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The Smart Saving Movement: Enhancing the Financial Independence of PKK Women in Bantaragung Village, Majalengka, West Java

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Abstract: *Household financial management is often a challenge for homemakers in rural areas, where limited financial literacy hinders the achievement of financial independence. The lack of separation between funds for daily expenses and reserve funds (savings) underscores the urgent need for structured financial education programs. This community service activity aims to improve understanding of household budget management and the culture of saving in order to support the financial independence of the women of the PKK in Bantaragung Village, Majalengka Regency, and West Java. The PKM was implemented through outreach, training in household financial management, and guidance on the culture of saving for the women of the Bantaragung PKK. The participants in this study were PKK members selected using purposive sampling. The results of the program showed an increase in the participants' understanding and awareness of the importance of setting aside income first ("saving first") before using it for consumption needs. Through this mentoring, the PKK women were able to apply a priority-based cash management strategy and began utilizing safer and more structured savings products. . This program encourages participants to begin adopting more systematic financial management practices by setting aside a portion of their income for savings and tracking daily expenses using the Excel spreadsheet we provide. The Smart Savings Movement has proven effective as a tool for strengthening the domestic economy. Synergy between financial literacy education and social organizations such as the PKK is key to achieving sustainable family economic resilience at the village level.s*
Keywords: *Financial Independence; Cash Management; Smart Savings; PKK; Rural Areas.*

I. Introduction

Household economic well-being constitutes a fundamental pillar of community development, with the family serving as the smallest economic unit that significantly influences financial resilience. Within the household, women, particularly housewives, play a crucial role as financial managers responsible for allocating household income to meet various needs. However, this managerial role is often challenged by the relatively low level of financial literacy among women in rural areas. As a result, many households tend to prioritize short-term consumption rather than long-term financial planning (Sudrajat, 2021).

Financial literacy is an essential component in achieving family welfare and strengthening community economic resilience. Individuals' ability to understand, manage, and

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make sound financial decisions significantly affects their quality of life, particularly in responding to economic uncertainty (Fajri et al., 2025). Although various financial education programs have been implemented by the government and financial institutions, the level of financial literacy among Indonesians remains relatively low, especially among women living in rural communities. Limited financial literacy often prevents individuals from developing effective financial plans, managing cash flow efficiently, and establishing sustainable emergency funds (Lusardi & Mitchell, 2014). This finding is supported by Yushita (2017), who emphasized that financial literacy plays a critical role in fostering healthy financial behavior and improving family welfare.

Within the household context, women particularly housewives occupy a strategic position as the primary managers of family finances. Decisions regarding household expenditures, savings, and educational funding are largely determined by mothers. Nevertheless, previous studies indicate that many families continue to practice basic financial management without systematic budgeting, resulting in household income being primarily allocated to consumption rather than savings or investment (Wulandari, 2025). The practice of saving what is left remains more prevalent than the saving first principle, which is widely recommended in modern financial management.

A similar situation was identified in Bantaragung Village, Sindangwangi District, Majalengka Regency. Based on preliminary observations and discussions with the PKK administrators prior to the implementation of this community service program, most housewives did not maintain regular household financial records. Household finances were managed informally based on daily needs, causing most of the family income to be spent on consumption. Furthermore, savings were generally accumulated only when there was remaining income (*saving what is left*) rather than by allocating savings at the beginning of the budgeting process (*saving first*). Consequently, many families lacked emergency funds and long-term financial plans.

Bantaragung Village is one of the tourism villages in Majalengka Regency with considerable economic potential supported by tourism, Micro, Small, and Medium Enterprises (MSMEs), and local trade. However, the growth of economic activities has not been accompanied by a corresponding improvement in households' financial management capabilities. Increased household income can provide greater long-term benefits when supported by adequate financial literacy, enabling families to allocate their earnings more productively through savings and emergency funds (Juni et al., 2024).

The Family Welfare Empowerment (PKK) organization was selected as the community partner because it is a well-established community organization that conducts regular meetings, possesses an organized structure extending to the neighborhood (*Dasawisma*) level, and plays a strategic role in improving family welfare. A group-based approach is expected to accelerate positive changes in financial behavior through continuous education, practical exercises, and mentoring activities (Darmansyah et al., 2023).

