



Financial Literacy Enhancement for University Students in Kartasura, Central Java

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Abstract

Financial literacy is one of the key areas of knowledge that enables people, including students, to manage their personal finances effectively. This individual-level skill can improve their finances through wise consumption, savings, and investment decisions. Students who live away from home and live in boarding houses, rent houses near campus, or live with other relatives often face challenges in managing their finances. A survey of student respondents living in boarding houses in Kartasura City, Central Java, showed that they face challenges in managing their finances. These challenges include difficulty in saving. 88% of respondents admitted to having difficulty saving due to excessive spending and an inability to prioritize needs over wants. In response to this phenomenon, this community service program aims to provide knowledge on managing personal finances and saving. Moreover, this activity also provides knowledge about investment products. It aims to help participants increase the real value of their money, thereby enabling them to achieve their financial goals more quickly. As a result, participants were motivated to be more disciplined in managing their finances. 80% of participants intended to add bank accounts to increase their savings. Furthermore, there was an increase in interest in investing through mutual funds and stocks. These results demonstrate the program's success and serve as a topic for future community service activities.

1. Introduction

Financial literacy knowledge is increasingly needed. This knowledge can be utilized to improve financial well-being. Workers can use financial literacy knowledge to manage income and consumption. Homemakers can manage their monthly expenses effectively. Youth, students, and university students are increasingly able to manage their monthly allowance and learn about finances from an early age. Thus, it can avoid spendthrift behavior.

Financial literacy is a person's ability to manage their personal finances (Diviariesty & Dewinta, 2025). Financial literacy is considered important because it can improve economic stability (Kumari, 2020). The argument is that when an individual gains financial literacy knowledge, they will be better at managing their finances. Furthermore, good financial management will prevent the individual from getting into debt that could lead to default. Furthermore, financial literacy can improve investment (Capuano & Ramsay, 2011).

University students, as agents of change, are expected to bring about positive change (Margaretha & Pambudhi, 2015). However, Ulfatun, Udhma, and Dewi (2016) found that students still have low levels of financial literacy. According to the 2024 National Survey on Financial Literacy and Inclusion (SNLIK), the student financial literacy index was 56.42% (Oktavia, Permatasari, Riyadi, & Ruspian, 2025). This finding is relatively low. Students' financial literacy needs improvement.

Students who live away from their parents, such as in boarding houses or with other relatives, tend to be less able to manage their finances. Research by Kartini & Mashudi (2022) explains that one of the challenges faced by students living in boarding houses is managing their finances with a limited monthly allowance to meet their needs. Students must spend their monthly allowance on necessities such as food and transportation. They also have to buy study supplies and print or photocopy their assignments. Therefore, this community service activity is urgently needed to provide training for students, especially those living in boarding houses, renting their own homes, or living with other relatives, to manage their personal finances. In response to the phenomenon described in the situation analysis section, an online survey was conducted on January 30, 2023, to capture the financial patterns of students living in boarding houses or not living with their parents in Kartasura, Central Java. A total of 90 respondents were collected. The survey results indicate that many students are still unable to allocate their monthly allowance for saving and must use paylater services. Furthermore, 55 students, or over 50% of the respondents, reported not fully understanding how to manage their personal finances. If this is not addressed immediately, university students, as agents of change who should be role models, will fall into a pattern of impulse buying that will have a negative effect.

2. Methods of Implementation

This community service began with problem identification, conducted on Januari 30, 2023. The survey is conducted to examine financial knowledge and personal financial conditions among university students in Kartasura, Central Java. The results show that university students living in boarding houses face challenges in creating personal budgets and saving. The proposed solution to this problem is to provide socialization training for students living away from their parents, whether renting a boarding house or living with relatives. The next stage is preparation, followed by socialization and evaluation. The preparation stage covers the rundown of activities, including questionnaire construction. Socialization is conducted through lectures and two-way discussions to optimize the results of community service. The lecture method uses oral narratives to deliver information to participants in a forum (Moh Ickhamal Suryadinata et al., 2025; Rozaky Bimagfiranda and Achadi, 2024). The lecture method has the advantage of allowing participants to understand the core material immediately and to provide feedback or ask questions (Junaedi & Sjafrizal, 2020). During socialization activities, participants are provided with knowledge on how to set financial goals that motivate them to make a budget from their monthly allowance. Motivation is one of the factors in financial (Rosalina, Rahim, Husni, & Alfarisi, 2021; Yudianto, 2023). Motivation gives individuals a strong drive to improve their conditions, including their personal finances.

