



Strengthening Family Resilience through Financial Management Education in Facing the Covid-19 Pandemic

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Abstract

This research aimed at examining how the economic impact of households in the midst of the Covid-19 pandemic and how the solution focuses on the accuracy of household financial management. The study employs R&D (Research and Development. Sampling is done using the incidental sampling technique, formulated the number of community samples incidentally spread over 22 districts in Sidoarjo Regency. Data collection techniques using primary data, in the form of a questionnaire in google form format as a tool in collecting data in the field and secondary data in the form of documentation and literature study. The results of the study show that business turnover by 65 percent, a decrease in income by 60 percent, layoffs by 55 percent, limited job vacancies as much as 60 percent.

Introduction

The world is under pressure from the new COVID-19 pandemic. Indonesia is the fourth most populous country in the world and is expected to be affected significantly over a longer period of time (Djalante et al., 2020). The impact of the outbreak on the Indonesian economy, as well as the government's response to the public health crisis and the emerging economic crisis. The virus and economic impact have created the biggest shock to the Indonesian economy since the Asian Financial Crisis (AFC) two decades earlier. The Covid-19 shock has dominated discussions of health, poverty, and economic policy during this period. Implications for economic growth, employment, and welfare remain uncertain, as policy discussions are focused on opening up the economy after national public restrictions have been put in place, creating a new normal (Olivia et al., 2020).

The impact of Covid-19 on Indonesia's 2020 Economic Growth and Trade was negative for Indonesia's economic performance, particularly in relation to economic growth and trade. Global economic uncertainty continues to this day and amidst this pessimism, Covid-19 appears to be adding to the pressure on world economic conditions leading to a state of recession (Norouzi et al., 2020; Bohoslavsky, 2020; Hamadani et al, 2020). Therefore, the economic slowdown will have an impact on Indonesia's economic growth performance in 2020, most likely it will only grow in the range of 0-4.99 percent using three different scenarios (Damuri & Hirawan, 2020).

Meanwhile, the Minister of Manpower, as of Thursday, April 16, 2020, there were 229,789 laid-off workers affected by corona in the formal sector, while 1,270,367 people were sent home. Thus, the total number of affected workers in the formal sector is 1,500,156 people in 83,546 companies. Apart from that, the informal sector was also affected, whereas many as

443,760 people from 30,794 companies were laid off. So, the total affected is 1.9 million people, both those who were laid off and sent home.

Understanding the declining economic conditions led the Government to take policy steps to end Large-Scale Social Restrictions (PSBB) replaced by the New Normal policy. The New Normal policy is that people must be accustomed to living in the covid-19 pandemic with the discipline of implementing health protocols in their daily life. The government fosters an economic cycle so that society does not get more difficult. It is hoped that the workers who have experienced Termination of Employment (PHK) and workers who have been sent home can return to work and earn income to meet family needs.

The impact of the economic downturn correlates with decreased family resilience in Indonesia. The government responded to this condition by making further policies aimed at overcoming the decline in family resilience. The family is one of the targets of strategic social policies in an effort to improve the welfare and quality of life of the community. Because the family is the core of society, having a strong family resilience will ultimately increase national resilience. Family resilience can also be defined as the ability of a family to ward off or protect themselves from various problems or life threats both from within the family itself and from outside the family such as the environment, community, society, or the state (Puspita, 2020).

The household sector economy has experienced stagnation and even a sharp decline in household income due to many layoffs (layoffs). Various policy stimuli have been provided by the Government but have not yet resolved the problems faced by the household sector economy due to the relative absence of productive activities and also companies so that MSMEs have experienced a decline in income. Facing heavy economic pressures, the household sector economy still has a chance to survive and can improve its standard of living, namely through the accuracy of household financial management, various training to increase new skills and discipline in implementing health protocols (Sina, 2020).

The household economy is very prone to experiencing economic shocks due to this effect, it is fitting that in the emergency situation of the Covid 19 Pandemic, it is not only the responsibility of the government, it takes collaboration with collaboration between each stakeholder to sit together in one forum, build understanding and commitment. , and a shared sense of responsibility to overcome the impact of the Covid-19 pandemic (Megawati et al., 2020).

Mitigation and preparation for household economic recovery are the contributions of social science that are used as the basis for policy change for the Indonesian nation. Households are at the core of the nation's economic resilience. A household is a unit of analysis that cannot be ignored considering that this country cannot have high resilience when the household cannot survive properly. This research is aimed at examining how the economic impact of households in the midst of the Covid-19 pandemic and how the solution focuses on the accuracy of household financial management.

