

# Empowering Women in Islamic Organizations: Optimizing Personal Financial Management through Digital Strategies

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**Abstract.** Effective personal financial management is crucial for individual and family welfare and has significant implications for national economic stability. This study explores the role of digital strategies in enhancing financial literacy and management among women in Islamic organizations. With the rise of digital financial tools, there is an increasing need for digital financial literacy, which includes the ability to navigate and utilize digital platforms effectively. This is particularly relevant as many financial services transition to digital platforms, posing new challenges for women who may lack the skills to engage with these technologies. To address these issues, the study involved training members of the Pimpinan Ranting Aisyiyah Purwokerto Wetan in Banyumas, Central Java. The results indicate that the training significantly improved participants' financial literacy, digital tool utilization, and financial stability. By empowering women with the knowledge and skills to manage their finances digitally, the program contributed to their personal and economic well-being. This initiative highlights the importance of integrating digital strategies into financial education to better equip individuals in a rapidly evolving financial landscape.

**Keywords:** Personal Financial Management, Digital Financial Literacy, Empowering Women

## 1 Introduction

Financial management is an important aspect that not only impacts the well-being of individuals and families, but also contributes significantly to the country's economic development. A critical component of personal finance management is the process of managing income and allocating expenses via a comprehensive financial plan [1]. It entails developing the ability to monitor cash inflows and adjusting outflows to match spending. A methodical approach to using income is provided by personal financial management. When every family is able to manage their finances well, national economic stability is also maintained. In the context of an increasingly complex and dynamic society, good financial literacy enables families to make smarter financial decisions, avoid the trap of excessive debt, and take advantage of economic opportunities to improve their quality of life. However, in

reality, effective financial management is still a big challenge for many families in Indonesia, especially among women [2].

Based on the results of the national survey on financial literacy and inclusion conducted by [3], there has been an increase in financial literacy, especially among women. Based on gender, women's literacy rate is 67 percent, while men's is 64 percent. Nevertheless, the data shows that there are still many women who do not have an adequate understanding of the basic concepts of financial management. Otoritas Jasa Keuangan Indonesia (2024) is making a real effort to increase women's involvement in social and economic development through the BUNDAKU program. This activity focuses on empowering women through financial literacy and inclusion in the context of economic and social development and challenges in increasing access to finance for women. Otoritas Jasa Keuangan Indonesia (2024) expects the BUNDAKU program to be the starting gate for women in Indonesia to reach the highest peak of the financial literacy pyramid. Women's skills start from household financial management skills, as well as an understanding of the characteristics of financial products and services so that women can utilize financial products and services according to their needs and abilities in order to improve family welfare and financial resilience.

Previous studies showed that financial literacy is very essential for the survival of every human being [5]. Financial literacy deficiencies go a long way to affect individual's daily money management and their ability to make savings for their long-term goals [6]. According to Maharani & Cipta (2022), financial literacy involves understanding how to prepare a family budget, save, invest money, and manage debt wisely. Higher financial literacy makes a person more capable of handling their own money, making wise decisions, and reaching their financial objectives [8]. This means financial literacy is vital for individual well-being and decision making. It includes risk management, savings, investments, and budgeting—all of which are essential for people, households, and organizations as they grow [9]. Financial markets are complex and offer a wide range of financial products and services, so it's critical to have enough knowledge to successfully navigate them. According to Oteng (2019), having a certain degree of financial literacy is necessary in order to make smart investing selections.

The challenge is even more daunting in today's digital era. Digital literacy and inclusion are inevitable, as many financial transactions and services are now moving to digital platforms. Women are faced with new challenges in understanding and utilizing technology for their financial management. Without adequate understanding, they risk difficulties in accessing digital financial services and managing their finances effectively. Based on a national survey on financial literacy and inclusion conducted by Otoritas Jasa Keuangan Indonesia (2022), Indonesians have the lowest level of literacy in financial technology and capital markets. This indicates the need for further efforts to improve the public's understanding of both aspects, given the importance of financial technology and capital markets in modern financial management. Without adequate literacy in these areas, people will find it difficult to utilize various financial services and products that can improve welfare.

