

Personal Financial Management Training for Indonesian Migrant Workers in Hongkong



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ABSTRACT: Hong Kong became the country most frequently chosen by Indonesian Migrant Workers (IMW) in 2021. The reasons that motivate IMWs to work in Hong Kong are the relatively high wages offered and the atmosphere of freedom. However, the departure of IMWs abroad has not significantly contributed to improving their quality of life. Observations made through various mass media sources (Dewi et al., 2022) concluded that many Indonesian Migrant Workers (IMW) still lack sufficient knowledge and understanding of financial dimensions or aspects. Therefore, education on the importance of financial management for IMWs is crucial. This is because the majority of IMWs do not yet possess adequate knowledge regarding financial management. The form of education is delivered through training aimed at teaching IMWs about the importance of financial planning. The materials provided include budgeting, saving, budget tracking, and investment, which are essential for effective personal financial management. It is hoped that this training will equip IMWs with the necessary knowledge to make sound financial decisions. After the training sessions, a post-test was conducted using the same procedure as before, where participants were given a questionnaire with 10 multiple-choice questions. The post-test results showed that, compared to the pre-test, the proportion of correct answers for each question was significantly higher. On average, the proportion of correct answers for all questions was above 90%. Thus, it can be concluded that the provision of training and assistance on investment and personal financial management was effective in improving the financial literacy of IMWs in Hong Kong.

KEYWORDS: Training, investment, Personal Finance Management, Migrant Worker

I. INTRODUCTION

Hong Kong became the most popular destination for Indonesian Migrant Workers (IMWs) in 2021. The Indonesian Migrant Worker Protection Agency (BP2MI) recorded that 60,096 IMWs were placed in Hong Kong in 2021. The reasons that motivate IMWs to work in Hong Kong are the relatively high wages offered, as well as the atmosphere of freedom and better labor protection. Additionally, as with IMWs working in other countries, the reasons for working abroad include the difficulty of finding employment in Indonesia, geographic conditions in their home regions that are not conducive, such as crop failures caused by pests, and the low levels of education and skills that leave them lacking the qualifications needed in the labor market. The income generated by IMWs, which is then sent back home, becomes the lifeline supporting their families' economies.

Although there are many success stories of IMWs improving their socioeconomic status, there are also stories showing that working abroad has not always improved their quality of life. For a long time, IMWs and their families have lived relatively consumptive lifestyles (Hikmah, 2018). They spend money on buying motorcycles, jewelry, home renovations, and other consumptive activities. When the cash runs out, the motorcycles and jewelry are sold again to meet daily needs or to fund their next departure abroad, and this cycle continues.

The departure of IMWs abroad has not significantly added value to improving their quality of life. Observations conducted through various mass media sources (Dewi et al., 2022) suggest that many Indonesian Migrant Workers (IMWs) still lack sufficient knowledge and understanding of financial management dimensions or aspects.

This highlights the need for financial management education for IMWs. Most IMWs do not yet have adequate knowledge related to financial management. Therefore, financial management education is essential to ensure that the income generated by IMWs can be optimally managed. Improving financial knowledge will influence saving behavior, investment, insurance, and

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retirement planning for migrant workers. Additionally, improved financial knowledge can impact the frequency of remittances sent by migrant workers (Karunaratne and Gibson, 2014).

The education is provided through training aimed at educating IMWs on the importance of financial planning. The training materials include budgeting, saving, expense tracking, and investment, all of which are critical for effective personal financial management. It is hoped that this training will equip IMWs with the necessary knowledge to make sound financial decisions. Training and counseling were chosen as the form of education because they have been proven effective in improving financial literacy. The structured approach of the training and counseling sessions successfully helped participants make better financial decisions (Fakhri & Wardhana, 2024).

