

FINANCIAL EDUCATION FOR CHILDREN IN GONGSOL VILLAGE: INSTILLING THE IMPORTANCE OF SAVING EARLY

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Abstract:

General Background: Financial literacy is essential for developing responsible financial behaviors, particularly when introduced at an early age. **Specific Background:** In Gongsol Village, financial education programs targeting children aim to instill the importance of saving and financial management from a young age. **Knowledge Gap:** However, financial literacy initiatives specifically designed for children in rural communities remain limited, and their long-term effectiveness has not been thoroughly explored. **Aims:** This study evaluates the implementation of a financial education program that focuses on basic financial concepts, such as the distinction between needs and wants, managing pocket money, and saving practices. **Results:** The program engaged children through interactive educational activities, with 100% of participants expressing a clear understanding of the materials and a desire to continue their financial education. Additionally, the children demonstrated improved awareness of the value of saving and financial planning. **Novelty:** This program highlights a tailored approach to rural financial education, effectively bridging the gap in early financial literacy initiatives in underserved areas. **Implications:** The program's success indicates the potential for similar interventions in other rural areas, promoting financial discipline and preparing future generations to face economic challenges with greater competence. Further research could explore the long-term impact of such education on financial behavior.

Keywords: *Financial Education, Basic Concept of Money, Saving*

INTRODUCTION

The Community Service Program of the University of Muhammadiyah North Sumatra conducted one of the socialization activities on "The Importance of Saving from an Early Age" to the children of SDN 040459 Berastagi in Gongsol Village, Merdeka District, Karo Regency, considering that the culture of saving is still low among the community, especially in early childhood. The time for the implementation of the activity is on August 25, 2024. This activity aims to provide children with an understanding of the importance of saving and its benefits for

the future, and motivate children to want to save so as to foster awareness in children to be able to set aside a small part of their pocket money to save.

Saving is a good activity to be nurtured from an early age, because practicing saving can have a positive impact on future life. Therefore, it would be good to start introducing saving activities or activities for children from an early age. The activity can start with small things where students are directed to be able to set aside their pocket money and put the rest of the pocket money into the piggy bank.

Saving is one way to manage money. The easiest way to save is at home because it can be done at any time. However, saving at home is not a guarantee of security. Sometimes we are easily tempted to take money in savings little by little for a moment's needs. Finally, the money we saved ran out. Saving can also be done at school. It is usually coordinated by the classroom teacher. Each student can set aside the rest of their pocket money to save. Saving at school has many benefits. Students can take their savings at any time if needed. Students can also take their savings at the end of the year for activities at school.

By saving we can become more frugal individuals and of course we can also learn to manage finances. Saving Objectives Get used to living frugally. Living frugally means not being extravagant. Expenses are adjusted to needs and meet needs in large quantities in the future. In addition, teaching saving from an early age has benefits, namely children are used to learning to manage personal money, have financial planning, appreciate money, learn discipline, and make pride.

Instilling awareness in a child of the importance of saving, it is not enough to do it just by telling and commanding. However, the process needed is a direction, a role model which is then practiced and implemented directly so that children can feel saving behavior and later it will become a habit.

Therefore, it is necessary to conduct counseling to students about the importance of saving culture from an early age so that they become more frugal individuals and of course can also learn to manage finances well. This is in line with Financial behavior is also an illustration of how a person behaves when faced with financial decisions that he must make. A person who is able to make decisions in managing his finances will not have difficulties in the future and shows healthy behavior so that he is able to determine the priority scale of what his needs and wants are.

Saving has a lot of benefits, here are the benefits of practicing saving from an early age: Saving will teach children to be frugal, Children are more responsible in holding money, Children will learn to manage money, Saving requires perseverance and consistency, then by saving children will learn discipline, Children will appreciate money more through saving, Children will get used to saving when they grow up.