Based on these identified challenges, the community service team implemented the Smart Saving Movement program as a community empowerment initiative through financial literacy education, household budgeting training, the promotion of the saving first principle, and mentoring in simple household financial recordkeeping within PKK groups. This program is expected to improve the financial knowledge, practical skills, and financial behavior of PKK members, thereby fostering sustainable financial independence among families.

Figure 1. Household Expenditure Pattern

Figure 1 illustrates the phenomenon of financial leakage, which causes household income to be depleted before the next income cycle begins. This financial leakage is driven by various financial behaviors, including impulse spending, the tendency to satisfy social expectations (*people-pleasing*), and increasingly consumptive lifestyles facilitated by the ease of transactions through digital platforms. Although these expenditures may appear insignificant when viewed individually, the accumulation of unplanned expenses can substantially reduce a household's ability to allocate funds for savings, emergency reserves, and investments.

This phenomenon is consistent with the conditions observed among members of the PKK Women's Organization in Bantaragung Village. Based on preliminary observations and discussions with participants, most households did not have structured budgeting or systematic financial recordkeeping practices. Consequently, household expenditures were largely made spontaneously according to immediate needs rather than following a planned budget. As a result, the majority of household income was spent on daily consumption, leaving only a small portion available for savings.

These findings provided the rationale for implementing the Smart Saving Movement program, which aims to improve financial literacy through education on household budgeting, simple financial recordkeeping, emergency fund planning, and the adoption of the saving first principle as a regular financial habit. Through these initiatives, the program seeks to minimize household financial leakage and promote sustainable financial independence among families.

Figure 2. Financial Security Hierarchy (The Wealth Ladder)

The Family Welfare Empowerment (PKK) organization occupies a strategic position as a community empowerment institution. With an organizational structure that extends to the Dasawisma (neighborhood) level, PKK serves as an effective platform for disseminating financial independence programs. Through its extensive social network, economic empowerment initiatives can be implemented collectively through continuous financial education and intensive mentoring (Gunariah et al., 2026).

The Community Service (PkM) program implemented in Bantaragung Village, Majalengka, was designed to provide practical solutions that directly address the root causes of household financial challenges. Considering Bantaragung Village's characteristics as a tourism village, the Smart Saving Movement integrates personal financial management with local economic potential. The program introduces the concept of the Financial Security Hierarchy (The Wealth Ladder), which encourages participants to build financial resilience progressivelyfrom establishing positive cash flow, creating an emergency fund and insurance protection, managing debt and assets responsibly, investing in education and retirement funds, and ultimately creating a wealth legacy for future generations. This hierarchical approach emphasizes that long-term financial independence can only be achieved by completing each stage systematically rather than bypassing fundamental financial priorities.

II. Research Method

This Community Service (PkM) program was conducted in Bantaragung Village, Majalengka Regency, West Java, Indonesia, from Friday to Saturday, May 8–9, 2026. Based on the financial challenges identified among members of the Family Welfare Empowerment (PKK) organization, the community service team designed and implemented the following intervention strategies:

2.1 Financial Literacy: Transforming Financial Mindsets

The first intervention was designed to address excessive consumerism and the inability to distinguish between needs and wants.

a. Priority-Based Financial Planning: Participants were educated on the importance of prioritizing emergency funds and educational savings over secondary or discretionary expenditures.
b. Simple Budgeting Methods: Training was provided on daily financial recordkeeping using both manual bookkeeping techniques and simple digital applications, enabling PKK members to monitor and evaluate how every expenditure was allocated.

2.2 Implementation of a Guided Savings System

To overcome participants' difficulties in saving consistently, the program utilized the organizational structure of the PKK as a community-based support system.

a. Goal-Oriented Collective Savings: PKK members were encouraged to participate in collective savings schemes with specific financial goals, such as business capital or children's education expenses, in order to strengthen saving motivation and financial discipline.
b. Digitalization of PKK Financial Records: Participants were introduced to a transparent group financial recording system to enhance accountability and strengthen members' trust in the management of collective savings within the PKK organization.

2.3 Income Diversification Strategy

Financial independence can be achieved not only by reducing expenditures but also by increasing household cash inflows through additional sources of income.

a. Creative Economy Development: Participants received training on utilizing the tourism potential of Bantaragung Village by developing local food products and handicrafts with commercial value for tourists.

b. Business Legality and Tax Literacy: Basic mentoring was provided on the importance of business legality, including obtaining Home Industry Food Production Certificates (PIRT) and Halal Certification, to enable home-based businesses managed by PKK members to improve their competitiveness and expand access to broader markets.

