Financial Behavior Learning to Grow Children's Financial Literacy

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Abstract: This research will discuss the implementation of financial management material in Ngadiluhur I Balen, Bojonegoro Primary School. The research use descriptive qualitative approach and gain information from school academics (teacher, principals, and students). Information obtained through in-depth interview. The results show that financial management learning is very important for give student skill to manage money efficiently in the future. Financial management better implemented in elementary school because can provide knowledge and habits. This knowledge and habituation will provide understanding about the benefits of money saving and spending.

1 INTRODUCTION

The free market that is being undertaken by almost all countries in the world brings both positive and negative impacts. One of the positive impacts as well as the negative impact of free trade is the large selection of goods and services offered to consumers. It is said to have two effects because there are many choices of goods or services offered to consumers, then they can adjust the taste with the choices available. In addition, it is also a temptation for consumers. Temptation here means that if more choices can encourage consumers to shop excessively and tend to be impulsive. With the support of the proliferation of online shopping system, making the easier the buying and selling activities. With this convenience again consumers are required to be smart in spending the money. In addition, consumers must also be able to distinguish between the needs and desires so that they can perform consumption activities in a rational manner.

Some research indicates that people's consumption behavior is not based on rationality, their consumption is based on the preference and purchase of goods done without any planning and consideration of the benefit or its usefulness (Astuti: 2013). Another study conducted by Wahyudi (2013) shows that the intensity of teens go to the Mall every month tend to frequent, i.e. between 1 to 4 times each month. This indicates that the behavior of adolescents leads to consumptive behavior, because most teenagers who visit the mall is not in order to market their products but to shop. The results of this study show little how consumptive behavior becomes an integral part of people's lives.

This phenomenon is not separated from how the behavior of children since childhood was formed. In reality, primary school- age children have difficulties in managing their personal finances. This is evidenced by the allowance given to their parents on average used up to buy food and toys. What they want they have to have. They have not been able to appreciate the value of the allowance.

If traced further, the cause is they are rarely taught how to manage their own allowance. Parents usually tend to only give pocket money. Parents rarely teach children to manage finances and take responsibility for their own finances. Its bias s it is based on the premise that the duty of parents is to provide for the child so that people are less likely to reject the wishes of their children. Though unnoticed parental behavior like this really does not make the child become independent and better person.

Consumption activities, basically have a purpose to meet the needs. This is of course different from the consumption goals of modern society. Modern societies are attached to the image consumerist society not only consume limited for the purpose of meeting the needs, will be but more than that, consumption should reflect how a person. Meaning values of a person become a very important thing so that consumption becomes a culture.

The culture of consumption in society brings bad impact to one's life. The irrationality of a person in consuming can cause financial problems. Financial

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difficulties are not just a result of the absence of income. However, financial difficulties can also be caused by consumptive behavior and the inability of a person to manage finances wisely. Financial difficulties not only affect the individual, broadly all aspects of the economy can also be affected. As expressed by Zait and Patricea (2014) which states that the financial education of a country (in terms of knowledge, abilities and behaviors) can be crucial for a healthy economic life, at the individual, or multi-nation macro level. This widespread influence makes education of financial literacy to be very crucial. Financial literacy is an ability to manage and manage personal finances. Remund (2010) explains that financial literacy has five domains including 1) knowledge of financial concepts 2) the ability to communicate about money 3) Ability to manage personal finances 4) Ability to make financial decisions 5) Confidence to make financial planning of the future. Financial literacy can help a person to prosper. This is because a person can afford to spend his money efficiently.

Education becomes an important factor in order to teach behavior through knowledge and habituation. Knowledge is clearly an important component in financial decision making (Cliff, 2011). Knowledge of finance given to children is useful to equip children in decision making in consuming. The ability of children in decision making will greatly affect the efficiency of resource allocation. This can impact on welfare in the future will come.

A person's behavior as an adult is determined by how their habits are in their childhood. So it is appropriate when we want to change a person's behavior would be better by changing bad habits and or doing habituation since early age. Child learning from an early age will make children become accustomed to their personal financial arrangements, and children can also control themselves to spend their money. Changing the child's behavior requires support and cooperation both from the child's family and the school's role.

Schools as formal educational institutions have an obligation to shape positive behavior of children. Education has an obligation to provide skills and instill a noble character or character (Adi, et al, 2016). This character can be either a good behavior or a good attitude of the child. In an effort to shape positive behavior related to financial behavior, schools instil financial literacy values. SDN 1 Ngadiluhur is one of many state primary schools that instil financial literacy values in the school environment.

Financial literacy is an ability that must be owned by everyone. This is because financial difficulties can lead a person toward a negative, such as criminal behavior, low self-esteem, and misery. Having financial literacy is synonymous with being a savvy consumer. Personal financial behavior is part of financial literacy. Personal financial behavior can be established in elementary school-aged children. Personal finance behavior is the way in which individuals manage resources (Money), including how they make decisions on the use of funds, the determination of sources of funds and decisions for the future. Research on the learning behavior of financial management in early childhood is still rarely done. This encourages research to understand how to educate personal financial management behaviors in primary school-aged children.

2 METHODS

This study was designed using a qualitative approach that is a study to reveal symptoms in a contextual holistic through data collection by using researchers as a key instrument. Informants are school communities that include Principals, Teachers, and Students. Information was obtained through in-depth interviews at SD Ngadiluhur 1 Balen, Bojonegoro. Personal finance behavior as a research variable has four indicators of organizational behavior, spending behavior, saving behavior and wasteful behavior.