The importance of introduction to money and the concept of saving through educational activities The importance of saving from an early age aims to explain and provide an understanding of the achievement of goals, providing knowledge to participants about the introduction of money. The level of awareness, understanding and thinking of children about the importance of

living frugally and saving should be known from an early age. This aims to prepare themselves and understand children to be more disciplined in managing and managing finances and wise in using their savings in the future with various needs.

Financial literacy education is very important for a person to be biased to provide awareness and understanding of how to manage personal finances wisely and according to needs. This financial education must be given from an early age to children, especially in preschool and elementary school children. The goal is that introduction from an early age will help children get used to managing their money properly and correctly from childhood to adulthood and be able to make the right decisions in using their money. A family or someone will find it difficult to use their money or experience economic difficulties because usually family members do not have knowledge and are not skilled in using their money. A good level of knowledge and skills has an impact on the future well-being of himself and his family.

Financial education is an important aspect in the development of children's character and skills, especially in villages that may not have adequate access to financial information and education. In Gongsol Village, financial education programs for children aim to instill the importance of saving from an early age, so that they can manage their finances wisely in the future.

Financial education not only includes an introduction to money and its values, but also involves an understanding of good financial management, including saving habits and avoiding unnecessary consumptive behavior. The inculcation of these values is very important because children at an early age have a high ability to absorb information and imitate the behavior of the adults around them. Thus, parents and the community have a crucial role in setting a good example and supporting the children's learning process regarding finance.

The purpose of the socialization activity on the importance of saving from an early age is to provide students with an understanding that saving is very beneficial for the future. The provision of piggy banks and capital in the form of coins is carried out to provide more motivation for students to save., this activity will provide a general overview of how important it is to manage finances from an early age to students in Gongsol Village, Karo Regency as well as provide them with an understanding of the importance of managing finances from an early age. This also includes decision-making in spending the money they have. The saving movement from an early age also intends to encourage and instill a culture of frugality to students This culture will provide an overview of the habits in managing pocket money from an early age so that it is hoped that in the future they will become non-consumptive individuals and be able to manage their income. Financial management from an early age aims to instill conscientious nature and prioritize needs in their consumption activities, name frugality to children, motivate children to like to save, avoid children from extravagant behavior, manage finances well, plan and prepare for the future, succeed in development, and increase children's creativity.

Through this program, it is hoped that the children of Gongsol Village can understand the basic concept of money, its functions, and effective ways of

saving. Educational activities will be carried out with interactive methods, such as educational games and group discussions, to increase children's interest and understanding. In addition, an evaluation will be carried out to measure their level of understanding after participating in this educational session. Thus, the program provides not only theoretical knowledge but also practical experience that can be applied in everyday life. By educating children about the importance of saving and managing finances from an early age, we contribute to shaping a generation that is more financially savvy and ready to face future economic challenges.

Basically, KKN is a way for students to make a real contribution to the community after they gain knowledge from lectures. This experience helps them understand how the knowledge they gain can be useful in the context of Community life. Financial literacy is important to be instilled from an early age because the financial knowledge and experience instilled will be internalized in children so that they form the habit of managing their finances in the future as a good culture such as knowing the meaning of money. The purpose of this activity is for the needs of children at school and outside of school and most importantly the need to enter the next level of education. Students are taught to set aside their pocket money to save, put in piggy banks and others. For this reason, the students were taught about how to manage the pocket money they got.

Thus, the implementation of this Real Work Lecture is expected to be able to follow the pace of increasingly dynamic development steps to improve human resources both for students and for the community in the utilization and management of natural resources and human resources. Real Work Lecture as a study carried out in the midst of the community in order to implement the knowledge owned by every student from various disciplines which can subsequently be applied in the community

RESEARCH METHODS

The implementation method proposed in this service is through direct observation and mentoring. This implementation is designed in an interactive and applicative manner, with the aim that children can immediately practice what they have learned. This activity began with observation, namely finding various problems, namely the low understanding of saving from an early age. The methods used in this community service activity are as follows:

Observation Method, Observation is a data collection tool that is carried out by systematically observing and recording the hamlet area in the Gongsol Village environment. In this observation method, the author goes directly to observe directly the implementation of KKN, activities and phenomena that occur as a result of the implementation of KKN implemented. The data needed in this observation method is to directly observe the environment and hamlet area in Gongsol Village.