Methods

This research was conducted in Sidoarjo Regency, East Java Province. The type of research used is research and development (R&D) which aims to examine the economic impact of families in the midst of the Covid-19 pandemic, and what solutions need to be developed. In line with Sugiyono who said that Research and Development (R&D) is a research method used to produce certain products and test the effectiveness of these products (Sugiyono, 2016). The sampling technique used incidental sampling technique, formulated the number of community samples incidentally spread over 22 districts in Sidoarjo Regency. Data collection

techniques using primary data, in the form of a questionnaire in google form format as a tool in collecting data in the field and secondary data in the form of documentation and literature study.

Results and Discussion

Family Economic Resilience in the Pandemic Era and Handling Policy

Family resilience is the ability of a family to develop itself to live in harmony, prosperity, and happiness both physically and spiritually. Family resilience includes the family's ability to manage resources and problems to achieve prosperity. A family is said to have a high level of family resilience if it fulfills several aspects, namely: (1) physical resilience, namely the fulfillment of food, clothing, housing, education, and health needs; (2) social resilience, namely oriented to religious values, effective communication, and high family commitment; and (3) psychological resilience includes coping skills with non-physical problems, positive emotional control, positive self-concept, and husband's concern for his wife (Puspita, 2020).

Based on a survey by the Indonesian Institute of Sciences (LIPI) on the Impact of the COVID-19 Pandemic on the Household Economy: Mitigation and Recovery was carried out online from 10-31 July 2020, responded by 2,258 households spread across 32 provinces and caught 1,548 respondents who met requirements to be analyzed as a sample. Respondents with the status of Worker Households, namely, 79.7 percent and the rest are business households with a composition of 20.3 percent. The survey data shows that the impact on households on the ability of household economic management, 87.3 percent of business households and 64.8 percent of working households felt that they experienced financial difficulties. On the other hand, based on households experiencing financial difficulties, household workers feel it is more difficult to finance consumption of food needs, namely, 52.9 percent, while the household business is relatively lower, namely, 37.8 percent.

There is a significant difference between Worker Households and Business Households in managing the household economy. Differences exist in the management of consumption patterns, income, and health protocols in response to the impact of the pandemic and future expectations. In terms of income, both groups experienced a decline in income as a result of a shift in the expenditure group without leveraging general consumption. The decline in income is due to cuts in wages and salaries, reduced profits, and limited space for consumption. The existence of social assistance is very helpful to support his regular income.

In the study by the Sunarti Family Economics expert, the impact was even greater, reaching 55.5 percent. This also resulted in as many as 63 percent of the community experiencing worries about the worsening economic conditions of their families. From the results of his study, the impact of Covid-19 has shown disruption in food security, economic pressures, and stress, as well as decreased family welfare. Only 38.7 percent of respondents have savings to meet family needs for up to 6 months, even 53 percent of respondents admit that they only have savings of less than 2 months to meet family needs. Likewise, the survey results in the second month of the pandemic showed relatively similar results. The high level of family economic pressure is due to various layoffs and the cessation of community economic activities (Puspita, 2020).

It is undeniable that the PSBB policy as a measure to deal with the Covid-19 pandemic has decreased the resilience of many families, especially from an economic aspect. In this regard, the Government has made a series of handling policies. On March 31, 2020, the President of the Republic of Indonesia issued a Government Regulation in Lieu of Law No.1 of 2020 concerning State Financial Policy and Financial System Stability. Furthermore, on April 3, 2020, the President issued Presidential Regulation (Perpres) No. 54 of 2020 concerning

Posture Changes in Details and the 2020 State Budget. This Presidential Regulation is a follow-up to Perppu No. 1 of 2020 (Puspita, 2020)

Understanding the economic conditions at the time of the PSBB led the Government to take the New Normal Policy. The New Normal policy is that people must be accustomed to living in the covid-19 pandemic with the discipline of carrying out health protocols in their daily lives. The government fosters an economic cycle so that society does not get more difficult. It is hoped that the workers who have experienced layoffs (PHK) and the workers who have been sent home can return to work and earn income to meet the needs of their families and the government issues various social security programs that also target households.

Family Financial Management Education

Based on the data obtained in this study related to the identification of family financial problems during the pandemic, including those experiencing problems with a decrease in business turnover by 65 percent, a decrease in income by 60 percent, layoffs by 55 percent, limited job vacancies as much as 60 percent. It's hard to manage a limited income of as much as 85 percent.

