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Pension Ready Pension Happy

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ABSTRACT: This international community service program (PKM) aims to improve the financial literacy of the Indonesian diaspora in Myanmar, with a focus on retirement readiness. Through observations and interviews, it was found that low financial literacy is a major obstacle in long-term financial planning. The activity was carried out online through a training themed “Pension Ready, Pension Happy” which included material on changes in retirement, preparation steps, and strategies for dealing with financial unpreparedness. The training was delivered in the form of presentations and interactive discussions. The results of the activity showed an increase in participants' awareness of the importance of income allocation and retirement planning. This activity also supports the achievement of the Sustainable Development Goals (SDGs), specifically poverty alleviation (Goal 1), healthy and prosperous living (Goal 3), and decent work and economic growth (Goal 8). This program is expected to be the beginning of the development of similar activities in other countries with the addition of practice elements and cross-institutional collaboration.

KEYWORDS: Financial literacy, Diaspora, Retirement, PKM, SDGs

I. INTRODUCTION

Based on data from the Ministry of Foreign Affairs of the Republic of Indonesia, the Aggregate Data of Self-Reporting of Indonesian Citizens Abroad in November 2023 shows that the number of Indonesian citizens abroad is 2,272,829 people with a distribution of male gender is 956,836 people and female 1,315,993 people with various purposes of staying abroad. The purpose of settling Indonesian citizens abroad is mostly for work (50.14%), study (7.72%), internship (0.60%), accompanying husband/wife (5.49%), family members/followers (2.47%) and others (33.57%). With the large number of Indonesian diasporas, the government has high hopes that Indonesian citizens abroad can continue to work, excel, develop their potential and provide support to build the country by sharing experiences and knowledge that can be used to develop Indonesia, especially in the business sector, especially after returning to their homeland. For this reason, the Indonesian government makes it easier for diasporas who want to return to Indonesia.

One thing that needs to be considered by the Indonesian diaspora who will return to their homeland is personal financial planning so that the life that will be lived in Indonesia can be as expected. However, the low level of financial literacy means that financial planning cannot be done properly. Indonesian students who study abroad such as in Turkey pay tuition fees, 80% of the funds come from their parents and the remaining 20% come from freelance work. Meanwhile, to overcome the lack of living expenses when they have not received pocket money from their parents, students will go into debt and will be returned when they have money or sometimes they use emergency funds that they set aside through savings in the bank (Silalahi, 2024). In addition, there are still many Indonesian diasporas who have not allocated their income appropriately. Most Indonesian workers allocate their income for daily needs and personal savings (Kwartawaty, 2020). Indonesian students in China use scholarship funds for living needs and the rest is kept in the same savings account, as well as Indonesian migrant workers in China, the majority of whom do not record expenses from their income so that they do not know exactly what their income is used for (Setiawan, 2019 in A'yun et al, 2022).

II. PROBLEM AND SOLUTION

1. Problem

The Indonesian Diaspora is a group of Indonesian citizens (WNI) who live abroad either for the purpose of working, studying, or staying with family. Based on data from the Ministry of Foreign Affairs of the Republic of Indonesia (2023), there are more than

2.2 million Indonesian citizens spread across various countries, with the majority of them migrating for work. This diaspora plays an important role not only as global economic agents through remittances, but also as cultural ambassadors and potential intellectual networks for national development (A'yun, Khoirudin, & Suripto, 2022). Nevertheless, various studies show that most Indonesian diasporas still face serious challenges in terms of personal financial management. This problem is not only limited to irregularity in financial records, but also to a lack of understanding of the basic concepts of financial literacy, including long-term planning such as retirement preparation (Setiawan, 2019 in A'yun et al., 2022). For example, Indonesian students in China and migrant workers in East Asia tend not to have systematic financial planning, and rely solely on regular savings without investment strategies or risk protection.

Financial literacy is generally defined as the ability of individuals to understand, manage and make effective decisions regarding their financial resources (Lusardi & Mitchell, 2014). An adequate level of financial literacy enables individuals to plan for their future finances, including preparing sufficient retirement funds to maintain a standard of living in old age. However, the level of financial literacy in the Asian region, including Indonesia, is still relatively low. A survey of more than 4,000 respondents in Asia showed that around 67% of respondents only started preparing for retirement five years before retirement, and another 19% had no plan at all (Media Indonesia, 2023). This low level of financial literacy has an impact on suboptimal financial decision-making patterns, such as delays in saving for retirement, minimal understanding of investment products, and reliance on informal sources of income in retirement. This also shows the need for educational approaches and training interventions as a systematic effort to improve financial literacy, especially for vulnerable groups such as diaspora and migrant workers (Kwartawaty, Noviana, & Mahardika, 2020).

2. Solution

Various training-based financial literacy programs have proven effective in improving individuals' understanding and financial management skills. Online training provided to the Indonesian diaspora in Taiwan, for example, showed positive results in increasing their awareness and ability to plan personal and business finances (Kwartawaty et al., 2020). In this context, community service programs by universities are strategic instruments in expanding access to financial education, especially through community-based approaches and strengthening individual capacity. The community service activities carried out by lecturers and students of the Faculty of Economics and Business of Pancasila University through the theme “Pension Ready, Pension Happy” is one concrete example of the role of academics in bridging the financial literacy gap among the diaspora. This kind of intervention is also in line with the achievement of the Sustainable Development Goals (SDGs), especially in the first goal (no poverty), third (healthy and prosperous life), and eighth (decent work and economic growth).

