



Smart Analisis In Personal Finance

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Abstract

In the era of globalization, financial literacy is crucial for individuals to achieve financial stability and independence. This study aims to identify effective strategies for managing personal finances. Using both primary and secondary data, the research gathered insights from five professionals representing different fields. The study highlights seven key strategies: (1) avoid debt or, if in debt, prioritize repayment; (2) analyze cash flow; (3) consistently track expenses; (4) establish clear financial goals and emergency funds; (5) start investing; (6) secure financial protection through insurance; and (7) diversify income sources. Findings suggest that financial discipline is essential in maintaining stability. For instance, bank employees utilize term deposits to curb unnecessary spending and build savings. University lecturers emphasize tracking daily expenses and securing multiple income sources. Entrepreneurs stress the importance of reinvesting capital and maintaining a financial safety net. Freelancers advocate for strategic savings and additional income streams to ensure financial security. Writers highlight mindset shifts, emphasizing gratitude, self-improvement, and avoiding excessive debt. The study underscores the necessity of financial planning as a proactive approach to securing future well-being. Financial literacy must be fostered through education and practical application to navigate economic challenges. By implementing these strategies, individuals can enhance financial resilience, minimize risks, and work towards financial freedom. Future research should explore the impact of financial education on long-term financial behavior and decision-making.

Keywords : Smart Analysis, Personal Finance, Financial Planning

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INTRODUCTION

The activity of carrying out financial planning is important for all individuals. financial planning for families Indonesia is very important because it is protected The pension program in Indonesia is still very low (Galela, 2016). The study explains that only about 10 percent of the population works have a pensioner. In this situation, there are still around 90 percent of workers reach retirement age potentially unable to maintain levelshis welfare. In Government Regulation no. 45 of 2015 concerning The Pension Guarantee Program has been implemented regulates that a person is of age retire when you are 56 years or older.

The biggest challenge for the retirement age population in Indonesia is a more prosperous level lower than before.

According to the Agency Statistics Center (2017), personal life index (education, employment, household income household, health, and condition of the house) owned It turns out more people have retired lower than people aged 40 years and over lower. Hence, financial planning is important for families to have Indonesia. Several studies have identified several

welfare problems when you get older pension. Garman and Forgue's (1994) theory explains his research convey that the people who have pensions face several problems associated with a steady income even tend to decrease and also experience health conditions which is decreasing. In India, a study mentioned by Mukku, Harbishettar, and Sivakumar (2018) found that self-esteem low is the main problem faced by retirees in India.

This research identifying low self-esteem followed with a tendency to have moods negative, has a worsening health condition serious, and worried about their financial condition they On the challenges of managing welfare in times Pension also explains the perception of some Indonesian people assume that welfare is exclusive only owned by people with levels high income. This mindset has an impact on the allocation of classified savings and investments low. This situation has an impact on deviation in perception of basic knowledge finance. The conditions above are a challenge for realizing financial freedom freedom). There are several factors that cause individuals to not be able to achieve freedom financial. firstly, there is the influence of the consumption cycle (Wijaya and Dio, 2020); culture growing consumerism in Indonesia (Ansori, 2009); lacks culture saving, as well as limited knowledge of family financial management.

Aspects above causing individuals and households to be directionless in making financial decisions every day. The above dynamics lead to financial planning before entering the period Pension is an important aspect of financial management. In order for a household to be managed well throughout the life cycle, financial planning is needed. When you want to prepare a good financial plan, the role of a financial planner who is able to manage the client's assets into investments according to the client's risk profile is really needed. Not just recruiting A financial planner is all that is needed in preparing financial planning, this must also be accompanied by disciplined behavior, strong desire, and wisdom in making decisions by each individual or household to complement the financial planner's advice and recommendations. Financial planning is a series of actions carried out in planning financial goals for a certain period of time (short or long term) (Senduk, 2001). The financial goals in question are financial desires that are to be realized. Financial planning will help someone divide the funds they get from their regular salary or other additional income will later be used to achieve the family's financial goals in retirement. In addition, financial planning is a process for sorting family funds which aims to realize the family's financial freedom so that they can enjoy retirement by doing prepare as early as possible.

METHODS

Research Methodology

This study employs a qualitative approach to understand personal financial planning strategies based on the experiences of individuals from various professions. The qualitative research method is chosen as it allows an in-depth exploration of subjects' experiences and perspectives on personal financial management (Nugrahani & Hum, 2014).

Subjects and Data Sources

The research subjects consist of five individuals from different professional backgrounds, namely bank employees, lecturers at private universities, shop owners, freelance workers, and writers. The selection of informants is carried out using purposive sampling, based on their professional relevance to financial management aspects. Primary data is collected through in-depth interviews, while secondary data is obtained from various literature sources relevant to financial planning (Jack et al., 2004; Mukku et al., 2018).

Data Collection Procedure

Data collection is conducted through semi-structured interviews to obtain flexible and in-depth information regarding the financial habits and strategies adopted by each informant. The interviews are conducted both directly and online, with questions structured around key aspects of financial planning, such as debt management, expense tracking, investments, and income diversification.

Data Analysis

Data analysis is performed using thematic analysis techniques, including data organization, reduction, and interpretation (Fadli, 2020). This process begins with the transcription of interview results, followed by categorization based on emerging key themes. The obtained data is then verified by comparing it with existing literature to ensure the validity of findings (Taft et al., 2013).