Figure 3. Delivery of Training on Income Diversification Strategies for PKK Members

2.4 Continuous Mentoring and Monitoring

This strategy was designed to ensure that the program extends beyond the initial socialization stage and promotes the long-term sustainability of participants' financial behavior.

a. Establishment of Financial Cadres: Core PKK administrators were trained to serve as peer financial mentors, providing guidance and assistance to other members in managing household finances and implementing sound financial management practices.

b. Periodic Evaluation: Monthly monitoring was conducted to assess the growth of participants' savings balances and evaluate the effectiveness of household budgeting practices among the target families. Regular evaluations also enabled the Community Service (PkM) team and PKK administrators to identify implementation challenges and provide continuous guidance to support sustainable financial behavior and strengthen household financial independence.

III. Result and Discussion

The preparation stage began with coordination meetings involving the Government of Bantaragung Village and the PKK administrators to identify the financial challenges faced by housewives in managing household finances. Based on the discussions, it was found that most participants had not maintained simple financial records, were unable to clearly distinguish between needs and wants, and had not developed the habit of allocating part of their income to savings. Subsequently, the Community Service (PkM) team prepared educational materials, training modules, evaluation instruments, and the implementation schedule in collaboration with the community partners. These preliminary findings indicate that financial literacy is not only related to understanding financial concepts but also to transforming financial mindsets in managing household income.

The program was implemented using three complementary approaches: socialization, training, and mentoring. During the socialization sessions, participants were introduced to the importance of family financial literacy, household budgeting, and the saving first principle. This was followed by practical training on preparing simple household budgets by categorizing expenditures into primary, secondary, and tertiary needs. During the mentoring stage, participants were guided in developing monthly savings plans that reflected the financial capacity of their respective households.

The implementation of the program received highly positive responses from the participants. Throughout the discussion sessions, participants actively shared the financial management challenges they had experienced in managing household finances. After completing the program, participants demonstrated a better understanding of the importance of financial recordkeeping, establishing expenditure priorities, and allocating a portion of household income to savings before spending it on consumption.

Follow-up monitoring was conducted several weeks after the program through communication with PKK administrators. The monitoring results indicated that several participants had begun implementing simple financial recordkeeping practices for household income and expenditures. In addition, participants had started to develop the habit of setting aside part of their income as household savings. The evaluation also revealed that combining educational sessions with hands-on practical exercises was more effective and easier for participants to understand than conventional lecture-based instruction alone.

Prior to the implementation of the program, many participants demonstrated predominantly consumptive and unstructured financial management behaviors. This condition reflects a common phenomenon in many communities, where household expenditures tend to prioritize personal desires rather than essential needs and financial priorities.

Through the educational and training activities, participants experienced a noticeable transformation in their financial mindset from "spending money" to "managing money." They recognized that even limited household income can be managed effectively through careful financial planning, expenditure control, and disciplined saving practices. This change in financial behavior represents one of the most significant outcomes of the Smart Saving Movement, demonstrating that improving financial literacy can encourage more responsible household financial management and strengthen long-term financial independence.

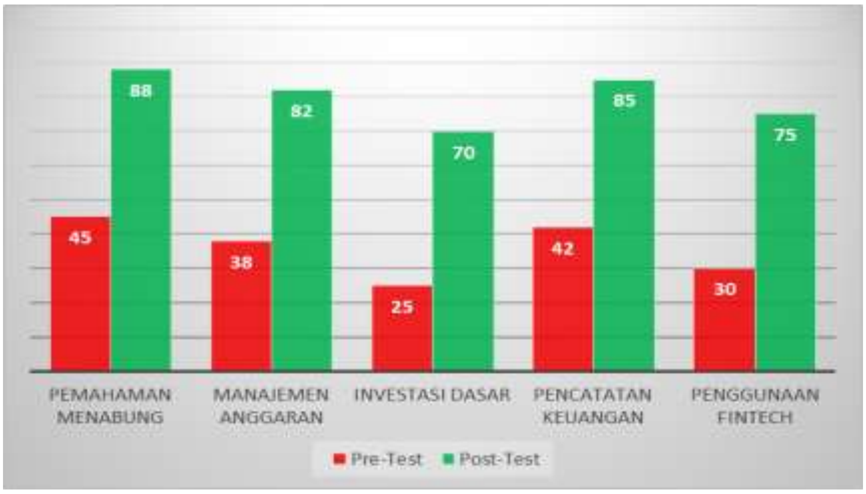

Figure 3. Survey Results Showing the Improvement of Financial Literacy Among PKK Members in Bantaragung Village (Smart Saving Movement)

