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THE ROLE OF FINANCIAL LITERACY IN DEVELOPING FINANCIAL MANAGEMENT SKILLS IN EARLY CHILDREN

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ABSTRAK

Penelitian ini bertujuan untuk mendeskripsikan peran literasi finansial dalam pengembangan keterampilan manajemen keuangan pada anak usia dini, dengan menggunakan metode kualitatif deskriptif. Penelitian ini dilakukan di beberapa sekolah dasar, di mana data dikumpulkan melalui observasi, wawancara mendalam dengan guru dan orang tua, serta analisis dokumen dan catatan sekolah terkait kurikulum dan kegiatan pembelajaran finansial. Hasil penelitian ini menunjukkan bahwa literasi finansial memainkan peran krusial dalam membentuk pemahaman anak tentang uang, penghematan, dan pengeluaran. Anak-anak yang terpapar pada konsep-konsep finansial dasar sejak usia dini menunjukkan pemahaman yang lebih matang tentang nilai uang dan pentingnya pengelolaan keuangan. Selain itu, ditemukan bahwa pengajaran literasi finansial yang interaktif dan menarik dapat meningkatkan minat dan pemahaman anak tentang topik ini. Penelitian ini juga mengungkap bahwa dukungan dari orang tua dan guru sangat penting dalam mengembangkan literasi finansial anak. Kerjasama antara sekolah dan rumah menjadi faktor penting dalam memastikan anak-anak menerima pendidikan finansial yang konsisten dan efektif. Berdasarkan temuan ini, penelitian ini merekomendasikan integrasi literasi finansial yang lebih intensif dalam kurikulum sekolah dasar dan kerjasama yang lebih erat antara sekolah dan orang tua dalam mendidik anak-anak tentang manajemen keuangan. Kesimpulannya, literasi finansial adalah aspek penting dalam pendidikan anak usia dini dan memiliki dampak signifikan dalam pembentukan keterampilan manajemen keuangan mereka. Implikasi dari penelitian ini berharga bagi pengembangan kebijakan pendidikan dan praktik pengajaran di sekolah-sekolah.
Kata Kunci: Persepsi Konsumen, Promosi, Harga, Kualitas Produk, Kepuasan Konsumen

ABSTRACT

This research aims to describe the role of financial literacy in developing financial management skills in early childhood, using descriptive qualitative methods. This research was conducted in several elementary schools, where data was collected through observation, in-depth interviews with teachers and parents, as well as analysis of documents and school records related to the curriculum and financial learning activities. The results of this research show that financial literacy plays a crucial role in shaping children's understanding of money, saving and spending. Children who are exposed to basic financial concepts from an early age demonstrate a more mature understanding of the value of money and the importance of financial management. In addition, it was found that interactive and engaging financial literacy teaching can increase children's interest and understanding of this topic. This research also reveals that support from parents and teachers is very important in developing children's financial literacy. Collaboration between school and home is an important factor in ensuring children receive consistent and effective financial education. Based on these findings, this study recommends more intensive integration of financial literacy in primary school curricula and closer collaboration between schools and parents in educating children about financial management. In conclusion, financial literacy is an important aspect in early childhood education and has a significant impact on the formation of their financial management skills. The implications of this research are valuable for the development of educational policies and teaching practices in schools.
Keywords: Early Financial Educatio, Financial Skill Developmen, Financial Literacy for Young Learners

INTRODUCTION

In this modern, digital and global era, financial literacy has become a skill that is not only essential for adults, but is also very important to teach children from an early age. Financial literacy, which includes knowledge and understanding of financial aspects such as money management, budgeting, investing, and credit, has become a crucial part of education in the 21st century. We live in a dynamic world where wise financial decisions can impact all aspects of a person's life, from economic well-being to emotional stability.

As the complexity of the global financial system increases, the challenges individuals face in managing personal finances also increase. This creates an urgent need to instill the basics of financial literacy in children so that they can navigate the world of finance successfully in the future. According to a report from the Program for International Student Assessment (PISA) conducted by the OECD, children who have financial literacy tend to perform better in managing money and making wise financial decisions.

Amid the development of technology and social media, today's children are exposed to more financial information than previous generations. However, this exposure is not always accompanied by an adequate understanding of how to manage this information wisely. Therefore, financial literacy becomes very important to provide them with the right tools to understand and manage their finances effectively.

