
Financial Smart Student Movement: Financial Literacy and Entrepreneurship Assistance Based on Practical Activities at SMPN 1 Pagu Kediri Regency

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Abstract

The Community Service Program (PKM) was held to improve financial literacy and entrepreneurial skills among students at SMP Negeri 1 Pagu. The results of observation and pre-test show that students' understanding of financial management is still low. Students are unable to distinguish between needs and wants, do not have the habit of recording their expenses, and do not understand the basics of entrepreneurship. This activity is carried out through the Participatory Action Research (PAR) approach, which includes the stages of problem identification, planning, training, mentoring, observation, and evaluation. The program includes financial literacy training, entrepreneurship training, simple business practices, and the use of digital media as marketing tools. Based on the results of the evaluation, there was a significant improvement in students' abilities. Post-tests showed that 81.6% of students were able to manage their pocket money well, 89.5% could distinguish between needs and wants, and 81.6% understood the concept of financial literacy. In addition, most students have started to get used to saving and show interest in entrepreneurial activities. Thus, this PKM program has proven to be effective in improving students' knowledge and skills related to financial literacy and entrepreneurship.

Keywords: *Inancial Literacy, Entrepreneurship*

INTRODUCTION

The rapid development of the economy and technological advancements today demand students to have financial literacy skills from an early age. Financial literacy plays an important role in forming positive habits in managing money, understanding the difference between needs and wants, and making wise financial decisions. This ability is an important foundation that students need to have to face future economic challenges. However, at the junior high school level, most students still exhibit consumptive behavior, have a low understanding of financial management, and are not used to recording expenses or saving regularly.

Based on initial observations and pre-tests conducted at SMP Negeri 1 Pagu, it was found that students' understanding of financial literacy is still relatively low. Only 15.8% of students understand the basic concept of financial literacy, 36.8% have the habit of recording their expenses, and 52.6% are able to manage their pocket money quite well. In addition, students' interest in entrepreneurial activities is still low. Most students feel less confident in starting a business due to their limited knowledge, motivation, and practical experience.

This condition shows the need for interventions in the form of training and mentoring to improve students' financial management and entrepreneurship skills. Therefore, the Community Service Program (PKM) is carried out with a Participatory Action Research (PAR) approach. The PAR approach emphasizes the active participation of students in the entire series of activities, starting from the process of identifying problems, conducting training, direct practice, to reflecting on the results of activities. Through the PAR approach, students not only

receive theoretical material but also apply it directly through activities such as recording income and expenses, preparing a simple budget, practicing distinguishing between needs and wants, and simple business practices. In addition, students are also introduced to the concept of digital marketing, which allows them to gain experience in utilizing technology for entrepreneurial activities.

Through this activity, it is hoped that students' financial literacy will increase, good financial habits will be formed, and students' interest and courage in entrepreneurship will continue to grow. Through the direct experience provided, it is hoped that students can apply this knowledge in their daily lives. The objectives of this activity are as follows: 1) To increase students' understanding of the concept of financial literacy; 2) Cultivate the habit of recording expenses, managing pocket money, and saving regularly; 3) Develop entrepreneurial skills through training and simple business practices; 4) Provide hands-on experience in the process of product creation and the use of digital marketing; and 5) To encourage behavior change in students from initially lacking understanding of financial concepts to being more disciplined, focused, and responsible in managing their personal finances.

Financial literacy has a close relationship in daily life, especially where the higher a person's knowledge of literacy, the better it will be in financial management. Financial literacy is also a form of knowledge or skills that a person must have, especially in managing finances so that they can develop in improving their lives for the welfare of their lives in the future. Financial literacy is a form of knowledge, skills or beliefs that are able to influence both attitudes and behaviors to improve the quality of decision-making and in managing finances that have the goal of improving financial welfare. Students who have good financial literacy will tend to save their money, manage their expenses, reduce consumptive behavior, and understand the importance of planning and the value of money for the future. To measure the existence of an ability in financial literacy, it is divided into: 1) general knowledge about finances managed by individuals, such as net assets and about daily income and expenses; 2) savings and loans owned, knowing the interest rate, benefits of saving, and knowing about the type of loan made; 3) insurance, having knowledge about the benefits of insurance to control the risks that may occur; 4) Investment, having knowledge in investing part of the funds owned with the aim of obtaining profits in the future (Artha & Wibowo, 2023), (Santiara & Sinarwati, 2023), (Authority Financial Services, n.d.), (Izah et al., 2026), (Laturette et al., 2021).

