



## Financial Management for Teens : Building Good Financial Habits Money Moves : Teen Tips for Building your Financial Future

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**Abstract:** Abstract: Although financial management is a vital life skill, many teenagers lack the knowledge and habits to make good financial decisions. This program aims to fix this by giving teens practical financial management skills and encouraging forward-thinking attitudes toward money. The primary goal is to help participants understand fundamental financial concepts such as budgeting, saving, investing, and debt management. To ensure engagement and practical application, the program uses a mixed-methods approach by incorporating workshops, interactive activities, and real-life case studies. Key findings show that participants' capacity to create budgets, save regularly, and make wise financial decisions significantly improved after completing the program. Additionally, the seminars raised awareness of the significance of financial planning for long-term objectives like business or higher education. This effort has broad ramifications as it helps create a generation of financially educated people who are better equipped to handle financial difficulties and take advantage of opportunities in the future. Similar initiatives in communities and schools throughout the world can be built around this paradigm.

## 1. INTRODUCTION

Although it is sometimes overlooked in conventional educational institutions, financial literacy is an essential ability for handling the challenges of contemporary life. Teenagers face several financial obstacles as they become adulthood, from budgeting their allowances to being ready for future financial obligations like college, buying a car, and finally achieving complete financial independence. According to Lusardi and Mitchell (2014), early financial education is crucial since financial literacy is closely linked to better financial decision-making and results. Adolescents who cultivate excellent financial habits can build a lifetime of sound money management, which will promote their financial stability and independence as adults.

Teenagers must learn how to manage their own money and make wise credit, investment, and savings decisions in the digital era, when financial goods and services are more widely available than ever. According to Mandell (2009), one of the main causes of young

people's frequent bad financial decisions, such as taking on needless debt or neglecting to invest for the future, is a lack of financial education. Building a sound financial future requires being able to comprehend important financial concepts like debt management, investing, saving, and budgeting.

The development of sound financial practices is an essential component of financial education. Ryu (2018) asserts that forming sound financial practices throughout adolescence can result in sound financial practices as an adult. It has been demonstrated that early financial education programs enhance financial behaviors such as budgeting, planning, and saving. Research has also demonstrated that teens are more likely to make wise financial decisions as adults if they are exposed to ideas like investing and debt management early on (Behrman et al., 2011). Teenagers who are more knowledgeable and self-assured about money management are more likely to stay clear of typical financial hazards like overspending, debt accumulation, and neglecting to make long-term plans.

Financial Management for Teens: Building Good Financial Habits - Money Moves is a program designed to provide teens the skills they need to have a positive relationship with money. The main objective is to promote responsible financial behavior by teaching essential financial information and skills. The course will concentrate on fundamental topics including credit knowledge, investing, saving, and budgeting. The program's goal is to make financial education interesting and relevant to teens' daily lives by using interactive courses, real-world case studies, and hands-on activities.

It is impossible to overestimate the significance of financial education. Financial literacy is essential for lowering the risk of financial instability and fostering economic well-being, according to the Organisation for Economic Co-operation and Development (OECD, 2017). Young people are better prepared for the financial obstacles they will unavoidably encounter when they enter adulthood when we provide them the resources they need to handle their money wisely. The goal of this effort is to ensure that the next generation is better prepared to create a secure financial future by promoting a mentality that prioritizes long-term financial planning and decision-making, in addition to financial education.

By giving teens the information and abilities they need to make wise financial decisions both now and in the future, Money Moves ultimately seeks to close the financial literacy gap. Since personal success still heavily depends on financial literacy, this program is a critical first

step in developing young people who are financially empowered.

The PISA Framework from the OECD (2018) emphasizes the importance of financial skills for adolescents in aspects such as spending management, financial planning and responsible decision making. This program is in line with these recommendations, especially in instilling financial habits through practical activities.

## **2. METODOLOGI**

By using a combination of theoretical knowledge, practical skills, and interactive learning strategies, the methodology in this community service program uses mixed methods by integrating workshops, interactive activities, and real case studies as follows:

### **1. Workshop (Workshop)**

The aim of this workshop is to provide teenagers with a theoretical understanding of financial management. This method includes : Interactive presentation session: Provides basic information about finance such as savings, managing expenses, creating a budget, and understanding investments. Utilization of Visual Media: Make complex concepts easy to understand by using infographics, animated videos, and other visual aids. Group Discussion: Helps participants share their ideas and experiences about financial management to create a cooperative learning atmosphere.

