

IMPROVING FINANCIAL LITERACY THROUGH TEACHING MATERIALS ON MANAGING FINANCE FOR MILLENNIALS

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ABSTRACT

Financial literacy is essential for the younger generation since it enables them to effectively manage their resources and attain their long-term financial objectives. Therefore, young people should acquire financial management knowledge and incorporate it into their daily life. Therefore, the project intends to equip the millennial age with an awareness of financial literacy through website-based digital teaching materials that can be easily accessed online by the younger generation. Quantitative techniques, such as questionnaires, are used to collect data on the financial literacy of young respondents, particularly college students. The results of the study are freely accessible digital teaching materials on financial literacy, the content of which consists of 15 digital book page views; each material is tailored to the needs of respondents in terms of understanding financial literacy and the benefits of financial management and planning savings and investment knowledge.

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1. INTRODUCTION

Understanding financial management and financial literacy is essential for Millennials to effectively manage their finances and reach their long-term financial goals. By having a strong grasp of financial management and financial literacy [1], millennials can overcome potential financial challenges and achieve their financial goals more effectively [2], [3].

The millennial generation is recognized for its interest in technology and information [4]. However, research indicates that millennials continue to struggle with managing their own finances. One of the greatest challenges millennials face is unrestrained spending [5]. This generation has a tendency to live a lifestyle of excessive consumption and frequently spends money on unimportant items. This can lead to future financial difficulties [6].

Several assessments indicate that the millennial generation's financial literacy is still quite low [7]. According to a poll performed by the Financial Literacy and Education Commission (FLEC) [8], just approximately 34% of millennials can accurately answer fundamental financial questions. A second study performed by the National Endowment for Financial Education (NEFE) yielded same findings. The survey reveals that only roughly 24% of millennials can accurately answer fundamental financial questions [9]. In addition, a poll performed by the JumpStart Coalition for Personal Financial Literacy reveals that the financial literacy level of millennials is low. The survey reveals that just roughly 42% of high school-educated millennials can accurately answer fundamental financial questions [10]. Multiple surveys indicate that the financial literacy level of the millennial generation is still quite low. This indicates that increased efforts are required to improve the financial literacy of the millennial generation so that they can effectively handle their resources in the future.

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Numerous research [11] that highlight the significance of financial literacy for the millennial generation highlight the urgency in relation to the relevance of financial literacy for the younger generation. According to research, millennials need financial management education because they struggle to manage their personal finances. According to a study by [12], the younger generation still has a very limited grasp of financial literacy. This is because, despite having a monthly budget, they have not been able to regulate their spending. According to a different study, millennials score worse on financial literacy examinations than earlier generations [13]–[15]. Additionally, it demonstrates that millennials lack investment knowledge [16] and are more prone to take on debt. According to additional study, millennials need money management training.

Providing interactive and engaging educational tools is one strategy to increase the financial literacy of the millennial generation [17]. This can be accomplished through the provision of instructional programs or games addressing money management. The application or game can deliver the same content as traditional educational resources, but in a more entertaining and straightforward format [18]. In addition, financial management instructional materials can be utilized in a more practical manner. By delivering financial simulations such as investment simulations and financial planning simulations, for instance. Thus, millennials may learn about money management in a more applicable and entertaining manner. Using the internet, technology [19], [20] can also be utilized to increase financial literacy among millennials. Moreover, by providing educational materials that can be accessible via mobile phones or tablets [21], millennials can learn about financial management at any time and in any location [22]. To improve the financial literacy of millennials, educational materials on money management should be interactive, engaging, and applicable. Millennials can also benefit from the usage of technology when learning about financial management.

2. METHOD

Quantitative methodologies utilizing questionnaires are one way to obtain data on the financial literacy of the younger generation. This method prioritizes quantitative data collecting and uses random selection procedures to identify research participants [23]. Random sampling is a method for picking samples from the population under study at random. This ensures that the sample is representative of the population being examined. In this example, the sample to be examined is the younger generation, namely 47 students, who were given a questionnaire with seven items pertaining to financial management, investing experience, expense and debt management, and future financial objectives.