Individual entrepreneurial skills to create opportunities, generate innovation, and build value-added businesses. Entrepreneurship education in schools aims to form creative, productive, and innovative thinking. In addition to learning about manufacturing or selling products, students are also trained to think critically, work collaboratively, and solve problems. Entrepreneurship training in this case is a form of activity organized by an institution or a certain agency that leads to the preparation of a person with the aim of running a business. Entrepreneurship is a form of basic education and understanding that can help students in using and developing creativity, initiative, forms of responsibility and learning in making a decision in facing risks that may arise in honoring a business. With entrepreneurship training, it is hoped that a person will be able to optimize their abilities, some of the abilities they have include: 1) being able to identify business opportunities; 2) able to develop business ideas; 3) able to manage business risks; 4) able to design and implement a business strategy; 5) being able to manage the resources they have effectively; 6) Able to build networks and cooperation with various parties effectively (W. S. D. Shah & São Paulo, 2024), (Stuttgart et al., 2025), (Ardiansyah et al., 2025).

RESEARCH METHODS

1. Implementation Time and Place

The Student Creativity Program (PKM) was held at SMP Negeri 1 Pagu, Kediri Regency. The activity took place on Friday, November 7, 2025, and Tuesday, November 11, 2025. During the implementation, a series of activities were carried out in a structured manner, including socialization sessions, provision of financial literacy materials, entrepreneurship training, practical activities, intensive mentoring, and evaluation through pre-test and post-test. Each stage is designed to ensure that participants understand the concepts while also being able to practice the skills given.

2. Activity Objectives

This program is aimed at 38 high school students who are selected based on their interest and readiness to participate in financial literacy and entrepreneurship training. The participants have various levels of prior knowledge, both in personal financial management and in experience related to entrepreneurial activities. This diversity is the basis for the development of methods and the delivery of material so that it can be effectively accepted by all participants.

3. Implementation Method

This activity uses a Participatory Action Research (PAR) approach, which emphasizes active participation by participants throughout the process. This method is chosen so that students not only receive the material but also actively engage in the process of thinking, discussing, and practicing what they have learned. The main stages of PAR consist of the following processes:

a. Problem Identification

The initial stage was carried out through observation and pre-testing related to financial literacy and entrepreneurship. From the identification results, it was found that the majority of students were not used to managing pocket money, did not regularly record daily expenses, and were still little interested in entrepreneurial activities. This indicates the need for training that can increase their understanding and awareness of financial management and the potential of simple entrepreneurship.

b. Activity Planning

At the planning stage, the implementation team compiles comprehensive training materials. These ingredients include:

- 1) Introduction to the concept of financial literacy
- 2) Understanding the difference between needs and wants
- 3) Basic techniques for managing allowances
- 4) How to track expenses
- 5) Basics of entrepreneurship
- 6) Practice making simple products
- 7) Digital marketing strategy.

All materials are designed to fit the level of understanding of high school students and can be applied in daily life and in small entrepreneurial activities.

c. Execution of Actions

The action phase consists of a series of training and field exercises, namely:

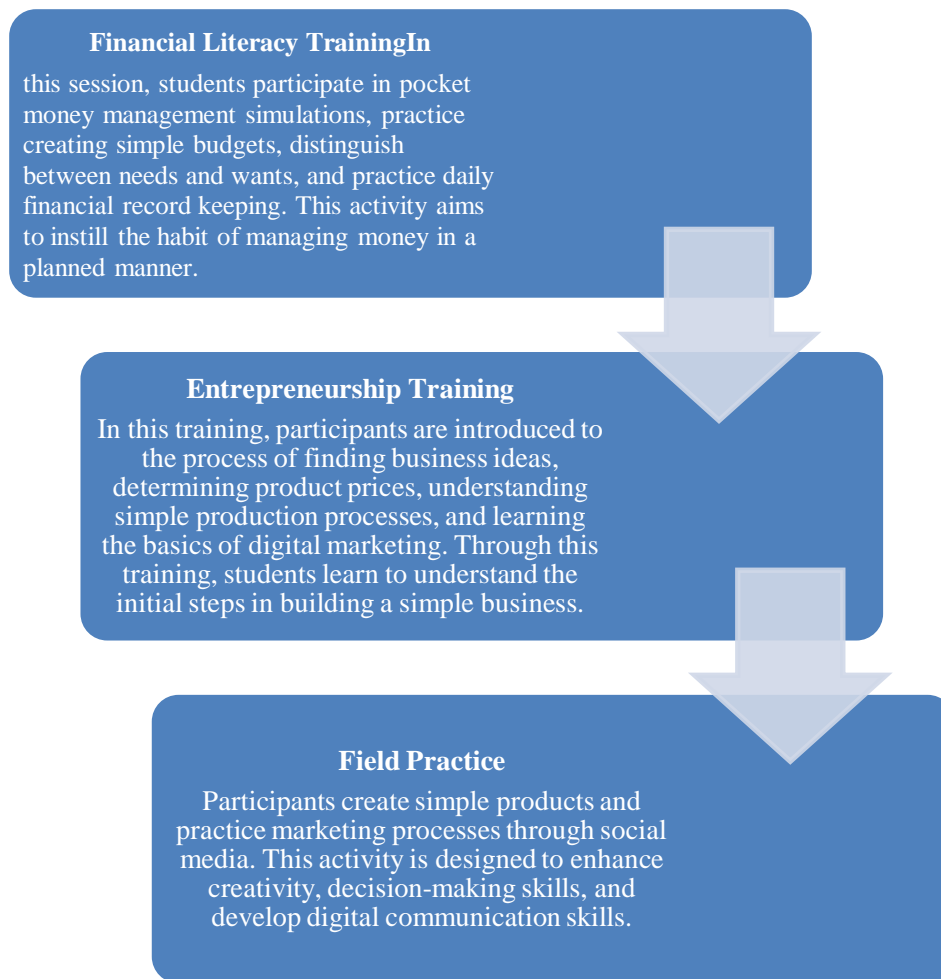


Figure 1. Execution of Actions

d. Observation During training

Observations are carried out to monitor students' understanding and behavior changes. Documentation is carried out through observation sheets, photos of activities, and direct interaction between facilitators and participants.

e. Reflection and Evaluation

At the end of the activity, students were given a post-test to find out the improvement in their understanding compared to the pre-test results. In addition, a reflection session was held with the participants to review the progress they have made in terms of attitudes, understanding, and skills. This stage helps participants understand the benefits of the activity and provide feedback for further development of the program. Instruments Used The instruments used in data collection include: pre-test and post-test financial literacy and entrepreneurship, observation sheets of participant activities, documentation in the form of photos and videos, and brief interviews to find out changes in attitudes and understanding (Sugiyono , 2012).

RESULTS AND DISCUSSION

1. Implementation Overview

The Student Creativity Program (PKM) activity which focuses on improving financial literacy and strengthening entrepreneurial skills for junior high school students was carried out at SMP Negeri 1 Pagu, Kediri Regency. This program takes place in two main sessions, namely on November 7, 2025, and November 11, 2025. The entire series of activities is designed to provide a holistic learning experience, including material delivery sessions, intensive training, field practice, business planning, focused discussions, and evaluations conducted through pre-tests and post-tests.



Figure 2. Financial Literacy and Entrepreneurship Assistance

The approach used in this activity is Participatory Action Research (PAR), which places participants as active subjects in the learning process. Through this approach, students not only receive the material, but are also directly involved in the process of problem identification, planning, implementation, evaluation, and final reflection. The use of this method is very relevant to the characteristics of participants at the junior high school level, where practical learning is easier to accept and helps to improve understanding.

The program was attended by 38 students, who were selected based on their interest and willingness to participate in a series of activities until completion. Each training session is designed to be interactive to encourage maximum participant engagement. This includes case studies, group discussions, educational games, and practical exercises in

product creation and simple business plan development. Thus, the activity aims not only to increase knowledge but also to develop practical skills and behavior change among students related to financial management and entrepreneurial interests.

2. Pre-Test Results and Problem Identification

In the initial stage, all participants were given a pre-test to map their knowledge and abilities in two main aspects, namely financial literacy and entrepreneurship. The pre-test results show that most students are still in the low to medium understanding category. Some of the key findings that are the basis for the next training plan include: 72% of students never keep track of their personal expenses. This shows that the habit of monitoring cash flow is still very low among the participants. As many as 65% of students cannot distinguish between the concepts of needs and wants. This condition shows that students' ability to make financial decisions has not developed properly. About 80% of students do not have a fixed budget to manage their allowance.

Students tend to spend money spontaneously without considering their priorities, and their interest in entrepreneurship is still limited. Many students do not understand how to find a business idea, calculate initial capital, determine the selling price, or develop a marketing strategy. Based on these findings, it can be concluded that participants need systematic and continuous guidance to improve their basic financial literacy and build an entrepreneurial mindset from an early age.

3. Results of Training Activities

1) Improving Financial Literacy

Financial literacy training equips students with a number of basic skills so that they can understand and manage their finances wisely. The material discussed includes the basic concepts of financial literacy, differences in needs and wants, simple budget planning, and daily financial recording. Some of the results observed during the training include:

- a) Students are able to identify needs and wants through concrete examples given in the form of games and case studies.
- b) Students are able to create a weekly budget based on their pocket money, including allocations for essential needs, savings, and wants.
- c) Participants demonstrate the ability to record their finances, either using manual tables or the digital format provided.
- d) The simulation activity "managing pocket money for a week" provides students with real-life experience in learning how to make financial decisions.
- e) Observations during activities show that students become more enthusiastic when given examples that are relevant to their lives, such as snacks.