### **2. Interactive Activities**

This activity aims to build practical skills relevant to finance through simulations and direct practice: Daily Financial Simulation: Participants are given real-life scenarios, such as managing pocket money, prioritizing expenses, and saving for specific goals. Educational Games: Activities such as financial-themed board games (e.g., Monopoly or investment simulations) to understand the risks and rewards of financial decisions. Digital Applications: Use simple financial management applications designed for teenagers, so they can practice recording budgets or expenses independently.

### **3. Real Case Studies**

This approach helps participants understand how theory is applied in real situations: Success Case Analysis: Presents success stories from teenagers or young figures who succeeded in building good financial habits. Discussion of Solutions to

**Financial Problems:** Participants are given financial problems that teenagers may experience, such as paying small debts or determining priority needs. They are invited to discuss to find the right solution.  
**Personal Finance Project:** Each participant is asked to create a simple financial plan for a specific goal (for example, saving to buy a dream item) and present it to the group.

#### 4. Interactive Learning Strategy

To increase participant engagement and program effectiveness, various strategies are used such as:  
**Quick Quizzes and Quizzes:** Test participants' understanding with simple quizzes during the session.  
**Role-Playing:** Participants are asked to play certain roles, such as consumer and seller, to understand the concept of value for money.

**Weekly Challenge:** Provides challenges such as saving with a certain target or reducing expenses in certain categories. This mixed method is designed to optimally combine theory and practice, ensuring teenagers not only understand financial management concepts but are also able to apply them in everyday life.



Figure 1. Photo with Partners and Team



Figure 2. Implementation of Activities

### **3. RESULTS AND DISCUSSION**

#### **Activity Results**

##### **1. Increased Financial Knowledge**

Pre-Test and Post-Test Results: From the pre-test and post-test results, there was an increase in participants' understanding of basic financial concepts such as budget management, the importance of saving, and the introduction of simple investments. The average pre-test score was 65%, increasing to 88% in the post-test. Participants demonstrate the ability to understand financial terms such as budgeting, saving goals, and needs vs. wants after the workshop session.

##### **2. Improved Practical Skills**

Through financial simulations and case studies, participants can develop financial plans for simple goals such as saving for certain items or a small emergency fund. 70% of participants were able to prepare a budget with appropriate allocations, using the 50/30/20 rule method (needs: 50%, wants: 30%, savings: 20%).

##### **3. Increased Motivation and Self-Confidence**

After participating in the program, participants feel more confident in making simple financial decisions, such as choosing economical products or managing money for monthly needs. Participants also showed further interest in financial literacy, with 60% of them requesting additional guidance on simple investments.

#### **4. DISCUSSION**

According to the OECD (2020), financial literacy is an important skill that individuals must have from a young age, to help them make responsible financial decisions. In the context of this program. The results of increasing participants' ability to prepare budgets are in line with financial literacy theory which emphasizes the importance of budgeting as a basis for personal financial management. Research by Lusardi & Mitchell (2014) also shows that financial literacy skills in adolescence have a significant impact on a person's financial stability in the future.

Mixed methods that integrate workshops, interactive activities, and real case studies show significant results. The program results also reflect findings from research by Yew & Goh (2016), which underlines that the use of case studies and problem-based learning can improve conceptual understanding and practical application.

The implementation of participants' financial habits through recording expenses and savings targets is in line with the Habit Formation theory by Duhigg (2012), which emphasizes that changes in financial behavior start from small habits that are carried out consistently. Research by Shim et al. (2010) found that financial education in adolescence helps reduce financial problems in the future. The results of this PKM show the effectiveness of a financial education-based approach to building positive habits.

#### **5. CONCLUSION**

This mixed method is designed to optimally combine theory and practice, ensuring teenagers not only understand financial management concepts but are also able to apply them in everyday life. The results of PKM activities show that this mixed method is successful in increasing teenagers' financial literacy while forming positive financial habits. Where participants are able to understand the basic concepts of financial management, are able to make plans to have good financial habits such as saving regularly, managing a budget, and prioritizing needs over desire. Participants have the skills to plan their financial future independently. By integrating interactive learning theory and habit formation, this program can become a model that can be replicated to increase financial literacy at national and international levels.

## SUGGESTION

For the sustainability of this activity, it is recommended, Integrating financial literacy curriculum in formal education. Utilize technology, such as financial applications, to make money management easier for teenagers. Conduct a long-term evaluation of the program's impact on participants' financial behavior.

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