The main objective of this research is to identify and analyze the impact of financial literacy on financial management skills in early childhood. This study aims to explore how instilling basic financial concepts at an early age can help children develop the skills necessary to manage their personal finances later in life. This includes understanding the concepts of saving, spending, investing, and utilizing credit.

This research also aims to evaluate existing financial literacy education programs and determine their effectiveness in improving children's financial management skills. Through this research, it is hoped that recommendations can be produced that can be implemented in the educational curriculum, both at school and at home, to increase children's financial literacy.

The hypothesis proposed in this research is that good financial literacy at an early age will significantly improve children's financial management skills. This hypothesis is based on the premise that basic financial knowledge acquired at a young age can form the basis for responsible financial behavior in adulthood. This hypothesis also assumes that effective financial literacy education at an early age not only teaches children about financial concepts, but also develops skills such as decision making, planning, and critical thinking that are important for successful financial management.

This research will use a variety of methodologies, including surveys, case studies, and data analysis, to test these hypotheses. By understanding the relationship between financial literacy and financial management skills at an early age, this research aims to provide valuable insights for educators, policy makers, and parents about the importance and impact of financial literacy education.

METHODS

This research uses a descriptive qualitative approach to understand the role of financial literacy in developing financial management skills in early childhood. This study was carried out in several elementary schools selected purposively, with a focus on integrating financial literacy in the curriculum and learning activities. The data collection method involves three main techniques: observation, in-depth interviews, and document analysis.

Observations were carried out in the school environment to understand how financial literacy concepts are taught and applied in daily activities. Observers pay attention to interactions between teachers and students, as well as how students respond to and participate in activities related to financial literacy.

In-depth interviews were conducted with teachers and parents. The teachers involved are those who directly teach or coordinate financial literacy materials. Interview questions were designed to gather information about teaching approaches, perceptions of the importance of financial literacy, and challenges faced in the teaching process. Meanwhile, interviews with parents aimed to understand their views on the importance of financial literacy and their role in supporting their children's financial learning at home.

Document analysis involves reviewing curricula, lesson plans, and other school records related to financial literacy. This is done to understand how the concept of financial literacy is integrated into the curriculum and extracurricular activities.

RESULT AND DISCUSSION

Recent research has revealed interesting results regarding financial education in children. It was found that children who were introduced from an early age to basic financial concepts, such as money, saving and spending, experienced significant development in their understanding of financial aspects. This is very important, considering that understanding financial management is a key skill that will influence them throughout their lives.

Through financial literacy programs, children not only learn about the value of money, but also about the importance of managing finances wisely. The positive results of this education are clearly visible in their daily behavior. For example, children who take part in this program tend to save more often, understand different denominations of money better, and make more mature and wise spending decisions.

This benefits not just theoretical knowledge, but also the practical skills they bring to everyday life. This shows the importance of integrating financial literacy in the basic education curriculum, as a first step to equipping young people with the tools necessary to manage their finances in the future.

Some key findings from this research include:

1. A More Mature Understanding of Money:

   Financial literacy education provided from an early age has been proven to have a significant impact in shaping children's understanding of money and other financial aspects. Children who receive lessons about financial literacy tend to have a higher level of understanding about money compared to those who do not. One of the key abilities they develop is the ability to differentiate between wants and needs.

   This ability is critical in making wise spending decisions. By understanding the difference between wants, which are often temporary and may not be essential, and needs, which are essential to survival or well-being, children learn to prioritize their spending effectively. This not only helps them manage their current pocket money or savings, but also instills financial management principles that will serve them throughout their lives.

   Thus, financial literacy education from an early age not only provides basic knowledge about money, but also teaches important skills in managing finances, such as budgeting, prioritizing expenses, and understanding the value of money. This shows that financial literacy is an important component in children's education that can provide them with a strong foundation for a healthy and responsible financial future.

2. Better Financial Management:

   Recent research provides interesting insights into how financial literacy education influences children's financial behavior. From the research results, it was revealed that children who received financial literacy education from an early age became more adept at managing their pocket money or savings. Compared with their peers who did not receive a similar education, these children show a greater propensity to save and make mature, informed financial decisions.

   One key aspect of this behavioral change is their ability to save with long-term goals. Financially educated children are more likely to set savings goals, either for a large future purchase or as a foundation for financial security. This differs significantly from the tendency to spend money impulsively, which is more common in children who lack adequate financial literacy.