II. METHOD

The method applied in providing personal financial management and financial literacy education to Indonesian Migrant Workers (IMWs) in Hong Kong is divided into several stages. The first stage involves an initial assessment of the personal financial management patterns and financial literacy of IMWs by asking participants to answer a series of questions (pre-test). The second stage is the implementation of training sessions aimed at educating the target participants about the importance of financial planning. This training covers essential topics such as budgeting, saving, and investing, which are critical for effective financial management. The goal is to equip the training participants with the knowledge they need to make sound financial decisions. The third stage, after the training, focuses on providing assistance to the participants. This involves helping them apply the knowledge gained during the training in real-life scenarios. The assistance aims to ensure that participants can implement effective financial planning strategies in their daily lives. The fourth and final stage of this method is evaluation. This involves assessing the effectiveness of the training and the assistance provided by conducting a post-test. The evaluation aims to determine whether the participants have improved their financial literacy and are able to apply concepts of budgeting, saving, financial record-keeping, and investing in their financial practices.

The entire program was conducted online. Despite being online, direct interaction was still possible, and participants actively engaged in the learning process. The personal financial management and financial literacy education program was attended by 92 IMWs. The details of the pre-test and post-test questions, which used a multiple-choice format, are as follows:

No	Pre Test	Post Test
1	What do you know about investment?	What is the main objective of investing?
2	Why is it important to invest?	Which of the following products are considered investment instruments?
3	What are some examples of investment products?	How can investment risks be managed?
4	What percentage of income should ideally be allocated for investment?	What are the main benefits of long-term investing?
5	What is meant by investment diversification?	What is the difference between stocks and bonds?
6	What is meant by a personal financial budget?	What is the main purpose of creating a personal financial budget?
7	Why is it important to create a personal financial budget?	Which components are included in a personal financial budget?
8	What is the ideal percentage of income that should be allocated for basic needs in a personal financial budget?	What is meant by the 50/30/20 expenditure allocation in budgeting?
9	When creating a budget, which components should be prioritized?	How can a budget be adjusted if income decreases?
10	What should be done if expenses exceed the budget that has been created?	Why is it important to evaluate a budget regularly?

III. RESULT AND DISCUSSION

At the beginning of this results and discussion section, the detailed profile of the 92 Indonesian Migrant Workers (IMWs) who participated in the personal financial management training will be presented, as follows:

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No	Variable	Percentage	
1	Age	21-25 Years	3.4
		26-30 Years	13.8
		31-35 Years	17.2
		36-40 Years	26.4
		41-45 Years	19.5
		46-50 Years	16.1
		51-55 Years	3.4
2	Length of Employment in Hongkong	1-5 Years	34.5
		6-10 Years	51.7
		11-15 Years	12.6
		> 15 Years	3.4
3	Money Sent from Hong Kong to Indonesia	< \$HK 1.000	9.1
		\$HK 1.000 – 1.999	35.2
		\$HK 2.000 – 2.999	17.0
		\$HK 3.000 – 3.999	23.9
		> \$HK 3.999	14.8

In terms of distribution, the majority of the training participants were in the 36-40 age range, accounting for 26.4% of the total participants. This was followed by participants aged 41-45 with 19.5%, 31-35 with 17.2%, 46-50 with 16.1%, 26-30 with 13.8%, and participants aged 21-25 and 51-55, each representing 3.4%. Furthermore, the majority of the participants had a relatively long working tenure in Hong Kong, with 67.7% having worked for more than 5 years. In terms of the amount of money sent to Indonesia, IMWs who sent monthly remittances ranging from HK\$1,000-1,999 were the largest group, accounting for 35.2% of the total participants. The distribution data of respondent profiles above shows that the majority of IMWs participating in the training were relatively young, had lived in Hong Kong for a significant period of time, and regularly sent substantial amounts of money to Indonesia each month.

Before the training session began, the team distributed a questionnaire containing 10 multiple-choice questions. The purpose of this pre-test was to assess the participants' level of knowledge regarding investment and personal financial management. The following is a breakdown of the pre-test results from the participants:

No	List of Questions	Proportion of Correct Answers (%)
1	What do you know about investment?	42
2	Why is it important to invest?	39
3	What are some examples of investment products?	30
4	What percentage of income should ideally be allocated for investment?	34
5	What is meant by investment diversification?	33
6	What is meant by a personal financial budget?	51
7	Why is it important to create a personal financial budget?	44
8	What is the ideal percentage of income that should be allocated for basic needs in a personal financial budget?	38
9	When creating a budget, which components should be prioritized?	47
10	What should be done if expenses exceed the budget that has been created?	47

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The pre-test results revealed that the majority of the training participants were still relatively unfamiliar with the concepts and practices of investment and personal financial management. This was indicated by the low proportion of correct answers for each question. The highest proportion of correct answers was for the question, "What is meant by a personal financial budget?" with 51% of participants answering correctly.

