Market, Policy, Finance, Culture, Support, HR). Speakers were given 20 minutes to present the material. The remaining time was used for discussion and questions and answers regarding the material presented.

Evaluation was carried out by giving a post-test to participants to determine the extent of participants' understanding of the material that had been delivered. In addition, the evaluation was also carried out by providing opportunities for participants to provide criticism and suggestions for the activities that had been carried out, with the aim of becoming material for improvement and improvement of the service team when carrying out similar activities.

This community service activity was carried out at SMA Muhammadiyah 4 Jakarta, in May-July 2024. The number of participants who attended this activity was 145 students. This community service activity began with the opening and delivery of the event rundown by the MC. The MC opened the activity by saying greetings and thanking SMA Muhammadiyah 4 Jakarta for being willing to organize this activity. Then continued with remarks by the vice principal of SMA Muhammadiyah 4 Jakarta and representatives of the service team. After the remarks, the MC asked the participants to fill out a pre-test of 20 questions that had been prepared by the service team to find out the extent of the participants' understanding of the material to be presented.

Figure 1

Students filling out pre-test

The next activity was the delivery of material by the speakers, namely Prof. Dr. Matilde Meilicent Santos-Recto as the first speaker who delivered related to “Discovering the Entrpreneurial Character”. Then continued by the second speaker, Jetki Che, SE., AWP., QWP., C.RM., CBHCM., CHCBP., BHRBP., BHRM who delivered material related to “Smart tips for Managing Finances for students”.

Figure 2

Prof. Dr. Matilde Meilicent Santos-Recto as first Speaker

Figure 3

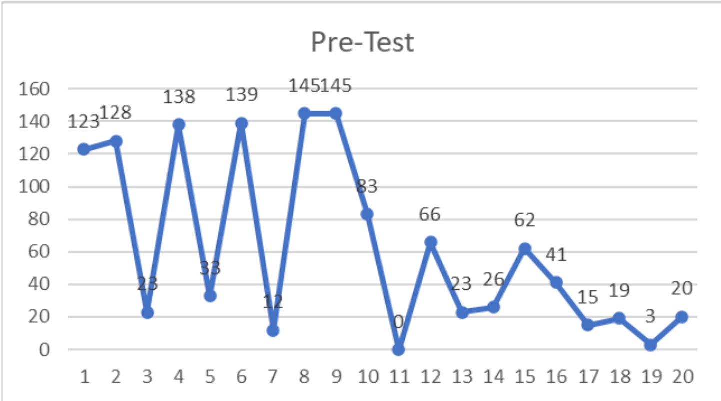
Jetki Che, SE., AWP., QWP., C.RM., CBHCM., CHCBP., BHRBP., BHRM as second Speaker

During the implementation of the event, the service team and resource persons involved active participation from the participants by opening discussion and question and answer sessions guided by the MC. It can be seen that during the activity the participants were enthusiastic to discuss and respond to each material presented by the resource person.

Furthermore, to see the increase in participants' understanding and knowledge of the material that has been delivered, the service team gave a post-test to the participants. The following is a graph showing the comparison of pre-test and post-test results.

Figure 4

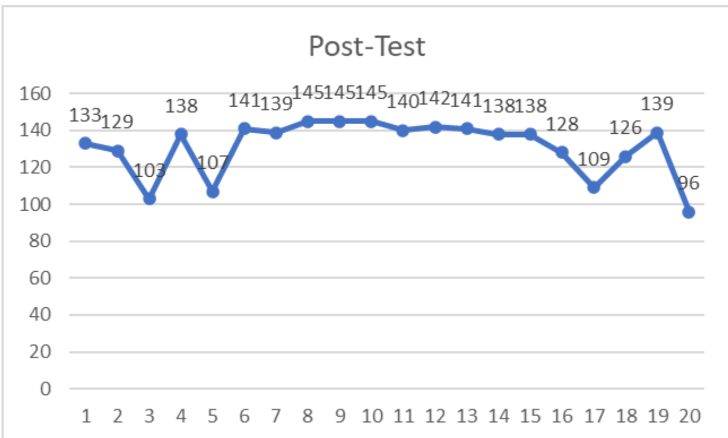
Results of Pre-Test



The data above is the pre-test results that have been processed by the service team which includes 20 questions presented to 145 students. The chart above consists of the x-axis which shows the question number and the y-axis shows the number of students. The data above is processed based on the level of correctness per student in answering per question item. For example, question number 1 which managed to answer correctly there were 123 students, and on question number 11 none of the students answered correctly, and so on. It can be concluded that the results obtained still reflect the lack of student knowledge for financial literacy and the mindset of being an entrepreneur.

Figure 5

Results of Post-Test



Similar to the explanation of the pre-test above, but in the results of this post-test it can be directly concluded that the level of understanding of students after the delivery of material by the resource person has successfully experienced a significant increase. Each item was able to be answered properly and correctly by students.

Conclusions

This community service activity has been successfully carried out well, indicated by the number of students who are actively involved in the activities organized. Student responses to this activity were generally very positive. Most students stated that they received significant benefits from the activities organized. In addition, there was also an increase in the results of the pre-test and post-test that had been carried out. In the future, it is hoped that community service activities can be organized in collaboration with related parties to support the improvement of community service activities more broadly.

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