3. RESULT AND DISCUSSION

The Value of Financial Literacy for Millennials

Financial literacy will assist young people in effectively managing their resources and achieving their long-term financial goals. Initially, financial literacy empowers youth to make prudent financial decisions. This is particularly significant given that young adults frequently confront difficult financial decisions, such as paying off college loans, purchasing their first house, and saving for retirement. By knowing fundamental financial management concepts [24] such as expense management, financial planning, and investing, young people may make educated decisions and reach their financial objectives [25]. Second, financial literacy enables youth to effectively control their costs. Often, young individuals are compelled to follow a desired lifestyle, which might result in excessive expenditures. By understanding the notion of spending management, young people can manage their money properly and avoid common financial difficulties, such as high credit card debt, faced by past generations. Thirdly, financial literacy empowers youth to make prudent investments. Younger generations frequently lack knowledge about how to earn money and increase their holdings. By understanding investment concepts such as stocks, bonds, and real estate, young people can build their assets and realize their long-term financial objectives. Financial literacy is essential for youth because it enables them to effectively manage

their resources and achieve their long-term financial goals[26]. Therefore, young people should acquire financial management knowledge and incorporate it into their daily life.

Data Analysis

The technique for distributing quizzes was randomly assigned to 42 students. There is an essential question on the questionnaire that asks, "Do you understand financial literacy?" The respondents then submit their responses, and there are considerable variations between young people who understand financial literacy and those who do not. According to the results of the questionnaire about financial literacy comprehension, 52.5% of respondents did not comprehend financial literacy, 17.2% did comprehend financial literacy, and 30.3% were unsure. Another important question relates to the form of financial literacy teaching material media. According to the results of the questionnaire, 68% of respondents agreed that digital-based teaching material media is preferable, while 20% stated that teaching media takes the form of videos and 12% stated teaching media takes the form of animation. The results of this questionnaire can serve as a foundation for constructing financial literacy-related instructional media.

Design and Material Creation of Financial Literacy Digital Teaching Materials

The instructional materials are created digitally based on the explanation regarding the millennial generation's great interest in information technology [27] and the results of the questionnaire. In constructing this online-based teaching material, the website <https://digitalkit.id> was utilized to facilitate the appearance of interactive and appealing teaching materials[28]. The material or content of the instructional materials relates to various essential concepts that the younger generation must comprehend in relation to digital literacy. Digital teaching resources are designed to resemble digital books and may be accessed online from a computer or a mobile device, enabling the younger generation to readily discover the contents of the materials and to encourage reading.

The content of the instructional materials on digital literacy addresses a number of crucial topics about the younger generation's capacity to manage funds at a young age. The following material from the digital teaching tools for financial literacy, specifically [29]:

1. Good financial planning: Good financial management can help young people to better plan for their financial future. Financial literacy can help young people to understand basic financial planning concepts such as budgeting, retirement planning, and education planning.
2. Managing expenses well: Good financial management can help young people to manage their expenses well. Financial literacy can help young people to understand how to manage spending well, avoid unnecessary spending, and make spending plans for the future.
3. Wise investment: Good financial management can help young people to make wise investments. Financial literacy can help young people understand how to invest, determine the appropriate type of investment, and manage investment risks.
4. Overcoming financial problems: Good financial management can help young people to overcome financial problems that they may face. Financial literacy can help young people to understand how to overcome financial problems such as debt, bad credit, or financial problems.

Digital Financial Literacy Instructional Materials

The creation of teaching resources on a website in the form of a single page with a layout resembling a digital textbook is supposed to make them appealing to younger readers. The title of the digital teaching resource for financial literacy, Managing Finance for the Millennial Generation, may be found on its first page. Figure 1 below illustrates this.



Figure 1. Initial View of Digital Teaching Materials

The following page displays the content of digital teaching materials consisting of 15 digital book page views, each of which is tailored to the needs of respondents in terms of understanding financial literacy and the advantages of financial management management and planning savings and investment knowledge. Figure 2 demonstrates the material presentation.



Figure 2. Material Display of Digital Teaching Materials

After the digital teaching materials are created, further testing with questionnaire techniques is administered to respondents by providing a link to teaching materials that can be accessed online and for free, namely <https://digitalkit.id/p/materi/> , The results of the questionnaire indicate that 12% of student respondents understand financial literacy, how to manage finances, and basic investment knowledge. The results indicate that digital teaching resources on financial literacy boost the younger generation's comprehension of the fundamental concepts of financial management.

4. CONCLUSION

The use of digital teaching materials in financial literacy can be an useful strategy for enhancing the understanding of financial management among millennials. By delivering information about financial management in an interactive, entertaining, and easily accessible format, millennials can learn about financial management effectively and efficiently. financial literacy Digital teaching tools have the potential to increase the younger generation's financial literacy knowledge, abilities, and enthusiasm to learn. By utilizing these digital teaching resources, adolescents can learn to properly manage funds and attain their long-term financial goals.

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