III. METHODOLOGY

This community service activity is carried out through several systematic stages to ensure the effectiveness of the delivery of material and the achievement of activity objectives, namely increasing financial literacy, especially retirement readiness, for the Indonesian diaspora in Myanmar.The first stage is to analyze the problems faced by the Indonesian diaspora in Myanmar. This stage was conducted through observation and in-depth interviews with several diaspora representatives to gather information related to their level of financial literacy, including long-term financial planning habits and retirement readiness. This method is in line with the participatory approach in community engagement, where understanding the local context is crucial before designing solutions (Burns, Hyde, Killett, Poland, & Gray, 2011). The second stage was training planning, where the implementation team designed a training program based on the results of the needs analysis. The materials are contextualized and relevant to the participants' conditions, so that the training is not only informative but also applicable. This is important because it is not enough for financial literacy to be understood theoretically, but it must also be able to be translated into everyday financial decisions (Lusardi & Mitchell, 2014). The third stage was administrative and technical preparation, including the preparation of the activity proposal, official correspondence between the Faculty and the Indonesian Embassy in Yangon, Myanmar, as well as the establishment of the training schedule and delivery media. Given the geographical limitations, the training was conducted virtually using an online conferencing platform, which allowed active participation from participants in different locations without compromising the quality of interaction. The fourth stage was the implementation of the training, which was delivered using the virtual lecture method. The training began with the delivery of materials, followed by an interactive question-and-answer session that allowed participants to raise specific issues they faced. This method was chosen because it is effective for systematically conveying concepts and allowing direct clarification of material that is considered difficult (Bonner, 2010). The training materials presented carried the theme “Pension Ready, Pension Happy”, which consisted of four main topics: (1) Changes in Retirement, (2) Ready to Retire!, (3) Steps to Prepare for Retirement, and (4) What If You Are

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Not Ready to Retire? This material aims to raise diaspora awareness of the importance of early retirement planning, as well as provide practical guidance in preparing for a financially and psychologically prosperous retirement.

IV. RESULT

The community service activity themed “Pension Ready, Pension Happy” which was carried out online through the Zoom platform on January 30, 2025 succeeded in having a positive impact on increasing the financial literacy of the Indonesian diaspora in Myanmar, especially in terms of readiness for retirement. This activity was attended by various elements of society affiliated with the Indonesian Embassy in Yangon, such as diplomatic staff, local employees, Dharma Wanita Persatuan (DWP) members, and the general public who are members of the Indonesian diaspora community.

Before the training began, participants were given a pretest aimed at measuring their initial level of understanding of the concepts of financial literacy and retirement planning. The pretest results showed that most participants did not have in-depth knowledge about investment instruments, pension fund allocation, and the importance of periodic financial condition evaluation. For example, the majority of participants had never attended financial literacy training before, and most stated that retirement planning had not been a top priority in their financial management.

The training, delivered by Dr. M. Nuruddin Subhan, SE, MM, was structured based on participants' needs and covered four main topics: (1) changes in retirement, (2) individual readiness in facing retirement, (3) practical steps for retirement planning, and (4) strategies for dealing with retirement unpreparedness. The material was delivered interactively using lecture and question and answer methods. During the discussion session, participants actively asked questions related to their financial condition, showing high engagement and relevance of the material to the actual needs of the diaspora community.

After the training, participants were given a posttest to evaluate the improvement in understanding. The posttest results showed a significant increase in participants' understanding of the basic concepts of financial literacy and the urgency of retirement planning. Most participants stated that this activity was very helpful in understanding the importance of allocating part of their income for retirement, with fund allocation preferences ranging from 5% to more than 20% of monthly income. In addition, there was a shift in participants' mindset regarding retirement, from just a period of rest to a phase of life that needs to be carefully planned for continued prosperity.

Participants also indicated an intention to start conducting regular personal financial evaluations, with most planning monthly evaluations. They also considered that good financial planning can support mental health, economic stability and a better quality of life in retirement. In written feedback, participants suggested that similar trainings be conducted regularly and include simulations of financial planning practices and collaboration with financial institutions.

Overall, this activity has successfully achieved its goal of increasing awareness and understanding of the Indonesian diaspora in Myanmar on the importance of long-term financial planning. In addition to having a direct impact on participants, this activity also supports the achievement of the Sustainable Development Goals (SDGs), specifically point 1 (No Poverty), point 3 (Healthy and Prosperous Life), and point 8 (Decent Work and Economic Growth).

CONCLUSIONS

This program successfully educated the Indonesian diaspora in Myanmar on the importance of financial planning, especially in facing retirement. With financial literacy still relatively low, this training is the first step to raise awareness of the importance of proper income allocation and careful preparation for retirement. The enthusiasm of the participants shows that there is an urgent need for financial planning among the diaspora. In addition, this program also helps support the achievement of sustainable development goals (SDGs), such as zero poverty and decent work. For future programs, it is recommended to expand the scope of training by involving more Indonesian diasporas in various countries. In addition, training methods can be developed by providing simulations or hands-on practice related to more detailed financial planning, including the use of modern financial technology tools. In addition, collaboration with financial institutions and local governments can strengthen the training outcomes and provide wider access for participants to apply the knowledge gained in their daily lives.

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