After the pre-test, the participants received training on investment and personal financial management. Divided into two sessions, the material covered topics such as budgeting, saving, personal financial record-keeping, and investing, all of which are essential for effective financial management. The purpose of the training on investment and personal financial management was to equip participants with the knowledge needed to make sound financial decisions.

No	List of Questions	Proportion of Correct Answers (%)
1	What is the main objective of investing?	93
2	Which of the following products are considered investment instruments?	91
3	How can investment risks be managed?	89
4	What are the main benefits of long-term investing?	93
5	What is the difference between stocks and bonds?	87
6	What is the main purpose of creating a personal financial budget?	96
7	Which components are included in a personal financial budget?	94
8	What is meant by the 50/30/20 expenditure allocation in budgeting?	92
9	How can a budget be adjusted if income decreases?	98
10	Why is it important to evaluate a budget regularly?	97

After the training session, a post-test was conducted using the same procedure as before, where participants were given a questionnaire with 10 multiple-choice questions. The post-test results showed that, compared to the pre-test, the proportion of correct answers for each question was significantly higher. On average, the proportion of correct answers for all questions was over 90%. Therefore, it can be said that the delivery of material in the form of training and assistance on investment and personal financial management was effective in improving the financial literacy of IMWs in Hong Kong. This aligns with the findings of a study by Fakhri & Wardhana (2024), which found that providing financial counseling is an effective method for improving financial literacy. The structured approach of the counseling sessions successfully helped participants make better financial decisions.

IV. CONCLUSION

Hong Kong became the most popular destination for Indonesian Migrant Workers (IMWs) in 2021. The Indonesian Migrant Worker Protection Agency (BP2MI) recorded that 60,096 IMWs were placed in Hong Kong in 2021. The reasons that motivate IMWs to work in Hong Kong are the relatively high wages offered and the atmosphere of freedom. While there are many stories of IMWs who were able to improve their socioeconomic status, there are also many stories that show working abroad did not significantly improve their standard of living. Up until now, the lifestyle of IMWs and their families has been relatively consumptive (Hikmah, 2018). IMWs and their families spend money on purchasing motor vehicles, jewelry, home renovations, and other consumptive activities. When the cash runs out, motor vehicles and jewelry are resold to meet daily needs and fund the next trip abroad, and the cycle continues.

The departure of IMWs abroad has not added much value to improving their quality of life. Observations made through various mass media sources (Dewi et al., 2022) suggest that many Indonesian Migrant Workers (IMWs) still lack sufficient knowledge and understanding of financial dimensions or aspects.

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This highlights the need for financial management education for IMWs, as the majority still do not have adequate knowledge in this area. The education is provided through training that aims to educate IMWs on the importance of financial planning. The training materials cover budgeting, saving, expense tracking, and investment, which are essential for effective personal financial management. It is hoped that this training will equip IMWs with the knowledge necessary to make sound financial decisions.

The program involves four stages. The first stage is an initial assessment of personal financial management patterns and financial literacy among IMWs by having participants complete a series of questions (pre-test). The second stage is the implementation of training sessions aimed at educating target participants about the importance of financial planning. The third stage involves providing assistance to participants, helping them apply the knowledge they gained during the training in real-life scenarios. The fourth and final stage is evaluation through a post-test.

After the training session, a post-test was conducted using the same procedure as before, with participants being given a questionnaire containing 10 multiple-choice questions. The post-test results showed that, compared to the pre-test, the proportion of correct answers for each question was significantly higher. On average, the proportion of correct answers for all questions was over 90%. Therefore, it can be concluded that providing material in the form of training and assistance on investment and personal financial management was effective in improving the financial literacy of IMWs in Hong Kong. This is consistent with the findings of a study by Fakhri & Wardhana (2024), which found that providing financial counseling is an effective method for improving financial literacy. The structured approach of the counseling sessions successfully helped participants make better financial decisions.

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