2) Strengthening Competencies

- a) Entrepreneurship Entrepreneurship training is designed to provide a basic understanding of how to start a simple business. The aspects discussed include how to find a business idea, simple capital analysis, pricing techniques, production processes, and digital marketing strategies. These activities include:
- b) Brainstorming business ideas, where students are asked to develop products based on their interests.
- c) Calculates the initial capital, including raw materials, equipment, and production costs.
- d) Determine the selling price by considering the concept of cost and profit margin.

- e) Practice making simple products, such as snacks or handicrafts that are easy to make and sell.
- f) Simulating digital marketing, especially using social media which is familiar in students' daily lives.
- g) Preparing a Business Plan
- h) Each participant was asked to prepare a simple business plan that included several key components:
 - 1) Product Description
 - 2) Uniqueness and added value
 - 3) Target market
 - 4) Estimated cost of production and capital
 - 5) Sale price plans
 - 6) Promotion and marketing strategies
 - 7) Modest profit forecast

This assignment aims to provide students with a comprehensive overview of the business planning process from the very beginning. The results of the business plan show that most students are able to come up with realistic business ideas that match their abilities.

4. Observation Results During the Activity

Observations were made to monitor the progress of participants during the training series. Several aspects were measured, including activities, teamwork skills, material understanding, and changes in students' attitudes towards financial management and entrepreneurship. The results of the observations show:

- 1) Increased student participation from one session to another, especially during practice and simulation activities.
- 2) Group cooperation increases, especially when students develop a business plan and create simple products.
- 3) Students become more confident in expressing their opinions or asking questions related to entrepreneurship and finance.
- 4) Documented behavioral changes, for example, students who initially didn't understand expense recording began to keep a daily journal regularly.
- 5) Students appear more enthusiastic when discussing marketing through social media because it is close to their lives.
- 6) Overall, the observation activities showed that the PAR method was successful in encouraging the involvement of active participants in each stage of the activity.

5. Financial Literacy Post Test Results

A post-test was carried out at the end of the activity to find out the extent of the improvement of students' understanding after participating in the training. Overall, the post-test results showed a significant improvement compared to the pre-test. Some of the key improvements include:

- 1) 89% of students were able to correctly distinguish between needs and wants based on the scenario provided.
- 2) 85% of students are able to create a budget and record their expenses in the correct format.
- 3) 88% of students report being more disciplined in managing their allowances after training.

Many students start setting aside a portion of their pocket money for personal savings. This shows that practical approaches are very effective in improving financial literacy among high school students.

6. Entrepreneurship Post Test Results

In addition to measuring financial literacy, a post-test was also conducted to evaluate the improvement of students' understanding of entrepreneurship. Most indicators show a significant improvement after your motivational guidance in entrepreneurship, showing that out of 38 students, 86.8% reported an increase in motivation, while 13.2% stated that they did not feel a significant change.

This percentage shows that mentoring programs have had a positive impact on the confidence and entrepreneurial interest of most students. In addition, the preparation of a business plan has become a very important supporting factor. Many students state that they now understand that the process of building a business can be done through clear and structured stages.

7. Discussion

The results of the program show that financial literacy and entrepreneurship training has a positive impact on students. Training activities combined with hands-on practice have been shown to be effective in increasing participants' understanding and motivation. Several points of discussion can be summed up:

- 1) The PAR approach provides a more immersive learning experience.
- 2) Students not only receive the material but also practice it directly, strengthening their understanding.
- 3) Increasing financial literacy has an impact on students' daily behavior.
- 4) After the activity, many students began to record their expenses and became wiser in using their pocket money.
- 5) Entrepreneurial activities foster students' confidence and creativity.
- 6) Through product creation activities and business plan development, students concretely understand the process of starting a business.
- 7) The increase in entrepreneurial motivation which reached 86.8% is a significant achievement.
- 8) This shows that the training activities have succeeded in fostering students' interest and enthusiasm in starting small businesses in their school or home environment.
- 9) The business plan created can be developed into a student entrepreneurship program or school extracurricular activities.

Based on the overall results, it can be concluded that this program has succeeded in achieving its main goal, which is to improve students' knowledge, skills, and motivation in the field of financial literacy and entrepreneurship through practical, fun, and easy-to-understand activities for junior high school students.

CONCLUSION

The community service program implemented at SMP Negeri Pagu 1 has proven to be successful in achieving its goals, namely increasing financial literacy, basic entrepreneurial skills, and student motivation to become entrepreneurs. Using the Participatory Action Research (PAR) approach, participants not only get theoretical material but also engage directly in practical activities such as managing pocket money, recording expenses, budgeting,

making simple products, and developing a business plan. Post-test results show a significant improvement in students' understanding, skills, and interest in entrepreneurship. These findings confirm that participatory learning methods are effective in forming positive attitudes and practical skills. In the future, this activity model has the potential to be developed into a sustainable financial literacy and entrepreneurship program that can be implemented in other schools, so that more students can benefit and are ready to face financial and entrepreneurial challenges.

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