3 RESULTS AND DISCUSSION

Financial literacy is a skill in using resources owned efficiently so as to obtain maximum satisfaction. This skill is very important to be possessed by individuals in order to obtain the welfare of life. Because of these benefits the literacy education is very important to be given to children, especially at an early age. Financial literacy education as an ability, reading, analyzing, managing, and communicating about personal financial conditions that affect material well-being (Vitt, et al, 2000)

The management of personal finance is part of one's financial literacy. The financial literacy itself actually has a much broader meaning. Personal financial management is the way in which individuals manage the sourceof their power , including how they make decisions on the use of funds, the determination of the source of funding and decisions for the future. Good financial decision making is at the core of financial literacy. Because good decisions related to resource allocation will have an impact on efficiency. Personal finance behavior includes the behavior of children in organizing their resources, how their spending behavior, how their savings behavior, and the behavior of brand waste.

The increasingly competitive challenges of life in an era where the state's boundaries are becoming increasingly vague demands people to be able to compete with others. Lifestyle trends are increasingly leading to consumptive behavior becomes a common phenomenon we encounter. The worse the phenomenon of consumptive behavior of society increasingly widened and lead to Criminal behavior. It is reinforcing that financial literacy education should be provided to children from an early age. Characteristics of children who are relatively easy to teach good values become the basic reason why is taught to children. Similar disclosed by Natty (2016) which states that children have a characteristic that's a Ngat unique, where the children have a desire to know something, and the child still has the potential to be formed and developed in accordance with their talents and creativity.

Learning is a long process that involves various human senses. Learning done by both parents and teachers in schools has a goal to shape the child's behavior. Sumarwan (2004) states that learning is a process to gain knowledge and experience, this knowledge and experience will result in permanent change in attitudes and behaviors. Although personal financial learning has not been included in the school curriculum, it is possible for schools to insert it in school. This is like the one done at Ngadiluhur State Primary School where students are given simple knowledge about finance .

Learning about financial management is essential to improve financial literacy and financial ability. Both component will greatly affect students in making financial decisions. Financial literacy and financial capability, are strictly connected with financial education, which is considered to be the solution to the problem of illiteracy. Financial education program motivate individuals to develop their skills and capabilities and a result, societies to improve their level of literacy. *(Kozup and Hogarth, 2008; Williams, 2007: Frączek and Klimontowicz, 2015)*

Knowledge of finances is simply delivered by the teacher through discussion with the child. For example the discussion is related to scarcity. The concept of economic scarcity may be very difficult for children to accept, teachers convey the essence of scarcity by explaining that children have a relatively limited allowance, with the money they can not afford to buy everything they want, so they should take precedence to buy The goods they need most. By giving examples of the events they experienced, learning financial literacy became easy to accept . Giving an example of this is done because the mind-set of children aged primary school tends to be simple and abstract.

In addition to providing knowledge, as a form of learning, teachers also provide guidance to children in spending their pocket money. This is done because children are still unable to distinguish between needs and wants. Conditions that occur sometimes their money runs out just to buy a toy that they only use once. Classroom teachers take action by getting children to discussions, giving them understanding of the benefits and disadvantages if their money is bought toys. Though at rest, they also feel hungry and thirsty so it is necessary to buy food and drinks.

The way it is expected they can learn to take decisions in spending their money, whether to be used for the purchase of toys or food . Usually, the teacher will provide an understanding that their pocket money is limited and not all bus a they have. Providing understanding will lead them to make better decisions. Good decisions mean they are more concerned with needs than desires. Making financial decisions has become increasingly complex task; consequently, people need to have knowledge in various areas and a wide range of skills in order to make informed decisions about financial matters. They need to be aware of the potential risks that accompany various financial choices (Elonge, 2013)

In addition to providing simple knowledge about finance, learning is done by getting children to save in school. As recommended by NCEE that in financial literacy there is a proportion of income set aside for savings. The savings can be used for the future will come. Practice is directly done so that the child can feel the experience of what is taught. Saving activities can allow children to be able to organize or manage the allowance provided by their parents. They will study, setting aside their allowance for saving. Child expenditure behavior is indirectly controlled because not all of their money can be spent. In school practice related to the benefits of saving, children are given motivation to get children to save. The motivation given by the school is to plan a *study tour* that will be held at the end of the school year .

Planting good habits in children is meant that good values, practiced in good habituation can easily be manifested in the child. Indirectly, the children were asked to practice how to organize its own finances and control spending. This of course will make learning more meaningful because not just theory.

The success of private financial management learning is not separated from the support by parents and the school. Parents as role models of the child play an important role in how a child's character is formed.Support of parents in the understanding of the importance of saving in children make learning can run smoothly. In addition, it provides opportunities for children in terms of financial decision-making, for example giving parents the freedom in terms of the portion of allowance to save also become important to support the success of this lesson. However, there are still many parents who have not involved their children in making decisions related to their allowance. This is caused by the lack of confidence parents to their children to be able to manage their allowance for one day. So what happens in the field of savings activities in schools is mostly not a child who determines the proportion of his allowance to save, but parents still play a role in the decision.

4 CONCLUSIONS

Learning private financial management to foster financial literacy can be done by providing knowledge and doing good habituation. Financial knowledge provided, among others, about scarcity and knowledge related to needs and desires. Good habituation is done by requiring students to save in school and prioritize their needs first (related to spending money, between food and toys)

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