This research methodology aims to gain a deeper understanding of how individuals from various professions manage their finances and the factors influencing the success of the financial strategies they implement.

RESULTS OF FINDINGS

This study's findings, derived from interviews with five respondents from different professions, indicate that personal financial management strategies vary but share common patterns aimed at achieving financial stability. Respondents from diverse backgrounds—a banker, a lecturer, a shop owner, a freelancer, and a writer—provided insights that enrich the understanding of how individuals from various sectors apply financial principles in their daily lives.

The banker emphasized the importance of using investment instruments such as term deposits to prevent excessive spending. By placing part of their income into deposits, individuals can increase savings while reducing the likelihood of uncontrolled expenditures. Additionally, maintaining a record of daily expenses and setting clear financial goals are key steps in achieving financial freedom.

A lecturer at a private university shared a similar perspective, emphasizing the significance of daily expense tracking and having multiple income streams. Diversifying income sources—such as selling products, offering digital goods, becoming a reseller, and

continuously upgrading skills—was seen as crucial for financial well-being. Furthermore, allocating funds across multiple accounts for different needs was considered an effective financial management strategy.

The shop owner revealed that adapting to customer needs and managing capital wisely are critical aspects of running a business. Avoiding business debt that exceeds 50% of total capital and maintaining an emergency fund equivalent to 12 months of expenses were key strategies in ensuring business sustainability. The respondent also stressed that business funds should not be used for personal expenses to maintain financial stability.

For freelancers, effective financial management involves shifting away from consumerist habits and continuously seeking additional income. Awareness of income uncertainty drives freelancers to save diligently and prepare capital for side businesses. The strategies implemented include working hard, reducing unnecessary expenses, and gradually accumulating funds for larger investments.

The writer, as the final respondent, emphasized that increasing income is more important than merely worrying about expenses. A mindset shift and gratitude for one's financial situation were seen as essential mental strategies supporting financial stability. Additionally, avoiding unproductive debt and adopting a simple lifestyle were regarded as critical steps toward achieving financial independence.

Across all five respondents, common financial strategies can be summarized as follows: (1) reducing unnecessary expenses, (2) creating a personal budget either manually or via an application, (3) seeking additional income sources, (4) establishing clear financial goals, and (5) continuously upgrading skills to enhance income potential. These collective strategies form a framework applicable to individuals from various backgrounds to achieve financial stability.

DISCUSSION

The findings of this study confirm that financial literacy plays a crucial role in effectively managing personal finances. Consistent with the theory proposed by Garman and Fogue (1994), individuals who are aware of their financial conditions are more capable of making sound financial decisions. The interviews demonstrated that different professions have distinct approaches to financial management, yet there is a shared foundation rooted in fundamental financial planning principles.

In the context of financial literacy, previous research by Taft et al. (2013) asserts that a strong understanding of finance contributes to individual financial well-being. This aligns with the interview results, where all respondents acknowledged that systematic financial planning enhances their financial stability. For instance, the banker's use of term deposits as a tool to curb excessive spending illustrates how financial instruments can be leveraged to manage income more effectively.

Additionally, the income diversification strategies suggested by the lecturer and freelancer are consistent with Modigliani and Ando's (1963) life-cycle hypothesis. This theory assumes that individuals allocate their income optimally over their lifetime to sustain long-term financial well-being. By having multiple income streams, individuals can mitigate economic uncertainties and enhance their financial resilience.

The capital management approach adopted by the shop owner also aligns with Kapoor's (2004) financial planning framework, which emphasizes the importance of emergency fund allocation and limiting business debt to maintain financial stability. This principle applies not only to entrepreneurs but also to individuals aiming to safeguard their personal financial health.

The emphasis on expense awareness and budgeting, highlighted by all respondents, is further supported by a study conducted by Wijaya et al. (2020). Their research on consumption cycle hypotheses explains the tendency of individuals to increase spending as income rises, which can negatively impact savings. Consequently, tracking expenses and setting budgets serve as critical strategies for avoiding overspending and ensuring optimal fund allocation.

Furthermore, regarding Indonesia's consumerist culture, as discussed by Ansori (2009), the freelancer and writer respondents emphasized that transforming consumerist tendencies into productive financial habits is essential for achieving financial independence. This finding highlights the role of psychological factors in financial management, as described in Housel's (2022) financial psychology research, which underscores the significance of mindset in financial decision-making.

Overall, the results of this study indicate that effective financial management strategies rely not only on income levels but also on financial literacy, the right mindset, and discipline in applying financial principles. By understanding and implementing the strategies identified in this study, individuals can better prepare for future financial challenges and achieve greater economic stability.

CONCLUSION

This study highlights the crucial role of financial literacy and disciplined financial planning in achieving long-term financial stability. The findings indicate that while different professions employ varying approaches to financial management, the underlying principles remain consistent. Effective strategies, such as reducing unnecessary expenses, diversifying income sources, setting clear financial goals, and continuously upgrading skills, prove to be instrumental in securing financial independence. These strategies align with established financial theories and emphasize the significance of mindset and behavioral adjustments in financial decision-making.

Ultimately, financial stability is not merely determined by income level but by an individual's ability to manage resources efficiently and adapt to economic challenges. By implementing structured financial planning and leveraging available financial tools, individuals can enhance their financial resilience and achieve economic security. The insights gathered from this study serve as a practical guide for individuals seeking to develop robust financial strategies, ensuring a sustainable and secure financial future.

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