Figure 3 presents the graphical visualization of the outcomes of the Community Service (PkM) program conducted in Bantaragung Village, Majalengka Regency. The figure illustrates the effectiveness of the program by comparing participants' pre-test (before the educational intervention) and post-test (after the educational intervention) scores across several financial literacy indicators.

Analysis of Program Outcomes Based on Figure 3, participants demonstrated improvements across all financial literacy indicators after participating in the Community Service (PkM) program. This improvement is reflected in the higher post-test scores compared to the pre-test scores for every measured aspect.

The most substantial improvement was observed in saving behavior, where the average score increased from 45 to 88. This finding indicates that the educational materials on the saving first principle successfully transformed participants' financial mindset from saving only the remaining income (*saving what is left*) to allocating a portion of their income for savings before spending it. This behavioral change is particularly important because consistent saving habits constitute the foundation of household financial resilience.

A considerable improvement was also observed in budget management, with scores increasing from 38 to 82. This result suggests that participants developed a better understanding of how to distinguish between needs and wants, establish spending priorities, and prepare more systematic household budgets. These competencies are expected to reduce the consumptive spending behaviors that had previously characterized many participants.

The basic investment indicator increased from 25 to 70. Although this remained the lowest post-test score among all indicators, the improvement demonstrates that participants became familiar with investment as an alternative strategy for long-term financial management. The relatively lower score also indicates that investment literacy remains a relatively new concept for many participants and therefore requires further education and continuous mentoring.

Similarly, participants' understanding of financial recordkeeping improved significantly, with scores increasing from 42 to 85. This finding indicates that the practical training on simple financial recordkeeping effectively enhanced participants' ability to document household income and expenditures. Maintaining financial records represents an essential first step in evaluating household financial conditions and supporting more informed financial decision-making.

Meanwhile, the financial technology (fintech) indicator improved from 30 to 75. This increase demonstrates that participants gained a better understanding of digital financial services, including mobile banking and digital wallets, as tools for supporting savings and financial transactions. Nevertheless, additional education remains necessary to ensure that community members are able to utilize financial technology safely, responsibly, and effectively.

Overall, these findings indicate that the combination of educational seminars, practical training, and mentoring implemented through the Smart Saving Movement program was effective in improving the financial literacy of PKK members in Bantaragung Village. These findings are consistent with the work of Lusardi and Mitchell (2014), who argued that improved financial literacy enables individuals to make better financial decisions, and with Yushita (2017), who demonstrated that financial literacy education has a positive influence on household financial management behavior.

IV. Conclusion

The Community Service (PkM) program implemented through the Smart Saving Movement in Bantaragung Village, Majalengka Regency, successfully improved the financial literacy and financial independence of PKK members. These improvements were reflected in participants' enhanced understanding and financial behavior, including their ability to distinguish between needs and wants, establish budget priorities, implement the saving first principle, and maintain more systematic financial records. Furthermore, participants developed a better understanding of the importance of emergency funds, basic investment concepts, and the utilization of digital financial services as integral components of effective household financial management. The comparison between pre-test and post-test results across all financial literacy indicators confirmed a significant improvement in participants' knowledge following the educational and mentoring activities.

The implementation of the program through the PKK organization proved to be an effective community-based approach by utilizing existing social networks as a platform for continuous learning and mentoring. This approach not only enhanced participants' financial knowledge and practical skills but also encouraged the development of disciplined financial management habits, thereby strengthening household economic resilience. Therefore, similar programs should be implemented on a continuous basis, complemented by regular mentoring and expanded educational materials covering topics such as Islamic investment, financial technology utilization, and family economic empowerment to maximize the program's long-term contribution to community welfare.

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It is hoped that the collaboration between higher education institutions and the village government will continue to strengthen financial literacy, community empowerment, and family welfare in Bantaragung Village.

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