



Program Perencanaan Keuangan Masyarakat (PPKM)

FINANCIAL LITERACY FOR INDONESIA

PPKM: 2 Years Journey and Upcoming Walks

by Resya Kania and Muhammad Wahyudi

Program Perencanaan Keuangan Masyarakat or PPKM is the first voluntary based community empowerment program in Indonesia which focus on financial literacy. PPKM developed by ALPHA-I, an association of the USAID scholars in Indonesia. PPKM program aims to provide awareness of the importance of planning and smart money management for everyone, especially teens, housewives, and informal workers. PPKM provide training, mentoring, and the means to build a better financial planning for instructors (Training of Trainers, TOT) as well as directly to end users (Training of Community, TOC).

PPKM Indonesia has been running for two years since August 2011. During the first and second year, the program had supported linkages of financial literacy support in four different areas: Bandung, Serang, Malang, and Yogyakarta. Now we have 8 master trainers and have trained 90 people as trainers. Through training for community, PPKM have reached at least 500 individuals & households

PPKM team has also been communicating with some potential institution to achieve the sustainability of the program as well as expanding its outreach to broader areas and underserved community. As a result, some institutions gave PPKM positive feedback and expressed their strong intention to build partnership with PPKM such as Padjajaran

University and Universitas Pendidikan Indonesia through its student community coursework (Kuliah Kerja Nyata), Legal Advocacy (Lembaga Bantuan Hukum) in Jakarta, Indonesian Army Officers' Wives Association in Balikpapan (Persit Kartika Chandra Kirana Balikpapan), Indonesia Financial Inclusion Society (IFIS) and Asosiasi BMT Seluruh Indonesia (Absindo)

Additionally, during 2013, PPKM team has also tried to develop and improve its current modules and curriculum. The new curriculum will promote training based on needs through an open menu program. The idea is to have the community choose materials which are more relevance with their needs.

PPKM also create an internship program for those who are interested on financial literacy, community development, and research. In 2013 we engage 11 dedicated diverse interns from University of Indonesia, University of Padjadjaran, University of Pendidikan Indonesia, and University of Islam Syarif Hidayatullah. We will run this program again next year.

Lastly, PPKM promote evaluation as an integrated part of the program. PPKM try to utilize a good evaluation packet to figure out how well the financial literacy program is working.



PPKM will continue working together with the government, donors, local NGO and universities to support the empowerment program on financial literacy in a regular basis. Specifically for the universities, the mandatory field work program (Program Kuliah Kerja Nyata) becomes the focus of the collaboration activity.

PPKM Internship Program

The internship program was start on September 2013. PPKM invite people from all background who interested on financial literacy to get involved on PPKM program. From many applicants we select 11 individuals. They come from different backgrounds: undergraduate on economics, geography, German literature, management, and private workers. They are all committed and motivated to become agents of change in the field of financial literacy.

The internship program will be held until the end of November. Half of the activities perform via email and Skype while the rest are done in Jakarta.

The activities consist of training for master trainers, teaching methods, assistants, monitoring and evaluation methods, leadership, and media outreach program. All interns are required to perform individual as well as group projects such as module development, community trainings, and media outreach.

PPKM commits to continue the internship program regularly and support those who want to learn and work together to improve financial literacy awareness and capacity in Indonesia.



The pictures show some activities under the PPKM internship program: focus group discussion, module development, and training for master trainers

What They Said (1)

Contribution for Indonesia

by Dwi Ayuningtyas*



Tyas is presenting a new financial literacy tool developed for SME called marketing board game

I miss to teach and share financial knowledge to other people. I also plan to continue my education overseas, so I hope this activity can develop my education and professional portfolio.

From the internship I learn a surprising fact: in 2011 only 20 % of Indonesia's population do saving and only 19.6 % were receiving credit. As far as I know roughly 98% domestic income comes from SME business activities. It can be concluded that many SME do not know how to access financial product or services.

During the internship program I learned how to teach finance in simple and effective way.

We also develop new financial literacy tools and modules for SME. I can't wait to teach with the new module! Hopefully, our contribution can be useful and help the people of Indonesia to improve their knowledge on financial literacy.

**Dwi Ayuningtyas is one of the participants on the PPKM internship program batch 1. She graduated with honor from Padjadjaran University. She was a runner up in The 3rd PPM School of Management Business Case Competition in 2012. She currently works as an internal consultant in one of the biggest retail company operating in food sector in Jakarta.*



The Impact of Financial Literacy Program for Teenager

by Tari Lestari, Dinar Kharisma, and Resya Kania

The primary aim of the evaluation is to assess the program appropriateness and effectiveness. That is, to ensure that the program objectives met the needs of the participants and the extent to which the program gave impact.

PPKM aimed at assisting teenager (high school students) to (1) improve their levels of understanding in distinguishing "The Needs vs Wants"; and (2) improve their understanding how to manage their personal finance. The training and assistantship were conducted by students of Universitas Pendidikan Indonesia (UPI) during the work field program (*Kuliah Kerja Nyata*) which held from 1 August to 30 September 2013.

