

## FINANCIAL LITERACY SOCIALIZATION AND EDUCATION MARKET CAPITAL FOR STUDENT STATE VOCATIONAL SCHOOL 1 MEDAN

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### ABSTRACT

This activity aims to provide socialization and educational knowledge regarding the benefits of knowing Financial Literacy and the types of money markets in managing finances to make future investments to students of State Vocational School 1 Medan. Through this activity, it is hoped that students will be smarter, more independent and clever in managing their personal finances from any money given by their parents. This intelligence in managing finances will have a positive impact on students being able to save or set aside to save in the form of savings, either in the form of savings, bank deposits, or learning to start investing in the capital market by buying several types of company shares on the capital market. Saving and investing a certain amount of money in various types of investments will provide future benefits in various forms such as dividends or other financial means. The positive impact of this socialization and financial literacy education activity for students at State Vocational School 1 Medan is that they can choose and sort out what type of investment is suitable and in accordance with their financial capabilities and comfort in investing in preparing savings plans for their future goals. The many types of investments that can be selected and adjusted will make it easier for students at State Vocational School 1 Medan to manage their own finances independently and positively.

Keywords: Financial Literacy, Capital Markets and Investment

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### 1. INTRODUCTION

State Vocational School 1 Medan is one of the schools in Medan City. Just like schools in general in Indonesia, State Vocational School 1 Medan has many student organizations such as the Intra-School Student Organization (OSIS). State Vocational School 1 Medan has a lot of potential that can be developed and provide as much knowledge and education as possible for students who are intelligent, superior, brilliant, accomplished and have noble character. A smart and superior generation is produced through an extraordinary learning process that provides a wide range of knowledge and information to prepare them for the future. This process of producing and creating superior, intelligent and accomplished students

requires dedication to introduce students to the benefits of financial literacy and capital markets for students provided in the form of training.

It is hoped that the socialization and education of financial literacy and capital markets for students at State Vocational School 1 Medan will be able to provide information on knowledge and management of personal finances and how to invest independently and positively in the future. This financial planning will have a positive impact on students so that they know the types of investment, the benefits of investment, the right way to invest to generate profits and save savings safely and well and provide information on how to know and avoid bad and wrong types of investment. in choosing investments that will have a negative investment value for the future.

The reality that is often encountered and faced in the field when observing students is that many students are not wise and intelligent in managing their personal finances to be able to save and invest. Community service results show an increase in knowledge and understanding regarding capital market investment literacy as a means of saving shares for students of State Vocational School 9 Semarang City (AW Sidiq, et al; 2023

Students tend to spend a lot of money on things that are not related to educational purposes or saving by investing in the future. The behavior of students who are intelligent in managing their personal finances and who are able to set aside some of their money for savings is a characteristic of students who are intelligent and care about their future.

In practice, most students are very wasteful and consumptive and do not think about saving and investing. This requires control and support from various parties, whether from the school, parents or individual students themselves to equip students with a lot of information and knowledge. about the benefits of financial freedom, types of investment and risks.

The results of a survey that I conducted with students at State Vocational School 1 Medan by distributing questionnaires to approximately 100 students, concluded that, among other things:

- a. Students who tend to want to save and thrift are female students compared to male students.
- b. Female students know more about saving and investing than male students.
- c. Students who tend to be wasteful and consumptive are male students compared to female students.
- d. Male students mostly spend their personal money on non-school purposes, such as playing games, hanging out and other things.
- e. Female students are more likely to spend their money on buying school accessories.

- f. There is a lack of information for students about the benefits of financial literacy which provides benefits in saving and investing in the future
- g. The role of the environment for students who cannot provide much information about financial literacy and investment.

The importance of providing the latest knowledge regarding knowledge about many literacies and new things from various aspects. There are many new things and information that can be shared or shared with the students of State Vocational School 1 Medan to increase their knowledge and provide an idea of the future they will face after they complete their studies at school.

**The Importance of Investment Education:** In this modern era, investments have become increasingly important for individuals to achieve their financial goals, such as retirement, children's education, or purchasing property. However, many people do not understand the basic concepts of investment and its risks. The establishment of an educational investment gallery can help fill this knowledge gap by providing the necessary information and education to the general public, especially school and university students. Managers and employees understand the importance of financial literacy in business development strategies. Appropriate and good financial literacy has an impact on the sustainability of culinary businesses which can still compete in the market for quite a long time, so that culinary business actors still exist today (Panggabean, et al; 2018).