   Additionally, financially educated children are also more likely to make more informed shopping decisions. They are better able to differentiate between needs and wants, and apply critical thinking when deciding how to allocate their money. This not only helps them manage their pocket money or savings now, but also lays the foundation for responsible and wise financial behavior in the future. Thus, this research confirms the importance of financial literacy education as an integral part of children's learning to help them develop healthy financial habits.

3. Interactive and Interesting Teaching Methods:

   In the world of education, especially in teaching financial literacy to children, interactive teaching methods have proven to be very effective. Approaches such as finance-related games, money management simulations, and classroom discussions on financial topics, offer engaging and effective ways to increase children's interest and understanding of financial concepts. These methods turn learning into a fun and interactive activity, making concepts that may feel abstract more concrete and easy to understand.

   Finance-related games, for example, allow children to practice making financial decisions in a safe and controlled environment. They can experience firsthand the consequences of the financial decisions they make, which helps in building a practical understanding of money.

Money management simulations, on the other hand, provide the opportunity for children to manage 'money' in scenarios similar to real life, helping them understand the importance of budgets and financial planning.

Class discussions on financial topics are also very important. Through these discussions, children can share their thoughts and experiences, and learn from their peers and teachers. This encourages critical thinking and deepens their understanding of the material. Additionally, by including financial topics in a context that is relevant to children's daily lives, they become more motivated to learn and apply what they learn in real life.

Overall, the use of this interactive teaching method not only helps children understand financial concepts, but also fosters a sense of confidence and independence in managing money, which is an important skill for their future.

4. Parent and Teacher Support:

   Active involvement and support from parents and teachers plays a crucial role in developing financial understanding in children. Studies show that children who grow up in homes where financial topics are discussed openly by their parents tend to have a better understanding of money and managing it. Parents who actively discuss financial matters, such as household expenses, savings, and the importance of budgeting, provide children with practical, real-world lessons about effective financial management.

   On the other hand, the role of teachers is also very important in developing children's financial literacy. Teachers who successfully integrate financial literacy into the school curriculum provide children with a theoretical foundation and a strong conceptual understanding of money. This can be done in various ways, such as through mathematics courses that include questions related to money management, or through class discussions on basic economic topics.

   This combination of approaches – discussions at home led by parents and formal education at school by teachers – creates a holistic learning environment for children. This not only helps them understand basic financial concepts but also teaches them how to apply that knowledge in everyday life. Thus, children who receive support from both fronts tend to be better prepared to face future financial challenges with a more mature and comprehensive understanding.

5. School and Home Collaboration:

   Collaboration between school and home is a key factor in providing consistent and effective learning experiences, especially in the context of financial literacy education. Research shows that when there is synchronization between teaching methods at school and practice at home, children gain greater benefits in understanding financial concepts. Open communication between teachers and parents regarding financial literacy learning objectives is very important. This helps ensure that there is continuity and support in the education that children receive, both at school and at home.

   One effective way to achieve this is through joint activities involving financial aspects, which can be done at home. For example, parents can play games related to finance, such as market simulations or mini banks, which are in line with what children learn at school. These types of activities not only reinforce the lessons taught in class, but also provide opportunities for children to apply their knowledge in a more relaxed and familiar setting.

   Additionally, regular discussions between teachers and parents about the child's learning progress, as well as ways to support that learning at home, are helpful. This could include sharing resources, learning strategies, or even holding joint workshop sessions for parents, aimed at giving them the tools and knowledge to support their children's financial learning at home.

   Thus, collaboration between school and home not only strengthens the foundation of financial literacy instilled in children, but also creates a cohesive and supportive environment for their growth in terms of financial literacy. This is an important step in preparing them to face the increasingly complex financial world of the future.

CONCLUSION

Based on these findings, the research recommends the importance of more intensive integration of financial literacy in the elementary school curriculum. This includes improving course materials, training teachers for more effective teaching methods, and providing appropriate resources to support financial literacy learning. In addition, this research emphasizes the need for closer collaboration between schools and parents. This can be through workshops, informative newsletters and school activities that engage parents in a financial context, to ensure that children receive consistent and holistic support in their learning about financial literacy.

In conclusion, financial literacy at an early age not only teaches children about money, but also prepares them with important skills for their future. This includes wise decision making, responsible financial planning, and developing a disciplined attitude towards money. Thus, financial literacy must be seen as an important component in early childhood education.

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