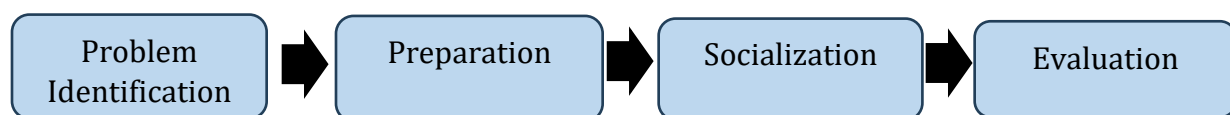


Figure 1. Community Services Stages

This activity encourages participants to be more open about their financial problems and provides solutions in the form of basic knowledge for managing their personal finances. The goal is not only to enable participants to create a budget but also to encourage them to allocate their money for savings. These savings can be used for emergency funds or to purchase goods or services they need or want. Furthermore, this activity also introduces several types of investment instruments, from the safest to the riskiest. The investment introduction aims to provide participants with an understanding of how to generate profits, preserve the real value of money, and achieve financial goals. The activity was attended by

25 participants. During the activity, participants enthusiastically listened to the material and actively discussed how to manage personal finances and investment instruments.

3. Results and Discussion

The community service activity began with a questionnaire to assess participants' current situation. There were 25 participants, including 21 females and four males. Participants had varying monthly allowances. The monthly allowance range of Rp 500,000–Rp 1,000,000 was the most common, accounting for 52% of participants. 100% of the students expressed a desire to save and invest. However, 12% of the participants admitted they had no money left to save. During the interactive session, the reasons for their inability to save included a lack of budgeting skills and a lack of commitment to spending according to the budget.

The speaker provided guidance on managing personal finances effectively. Afterward, the speaker led participants through an interactive session to help them identify their financial goals. Afterward, the speaker provided information on the easiest way to manage personal finances to achieve financial goals: prioritizing. Participants were asked to identify the primary expenses they must pay each month, such as food, transportation, and laundry. After identifying primary needs, participants were given time to identify secondary needs or other wants. If the managed fund was insufficient, participants were directed to save until a set deadline. Thus, the funds needed to achieve their financial goals could be withdrawn and spent.



Figure 2. Socialization session

Following the presentation and discussion, a posttest was administered to participants to capture changes in perception and understanding. Eighty percent of respondents expressed a desire to add a bank account to separate funds for specific purposes, such as daily consumption and savings. It indicates an increased understanding of savings, evidenced by their intention to increase their savings to achieve their financial goals.

Table 1. Participants' Interest in Saving and Investing Before and After Socialization

No	Indicator	Before (%)	After (%)
1.	Interest in saving	100	100
2.	Interest in investing	100	100
3.	Interest in investing in stocks	56	64
4.	Interest in investing in mutual funds	80	88

Source: primary data, processed (2025)

Participants are also being introduced to basic investment knowledge to boost their understanding. The goal is to provide knowledge and investment instruments to increase their interest in investing. Investments can protect participants' savings from inflation and help them achieve their financial goals more quickly. The instruments include mutual funds and stocks. These types of investments are introduced to participants as low- and high-risk options. After the sessions, there has also been an increase in interest in investing in stocks and mutual funds. The results are considered as a suggestion that the participants understand the material. The increasing interest in investing in mutual funds and stocks can be a consideration for the following activities, which offer technical assistance for investing in stocks or mutual funds.

4. Conclusion

This activity provides university students who rent a room or a house, or live with other relatives, with knowledge of managing personal finances. Essentially, all participants intend to save and invest. However, they are sometimes confused about how to start. This community service program successfully helped participants identify their financial goals, thus motivating them to manage their personal finances effectively. Furthermore, 80% of respondents plan to open a savings account to separate funds used for daily consumption from funds allocated for savings or investments. Furthermore, there is an increase in interest in investing in stocks and mutual funds, by 8% each, to accelerate their financial goals. This

interest in investing in stocks and mutual funds serves as the basis for the following community service plans, which will conduct tutorials on investing in these instruments.

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