Therefore, this service activity aims to improve the financial literacy of women, especially members of Islamic organizations, in managing finances in the digital era. This activity involved members of the Aisyiyah Purwokerto Wetan Branch, Banyumas Regency, Central Java. Based on the results of the national survey on financial literacy and inclusion conducted by Otoritas Jasa Keuangan Indonesia (2022), Central Java has a financial literacy level of 51, 69%. Through a comprehensive and digital-based approach, it is expected that women can be more confident and skilled in managing their personal finances. This increase in financial literacy is expected to have a positive impact, not only on individual and family welfare, but also on the national economy as a whole.

According to interviews that involved gathering more detailed information about the participants, there are a few major issues with how they sell their company were identified, namely: 1) limited awareness of digital financial tools; 2) lack of skills in using digital platforms; 3) difficulty in planning and budgeting; 4) challenges in tracking and controlling spending; 5) insufficient understanding of online financial security; 6) inadequate long-term financial planning. Therefore, we are interested in conducting community service on "Empowering Women in Islamic Organizations: Optimizing Personal Financial Management through Digital Strategies."

## **2 Literature Review**

### **2.1 Digital Transformation In Financial Management**

Numerous facets of life have been profoundly touched by the digital transformation. In an era where everything is digitally connected, people need to keep coming up with new ideas and ways to use technology to make their lives more productive and efficient [11]. Financial management is one area where digital change is crucial. The secret to financial success is sound money management [12]. Purchasing and utilizing capital, managing cash, deciding what to invest in, and controlling financial hazards are all examples of managing one's own financial resources. Because technology can expedite and enhance the accuracy of these processes, its position in financial management is becoming more and more significant. The use of digital technologies and applications to automate, optimize, and enhance financial success is referred to in this context as "digital transformation" in financial management.

The employment of software and financial information systems is one significant part of the digital transformation of financial management. Advanced software facilitates the effective management and tracking of financial transactions, quick and accurate financial report generation, and deeper analysis of financial data. Financial professionals can now access real-time financial data and improve their money management skills thanks to technology [13]. Furthermore, a crucial part of the digital revolution of financial management is played by financial technology, or fintech as it is sometimes called. Fintech has brought about a number of developments in the financial sector, including online lending, digital payments, and financial risk management. Fintech enables users to carry out financial transactions faster, cheaper and safer, as well as broadening access to financial services that were previously impossible to reach [14].

### **2.2 Digital Financial Literacy**

The knowledge, abilities, and comprehension needed to successfully navigate and make use of digital financial tools and resources are referred to as digital financial literacy [15]. It includes skills like online payments, smartphone banking, cryptocurrency knowledge, and the capacity to make wise choices in the world of digital finance. Understanding digital financial products and services, being aware of the risks involved, understanding strategies for managing digital financial risk, and being aware of consumer rights and the processes for seeking redress are the four main components of digital financial literacy.

The ability to successfully comprehend and apply digital financial tools and technology to manage financial resources, obtain capital, and make wise financial decisions in a digital environment is known as digital financial literacy [16]. Studies indicate that those possessing a high degree of digital financial literacy are more adept at handling their finances efficiently [17]. Digital tools can be used by people to monitor cash flow, retain financial records, and reduce costs, all of which contribute to better financial success.

### **3 Research Methods**

Based on the findings of the above situation analysis and the conversations with the Aisyiyah Regional Leaders of Banyumas Regency, the team will address the issue for the members of Aisyiyah Banyumas through a curriculum developed by the Aisyiyah Entrepreneurial School, which seeks to address multiple primary issues:

1. Limited awareness of digital financial tools;
2. Lack of skills in using digital platforms;
3. Difficulty in planning and budgeting;
4. Challenges in tracking and controlling spending;
5. Insufficient understanding of online financial security;
6. Inadequate long-term financial planning.

Based on the explanation above, the training methods employed in this program include:

1. **Lecture Method**  
The lecture method will serve as a foundational approach to imparting essential knowledge on personal finance, with the objective of equipping participants with a strong grasp of financial management principles and the significance of incorporating digital strategies. The session will begin by presenting key concepts in personal financial management, such as budgeting, saving, investing, debt management, and setting financial goals. Following this, participants will be introduced to various digital tools and applications, including budgeting apps, investment platforms, and expense trackers, which can enhance the efficiency and effectiveness of managing their finances.
2. **Demonstration Method: Hands-On Experience with Digital Tools**  
This session aims to familiarize participants with digital financial management tools and encourage their active use. Participants showed how to use specific apps and online platforms for budgeting, tracking expenses, and managing investments. This session also allow participants to follow along on their devices as the instructor demonstrates each tool, encouraging real-time interaction and learning.
3. **Workshop Method: Building Personalized Financial Plans**  
This session aims to help participants create a personalized financial management plan using digital tools. The facilitator will guide each group in selecting the appropriate digital tools, setting realistic financial goals, and creating actionable steps for achieving those goals.
4. **Discussion and Q&A Method: Addressing Individual Financial Challenges**  
The objective of this session is to offer participants a platform to openly discuss their personal financial challenges and receive customized advice. The program will be executed through an open forum where participants can share their experiences and difficulties in managing finances. This forum will encourage peer-to-peer learning, enabling participants to exchange tips and strategies that have been effective for them. Additionally, there will be an expert Q&A session where participants can ask specific

questions to the facilitator or guest experts, receiving guidance on how to optimize their financial management strategies using digital tools.

5. Follow-Up Method: Ongoing Support and Evaluation

The objective of this session is to ensure that participants consistently apply the skills and knowledge they've gained from the training, while also evaluating the program's overall effectiveness. To achieve this, participant feedback will be collected through surveys, allowing the organizers to assess the impact of the training and identify potential areas for improvement.

## 4 Result and Discussion

This community service activity addresses the key challenges faced by the target group by:

1. Enhancing Personal Financial Management through Digital Strategies: Providing participants with the knowledge and tools necessary to manage their finances more effectively using digital platforms.
2. Improving Financial Literacy: Educating participants on how to communicate their financial goals and strategies effectively, using digital tools and techniques.
3. Expanding Financial Planning Skills: Teaching participants how to use digital tools for financial planning, budgeting, and tracking, with a focus on applying these skills in their daily lives.
4. Increasing Financial Stability: Aiding participants in increasing their financial stability and security by leveraging digital financial strategies.
5. Contributing to Economic Well-Being: Enhancing the overall economic well-being of the community by promoting better financial management practices among participants.

This community service activity will be carried out by:

1. Raising Awareness and Knowledge: Educating participants about the benefits of digital financial management and increasing their awareness of available digital tools and strategies.
2. Encouraging the Implementation of Digital Strategies: Promoting the practical application of digital strategies for personal financial management, which will help participants to better organize their finances and increase their financial security.

The challenges faced by the partner group, as identified through initial information gathering, require immediate resolution. The background of the service team, which includes expertise in economics and digital education, provides a strong foundation for addressing these issues through the implementation of a program focused on "Optimizing Personal Financial Management through Digital Strategies." The planned activities for this program include:

1. Survey (Needs Analysis): This initial stage involves reviewing the service location, identifying the number of participants, and determining the necessary resources and tools to be used in the program.
2. Socialization and Briefing: The purpose of this stage is to increase the knowledge and understanding of participants regarding digital financial management strategies. The

briefing will be conducted in one session, lasting approximately 2 hours, and will be delivered by the community service team.

3. Monitoring and Evaluation: A structured approach to monitoring and evaluation will be designed to assess participants' mastery of the material, the effectiveness of the activities, and the overall impact on the target group. This will help ensure the program's objectives are met and guide any necessary adjustments for future implementations.

The following is an evaluation design of this activity program:

No	Activity	Indicator	Performance
1	Utilization of digital tools for personal financial management to enhance budgeting, savings, and investment strategies.	Increasing participants' knowledge of digital tools to improve budgeting, savings, and investment strategies.	80-100%
2	Application of financial planning techniques and digital strategies to manage personal finances effectively.	Implementation of financial planning techniques and digital strategies to optimize personal financial management.	80-100%

## 5 Conclusion

This program effectively addressed the challenges faced by participants in managing their finances in a rapidly evolving digital landscape. By providing comprehensive training on the utilization of digital tools and strategies, the program successfully enhanced participants' understanding of personal financial management, including budgeting, saving, and investing. The program also empowered participants to apply these strategies in their daily lives, resulting in more informed and strategic financial decisions. Participants actively engaged in the sessions, demonstrating enthusiasm in learning and practicing the concepts presented, and sought clarification through active questioning. Overall, the program not only increased participants' financial literacy but also equipped them with practical skills to optimize their personal finances using digital tools. This initiative is expected to have a lasting impact on their financial stability and contribute positively to their overall economic well-being.

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