**Increased Interest in the Capital Market:** The Indonesian capital market, especially the Indonesian Stock Exchange, is increasingly in demand by individual investors. They look for opportunities to invest their money in shares and other financial instruments. However, to participate successfully in the capital markets, a strong understanding of how the markets work, appropriate investments and the risks involved is required. An educational investment gallery can be a means of increasing understanding and skills in investing in the capital market. Through the results of the questionnaire given to students, it shows that there has been an increase in students' understanding of knowledge about the capital market and as many as 28 participants (93.33%) are interested in investing in the capital market and the remaining 2 people (6.7%) are not yet interested. to invest in the capital market (Hidayati, et al; 2023).

**Importance of Financial Literacy:** Financial literacy is a very important skill for individuals to have in order to manage their finances well. Investment is one important aspect of financial literacy. By establishing an educational investment gallery, schools can help improve the financial literacy of students and the surrounding community, which in turn can help improve their financial well-being.

Collaboration between Schools and Industry: The establishment of an educational investment gallery can also create closer relationships between schools and the financial industry, especially the capital markets. Through this collaboration, students can gain first-hand insight into how capital markets operate and how investments are made effectively. This can increase their readiness to enter the workforce in finance or become smart investors in the future.

## **2. METHODS**

The approach method used in implementing community service was carried out by the team by directly visiting the State Vocational School 1 Medan. In implementing this community service program, it is carried out by a team of lecturers, involving students and students at the school.

The methods used by the team are as follows:

### **a. Lectures and Discussions**

Lectures and discussions are the methods used by the community service team, using 30% of the method in the form of theory, namely conducting explanation presentations regarding financial literacy and capital markets using infocus and laptops from the school, and 70% in the form of questions and answers or sharing sections for students. State Vocational School 1 Medan.

b. Socialization material on the importance of understanding and knowing financial literacy and capital markets in carrying out financial planning and future investments. The speaker was Lecturer Fitri Yani Panggabean, S.E., M.Si.

c. Then there was a question and answer session between the community service team and the students who were very enthusiastic about participating in the community service activities.

d. Provide opportunities for students to explain and tell how they manage their personal finances and how they invest for the future.

### **2.1 Work Procedures**

Work procedures carried out in carrying out, implementing and supporting the realization of solutions offered during implementation in the field in providing socialization and education on financial literacy and capital markets to students in providing knowledge and understanding about the importance of knowing financial literacy in managing personal finances and investing for future.

A series of work procedures for carrying out community service are carried out according to the flow in figure 2.1.