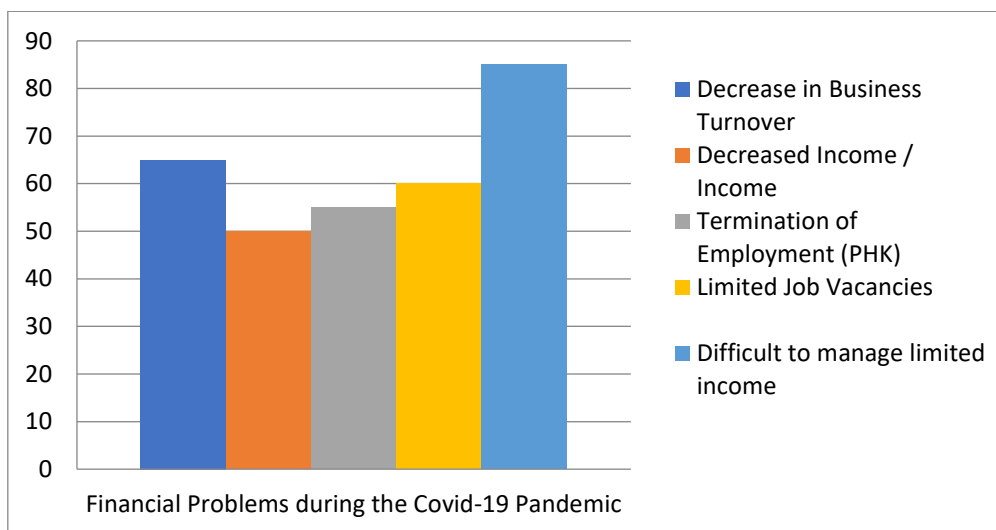


Figure 1. Identification of Financial Problems during the Covid-19 Pandemic

Source: Processed Research Data, 2020

Based on the data above-identified one of the financial problems during the pandemic, namely the difficulty of managing limited income, the research team formulated the development of financial management, the substance of which is a life plan, life planning, and getting profit. The fact is that rarely people who have an Emergency Fund when it should be during conditions beyond human planning such as the current pandemic, use the Emergency Fund.

Apart from the various effects experienced by the household economy, the ingenuity of managing the various resources that exist in the household is an inseparable part. Why? Because intelligently managing all resources in the household will increase the chances of surviving the Covid-19 pandemic. One of the resources in the household economy is finance. Household finances play an important role in the welfare of a household. Therefore, what should be done and how to do it are crucial things to do.

In line with the results of Trisnaningsih's (2010) research, it is stated that today many families are not financially stable so that complex problems arise in the family, the cause is the inability of the family to manage finances or the absence of time to make financial planning,

causing the following problems (negative cash flow), many illiquid assets, investment errors, education fund planning errors and many more (Trisnaningsih, 2010).

The solution developed in the research to overcome the problems that have been identified related to the inability to manage limited income is to provide education on household financial management, starting with the preparation stage as well as the initial steps in starting the educational process. This is done so that the education process can run effectively and efficiently. Beginning with the awareness stage: Condition Awareness. The existence of the Covid-19 pandemic has caused the economic impact to decline, starting from the impact on the economy which is threatened with not having an income if it does not immediately look for another job to having an impact on the psychological side seen from where someone who is a victim of layoffs can reduce his mental condition. At this stage, this is a very important first step taken by the research team to raise awareness of the situation and to raise awareness of the confidence of people who have been economically affected during the Covid-19 pandemic.

Next is the educational transformation stage. The transformation stage is the stage of providing information which can be in the form of knowledge, skills and abilities. The following is part of the transformation stage to formulate educational content that is made in the form of learning videos. Educational videos on household financial management are uploaded to YouTube and Google Drive, consisting of two videos, the first video of five financial problems during the Covid-19 pandemic, and the second video, six steps to manage finances during the Covid-19 pandemic being distributed also via WAG, Facebook and Instagram.