The evaluation conducted using pre and post training surveys with 154 teenager taking parts in the research. Following are the summary of the key evaluation findings:

- The overwhelming majority (90%) of the students had a positive experience of the program.
- The number of participants who don't have saving decreases significantly from 90% to 58%. It means that post training,

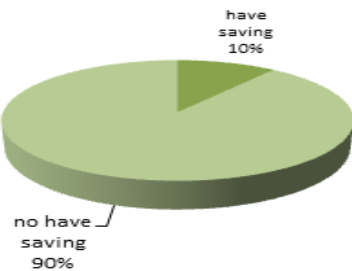
participants are motivated to do saving approximately 42% (increased by 32% from the pre-test).

- Most importantly, the amount of saving also changes expressively. In other words, the training has encouraged participants successfully to save their money regularly as a way to achieve their financial goal in the future. Post training, the number of participants who have no saving drop from 138 to 90. More participants have willingness to increase their savings after they attended the training
- More than half of the students surveyed (approximately 74%) found that they have a better understanding (good or excellent) in making a simple financial report and financial planning.
- At the completion of the program, 91% of students reported that they have increased their understanding of distinguishing the needs v's wants.

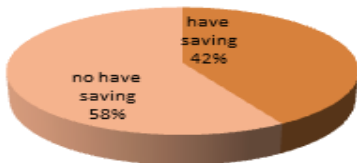
The Results

FAST FACTS

Pre-Training Report



Post Training Report



The Change in Participant's Saving Behavior Pre and Post Training



FOR MORE INFORMATION

MONITORING AND EVALUATION FOR FINANCIAL LITERACY
ppkm.indonesia@gmail.com

Training for Trainers and Training for Community

Both women and men need to be sufficiently financially literate to effectively participate in economic activities and to take appropriate financial decisions for themselves and their families. Improving financial literacy can have significant benefits for everyone, no matter what their age or income. By developing confidence, knowledge and skills to manage financial products and services, individuals will be able to overcome or avoid financial

exclusion.

Thus, the purpose of TOT training is to **provide basic skills for participants to apply the concepts of management and financial planning for the community.**

Meanwhile, the goal of mentoring is to provide a sustained stimulus that could change behavior of the community to plan and manage their financial better. Participants received tools that help them to practice and share information with others. designed to be

PPKM training is interactive, combining, simulation, discussion and reflection session for the participants. **The training and all the tools can be obtained free of charge.** Today, PPKM already have 8 master trainers and have trained 90 people as trainers. Through training for community, PPKM have reached roughly 500 individuals & households



Modules & Training Tools



WHAT THEY SAID (2)



Rudolf Purba*

My fieldwork team and I conducted PPKM training in Cilalawi village, East Java. Most of the participants were teenagers who work to help their family. I learned that they didn't know how to manage their money. Most of their salary used for consumption and buy unnecessary stuffs. During the training we helped them to set their financial goals and encourage them to save their money. The training delivered through games, discussion and role-play simulation. On the last days of my fieldwork the participants told me that they started to save. When I asked what would they do with the money, they said they would use it for college. I am very happy. Our training is definitely useful. We definitely help those teenagers to set their financial goals and motivate them to apply their skill on their daily life. Hopefully it will also lead them to a better future.

*Rudolf joined PPKM Training for Trainers on January 2013. He is on his last year in Economic Faculty Padjadjaran University. He is now working on his theses about the effectiveness of SME credit towards labor preoccupation.

PPKM PARTNERS

- * USAID
- * US STATE DEPARTMENT
- * IIEF
- * PNPM KOTA MALANG
- * UNIVERSITAS PENDIDIKAN INDONESIA BANDUNG
- * UNIVERSITAS PADJADJARAN
- * BANK INDONESIA
- * RADIO UNISI YOGYAKARTA
- * RADIO MQ Yogyakarta
- * AsosiasiBMT Seluruh Indonesia (ABSINDO)
- * Islamic Financial Inclusive Society (IFIS)
- * LembagaKonsumen Yogyakarta
- * UNIVERSITAS SULTAN AGENG TIRTAYASA
- * UNIVERSITAS BRAWIJAYA
- * KOPERASI KASIH INDONESIA
- * YAYASAN PRAMU

PPKM TEAM

Advisor: Akhmad Safik (ALPHA-I);

Chief Executive: Resya Kania;

Outreach: Teddy Trilaksono;

Module Development: Muhammad Wahyudi;

Training Development Team: Fikriyah Winata, Izana Anggie;

Monitoring and Evaluation Team: Dinar Kharisma; Tari Lestari

Area Manager, West Java : Ifa H. Misbach;

Area Manager, D.I.Y.: Abdul Rohman;

Secretariats: Arini Alvita, Achmad Zufriadi Rachman, April Sas Nur Akmi, Amran M Roni

Program Perencanaan Keuangan Masyarakat (PPKM)

Gedung Spinindo, Jl. Wahid Hasyim No.76
Jakarta Pusat 10340

ppkm.indonesia@gmail.com

Follow: @ppkmindonesia

| ppkmindonesia.com

| alpha-i.or.id

FB: fb.com/ppkmindonesia

Telp./Fax. +62 21 3150369