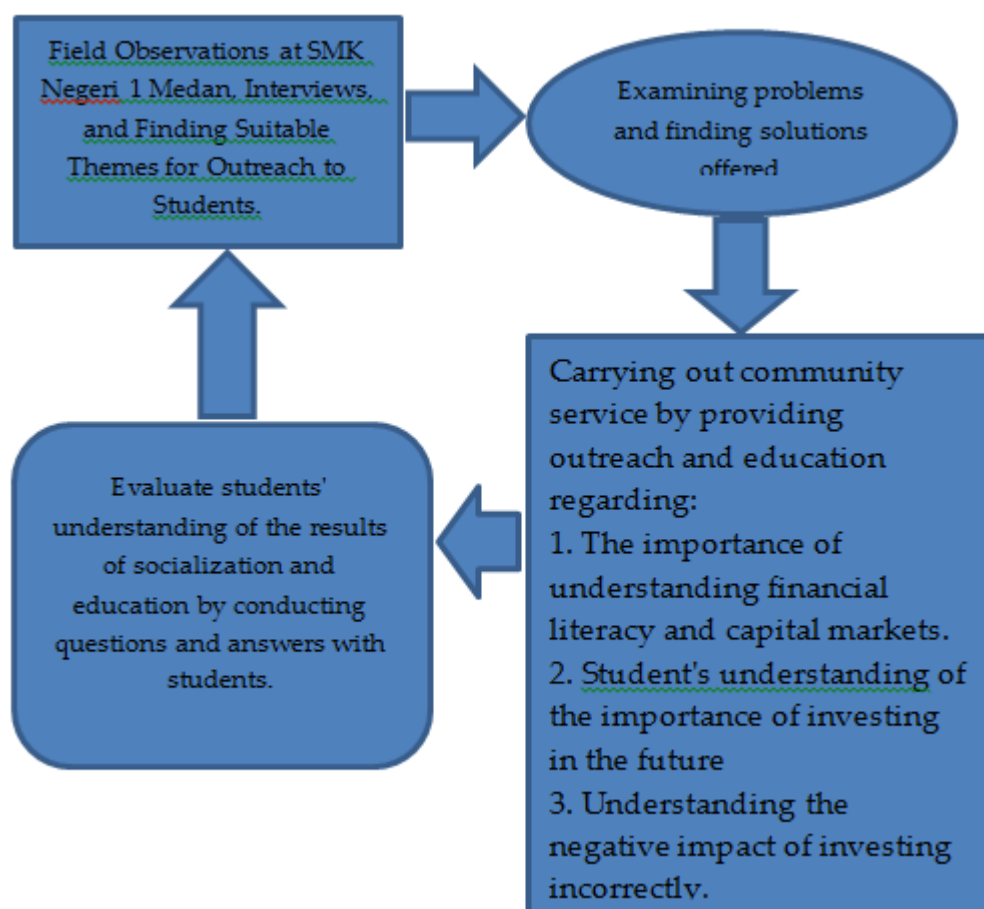


Figure 2.1 Work Procedure

## 2.2 Activity Plan

The planned implementation of activities that will be carried out includes:

a. Direct observation

The Community Service Team carried out direct observations to collect data and information regarding the latest issues needed by students at State Vocational School 1 Medan

b. The data collection carried out by the community service team was assisted by students by taking documentation and conducting direct interviews at State Vocational School 1 Medan with the school, teachers and students.

c. Socialization The service activities that will be carried out by the community service team will carry out outreach to the community for students of State Vocational School 1 Medan with the theme Socialization and Education of Financial Literacy and Capital Markets for Students of State Vocational School 1 Medan and will conduct a question and answer session to evaluate to find out the extent of understanding. students regarding the explanation of financial literacy and capital markets delivered by the service team.

d. Provide opportunities for students to explain and share their experiences on how to manage personal finances and how they invest for the future.

e. Evaluation of Results

At this stage the team carried out an evaluation to determine the level of understanding of students and students regarding the delivery of material that had been delivered by the service team by conducting a question and answer session.

### **2.3 Description of Evaluation of the Implementation of the Community Service Program**

Evaluation of the implementation of the service program and its sustainability after completion of service activities in the field, where results will be evaluated by observation again by providing and distributing questionnaires to be filled out again by the students of State Vocational School 1 Medan, to see the results and progress of the activities completed at school.

## **3. FINDINGS AND DISCUSSION**

From the results obtained from the implementation of the community service program, the students of State Vocational School 1 Medan show that the interest and curiosity of the students in the presentation of the material presented regarding financial literacy and capital markets is very enthusiastic and enthusiastic, this is shown by the results of the questions The speaker's answers to the students indicated that they were very interested in the material presented and wanted to know and find out more about financial literacy and various other investments.

This shows that the program being implemented has been able to motivate students to better understand and apply it in everyday life. Learning to invest is the easiest, cheapest and safest thing for them to do which can reduce the negative risks of investing due to lack of information and knowledge about the negative or bad impacts and risks of making or choosing the wrong investment.

A good understanding of financial literacy and capital markets will help students to be able to plan and create future programs well and slowly but surely will like and get used to investing, managing and planning their finances well and planning their future with investments. itself. The positive impact of their understanding and information about financial literacy knowledge and capital market investment will open up their perspective and thinking about investment, because there are many other types of investment that they do not know or learn about outside of their formal school education.

The aim of efforts to increase students' understanding of financial literacy and capital markets carried out by the academic community in the service of lecturers, is one way

to motivate students to learn more about other things outside of school lessons which can be used as knowledge in developing ways of thinking and insight in plan the future.

### **3.1 Program Suitability to Learning Outcomes**

The service program carried out for students of State Vocational School 1 Medan is very in accordance with IKU 5 because it can empower society through the transformation of knowledge. Learning outcomes that can be developed in financial management courses, capital market analysis and investment management that can be used in developing teaching materials in class.

## **4. CONCLUSION**

### **4.1 Conclusion**

The results of the implementation of the community service activity program carried out at School partners State Vocational School 1 Medan with the theme: Socialization and Education of Financial Literacy and Capital Markets for Students of SMK Negeri 1 Medan concluded, among others:

- a. Students are starting to be able to understand how to plan how to use money well.
- b. Students are able to make financial management plans independently and wisely.
- c. Students can plan future investments by wisely managing and using personal savings.
- d. The school is more open about the latest issues for providing students with knowledge other than lessons at school.
- e. The school is happy with the additional spending by providing new insights and interesting information to increase general knowledge.

### **4.2 Suggestions**

Based on the conclusions, several things are recommended as follows:

- a. It would be better to re-disseminate and educate other knowledge related to financial literacy and capital markets from other sources and forms.
- b. The school needs to do a field trip, namely taking students on a visit to investment galleries.
- c. The school has added other galleries such as the tax center and business center.
- d. It would be better for schools to hold scientific article competitions in the field of financial literacy and capital markets or, according to developing issues.

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