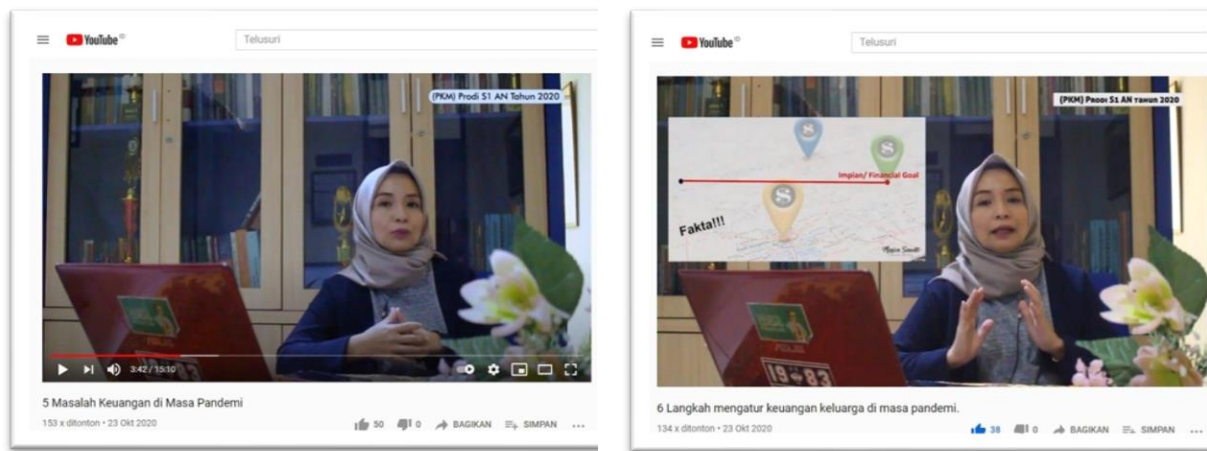


Figure 2. Financial Management Educational Videos

Source: Research Documentation, 2020

The substance of the material 6 Steps to Manage Family Finances during the Pandemic, include: 1). Evaluation of sources of income / income, 2). Expenditure Check, 3). Rearrange Family Budget, 4). Pay off High Interest Debt, 5). Check Insurance Owned, 6). Keep Savings Emergency Fund and accompanied by examples and case studies.

Financial Management Education for Covid-19 Affected Families through Video Tutorials is expected to provide benefits for families affected by the pandemic, providing this education is expected that households can see and download educational videos on family financial planning during the Covid-19 pandemic. The goal is that families have the ability to manage finances so that economic difficulties do not occur. Another hope is to distribute videos to others so that more can be educated. To find out how useful educational videos are, the answers of respondents are as follows;

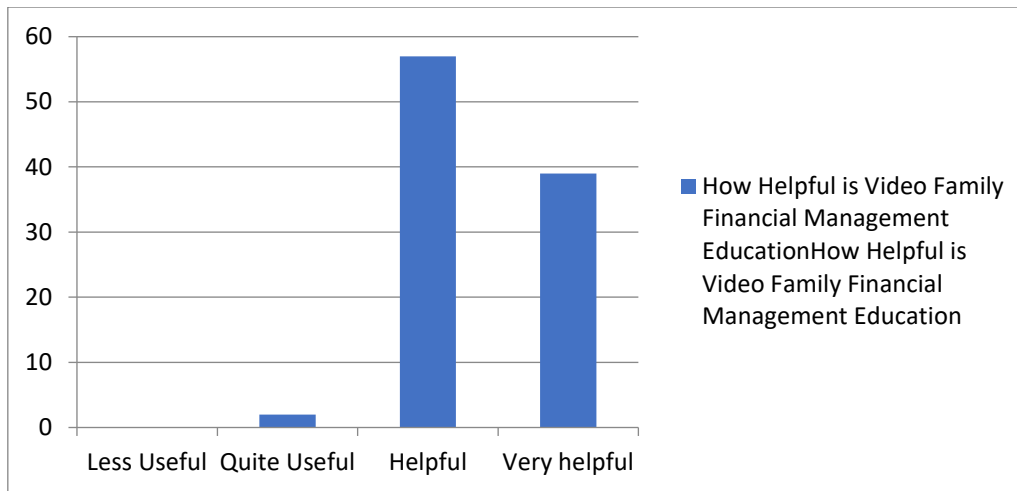


Figure 2. The Use of Family Financial Management Educational Videos
Source: Processed Research Data, 2020

Based on the diagram above, in detail, the respondent's answer is how useful the educational video on family financial management is. The answer consists of 5 options, the result is that no respondent answers that it is not useful. Respondents who answered less useful were 2%. Then those who answered were quite useful by 2%. Then those who answered were useful by 57%. Furthermore, the answers were very satisfying by 39%. Based on the respondents' answers, it can be concluded that the presence of household financial management videos during the Covid-19 pandemic is useful as an education on how to manage household finances during a pandemic period to keep it stable and safe.

Conclusion

One of the family's financial problems in the midst of a pandemic, namely the difficulty of managing limited income, the research team formulated the development of financial management through educational videos that help increase public understanding of how to carry out family financial management in the midst of the Covid-19 pandemic for financial efficiency. The educational video consists of two materials, namely the first video on the identification of financial problems during a pandemic, their causes, and solutions, accompanied by a case study and a second video about the steps to manage finances during a pandemic. Videos are also distributed through the Youtube platform, social media, Facebook, Instagram, WhatsApp. To find out how useful education is in managing family finances, from the respondents' answers, it can be concluded that it is educational and useful.

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