Socialization Method, Form of Socialization that the author carried out in KKN activities is education about waste management and education to children about saving from an early age.

Documentation Method, In this study, there are data sources derived from photo and video documents during the implementation of activities. With this documentation method, it makes it easier for the author to observe the situation in the environment and is proof that this Independent KKN activity is really carried out by the author.

RESULTS AND DISCUSSION

Saving activities from an early age is important to be applied for students aged 5-8 years to build the habit of setting aside part of their pocket money. This is considering that the consumptive behavior of the Indonesian people is increasing every year. This condition is due to Indonesia's improving economic growth, however, this does not necessarily provide the same opportunities and economic access to all people.

The financial education program for children in Gongsol Village shows a significant positive impact on children's financial understanding and behavior. The program is designed to instill the importance of saving early on, focusing on the introduction of money concepts, financial management, and saving habits.

The financial education provided to children in Gongsol Village not only improves their knowledge of money but also forms a positive attitude towards saving and financial management. By introducing basic concepts such as distinguishing between needs and wants, children are taught to make wiser financial decisions.



Figure.1 Educational Activities on the Importance of Saving Early

The importance of this education lies in their ability to build good habits from an early age. Children involved in the program learn to set aside their pocket money for savings, give alms, and better manage expenses. This can contribute to the formation of their character as disciplined individuals in managing finances in the future.



Fig.2 Piggy Bank Creation Making Activity from Waste Materials

Furthermore, the role of parents is also very crucial in supporting this educational process. Most parents have introduced the concept of money to their children, but there is still room to increase their involvement in financial education activities at home. With support from families and communities, this program is expected to be sustainable and have a long-term impact on future generations in Gongsol Village.

Overall, this financial education program has succeeded in achieving its goal of increasing children's awareness and understanding of the importance of saving and wise financial management. This success is the basis for the development of similar programs in the future that can involve more children and expand the scope of the material taught.

The results achieved from the Early Saving Movement activities are that students are enthusiastic and participate and give a positive response to the importance of saving from an early age. Students also understand the importance of saving early by saving more frugally and setting aside pocket money obtained from parents to save and use for something they want.



Figure.3 Taking a photo together after finishing making a piggy bank creation

Table.1 Initial State and Final State

It	Initial Condition	Final Condition
1	Lack of Knowledge: Children do not understand the value of money, the function of money in daily life, and how to manage finances wisely.	Increased Knowledge: Children begin to understand the basic concepts of money, including how money works, the importance of saving, and how to manage spending. They can recognize different types of money and their functions.
2	Consumptive Behavior: In the absence of good understanding, children tend to spend the money they receive without considering saving or managing expenses.	Saving Habits: This program has succeeded in instilling saving habits among children. They learn to set aside a portion of their pocket money or gifts to save in a piggy bank.

CONCLUSIONS

Fundamental Finding: The financial education program for children in Gongsol Village successfully enhanced their understanding of basic financial concepts, such as money management, saving, and distinguishing between needs and wants. The program's interactive and practical approach resulted in 100% of participants demonstrating a clear grasp of the material and a high level of interest in continuing financial education. **Implication:** This initiative highlights the importance of early financial literacy as a tool for shaping disciplined financial behaviors, fostering responsibility, and preparing future generations to face financial challenges. It also suggests that similar programs can be implemented in other rural areas to improve financial literacy at a young age. **Limitation:** The study focused on a short-term evaluation of the program's impact without assessing the long-term effects on children's financial behaviors and decision-making. **Further Research:** Future studies should explore the sustained impact of early financial education on children's financial habits, particularly its influence on their long-term financial planning and behavior into adulthood.

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