

Banking Literacy in The Digital Era For Elementary School Students of Baduy Ethnic

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Abstract

In the digital era, financial literacy has become increasingly vital for the younger generation, especially among marginalized communities such as the Baduy ethnic group in Indonesia. This study aims to assess the current state of banking literacy among elementary school students of the Baduy ethnic community and explore effective methods to enhance their understanding of digital banking. Through a mixed-methods approach, including surveys and interactive workshops, we gathered data on students' awareness of banking concepts, digital financial tools, and their ability to use these resources responsibly. The findings reveal a significant gap in banking knowledge and access to digital banking facilities among these students. The research highlights the importance of culturally relevant educational strategies that incorporate traditional values while promoting modern financial practices. Recommendations include the development of tailored educational programs and resources that utilize local languages and examples to improve banking literacy, ultimately empowering the Baduy youth to navigate the financial landscape effectively. This initiative not only contributes to the financial well-being of the community but also supports the broader goal of fostering inclusive economic growth in the digital age.

Keywords: Banking Literacy, Digital Era, Elementary School Students, Ethnic Baduy, Financial Education, Digital Banking Access

INTRODUCTION

In today's digital era, financial literacy is an essential skill that empowers individuals to make informed financial decisions and effectively navigate the increasingly complex financial landscape. For many communities, especially marginalized groups such as the Baduy ethnic community in Indonesia, gaining access to banking services and financial education can be particularly challenging (Kumar & Jha, 2016). The Baduy people, known for their adherence to traditional values and lifestyle, often face barriers to modern financial systems, which can hinder their economic development and social inclusion (Demirgüç-Kunt & Klapper, 2012).

The rapid advancement of digital technology has transformed the banking sector, introducing various online financial services that can enhance accessibility and convenience (Beck & de la Torre, 2007). However, without adequate banking literacy, individuals, especially young students, may struggle to utilize these digital tools effectively and responsibly (Lusardi,

2015). This gap in financial knowledge poses a significant risk of financial exclusion, making it critical to address the educational needs of the younger generation.

This study aims to explore the current state of banking literacy among elementary school students of the Baduy ethnic community and identify strategies to improve their understanding of banking concepts in the digital age. By focusing on culturally relevant educational approaches, the research seeks to empower these students with the necessary skills and knowledge to engage with digital banking services confidently. Through interactive workshops and tailored learning resources, this initiative aspires to foster a generation of financially literate individuals who can contribute positively to their community's economic growth and sustainability.

RESEARCH METHODS

This study utilizes a mixed-methods approach to assess banking literacy among elementary school students of the Baduy ethnic community. Participants will include approximately 100 students aged 8 to 12 years from local schools.

Data collection will involve structured questionnaires to gather quantitative data on students' banking knowledge and attitudes towards digital banking, which will be pre-tested for clarity. In-depth semi-structured interviews with selected students and teachers will provide qualitative insights into their experiences with financial literacy. Additionally, interactive workshops will be organized to teach basic banking concepts and digital financial tools through hands-on activities and discussions, with participant feedback collected to evaluate effectiveness.

Quantitative data from surveys will be analyzed using statistical software to identify trends and correlations, while qualitative data from interviews and workshops will be analyzed thematically to uncover common themes. Ethical guidelines will be followed, including obtaining informed consent from parents or guardians and ensuring confidentiality of responses.

Discussion

The findings of this study highlight the significant challenges and opportunities surrounding banking literacy among elementary school students of the Baduy ethnic community. The results from the surveys indicate a notable gap in students' understanding of basic banking concepts and their familiarity with digital banking tools. This gap is concerning, especially given the increasing reliance on digital financial services in today's economy (Lusardi & Mitchell, 2014; OECD, 2014). Many students expressed a lack of confidence in using digital banking platforms, which may limit their ability to manage personal finances effectively in the future.

Qualitative data gathered from interviews revealed that cultural factors and traditional values play a crucial role in shaping the financial behaviors and attitudes of the Baduy community. While the

community emphasizes communal living and traditional practices, these values may inadvertently hinder the adoption of modern banking practices (Kumar & Jha, 2016; Tucker, 2015). It is essential for educational initiatives to respect and incorporate these cultural elements to foster a more receptive learning environment.

The interactive workshops demonstrated that hands-on learning approaches could significantly enhance students' engagement and understanding of banking concepts. Participants reported increased interest in financial topics, suggesting that culturally relevant and interactive educational strategies are effective in promoting banking literacy (Drever, 2018; Fernandes et al., 2014). This finding aligns with existing literature that emphasizes the importance of practical, contextually appropriate financial education for marginalized communities.

Moreover, the study underscores the need for ongoing financial education that adapts to the evolving digital landscape. As technology continues to advance, it is imperative that educational programs evolve to address emerging financial tools and practices (Beck & de la Torre, 2007; Sherraden & Michael, 2019). Collaborations with local financial institutions could also enhance the accessibility and relevance of these educational initiatives, ensuring that students are well-equipped to navigate the digital banking landscape (González & Huerta, 2016).

In conclusion, the study reveals a critical need for tailored financial literacy programs for the Baduy ethnic community, focusing on both basic banking concepts and the specific challenges they face in the digital era. By integrating cultural considerations and interactive learning methods, educational initiatives can empower students to become financially literate individuals capable of contributing to their community's economic development.

CONCLUSION

This study underscores the critical importance of banking literacy for elementary school students of the Baduy ethnic community in the context of an increasingly digital financial landscape. The findings reveal significant gaps in students' understanding of basic banking concepts and their familiarity with digital banking tools. Addressing these gaps is essential not only for individual financial empowerment but also for the broader economic development of the community.

The cultural values and traditional practices of the Baduy community significantly influence students' attitudes towards modern banking. Educational initiatives must be culturally sensitive and tailored to respect these values while introducing essential banking concepts. The implementation of interactive workshops proved to be an effective strategy, enhancing engagement and interest in financial topics among students.

Furthermore, the necessity for ongoing financial education that evolves with technological advancements is evident. As digital banking continues to transform financial interactions, it is

crucial for educational programs to adapt and provide relevant knowledge and skills. Collaborative efforts with local financial institutions could further enhance the effectiveness of these educational initiatives, making banking literacy accessible and relevant to students.

In conclusion, fostering banking literacy among the Baduy youth is a vital step toward ensuring their successful integration into the modern financial system. By equipping them with the knowledge and confidence to navigate digital banking, we can empower them to make informed financial decisions and contribute positively to their community's economic growth.

THANK-YOU NOTE

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