



DIGITAL FINANCIAL LITERACY TRAINING FOR YOUTH OF NORTHWEST HAGU VILLAGE USING CAPITAL MARKET INVESTMENT AND STOCK SAVINGS METHODS

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Abstract

Digital financial literacy training for the youth of Gampong Hagu Barat Laut aims to improve their understanding of capital market investment and stock saving strategies. This activity is designed to introduce the basic concepts of digital finance, especially in relation to capital market investment, which is often considered a tool for achieving long-term financial stability. With the capital market investment and stock saving methods, training participants are invited to understand the risks and benefits associated with long-term investment and portfolio diversification. In this training, emphasis is placed on the importance of stock saving discipline, where young people are expected to be able to consistently set aside funds to be invested, even in small amounts, but done sustainably. This training also emphasizes the use of safe and legal digital financial platforms, so that participants can take advantage of technological advances to invest efficiently and transparently. The results of the training showed an increase in the knowledge and skills of participants in understanding how the capital market operates, as well as how to start investing in stocks safely and profitably. Young people who were previously unfamiliar with the capital market now have basic knowledge that allows them to be more actively involved in investment activities, as a step to improve their financial literacy and strengthen their personal and community economy.

Keywords: *Digital Financial Literacy Training, Use of Digital Investment Platforms, Sustainable Stock Savings*

INTRODUCTION

In today's digital era, digital financial literacy has become one of the important skills that need to be mastered by the community, especially the younger generation. The need for comprehensive and technology-based financial knowledge is increasing along with the development of digitalization in various sectors, including the capital market. Young people are a group with great potential in utilizing financial technology to improve their economic welfare. However, the lack of knowledge and understanding of how the capital market works is often an obstacle to maximizing this potential.

Gampong Hagu Barat Laut, as one of the villages with a large youth population, needs to empower them in terms of digital financial literacy. Youth in this village, like in many other rural areas in Indonesia, often do not have adequate access to financial information and training. Therefore, it is important to hold financial literacy training that focuses on capital market investment and stock savings, to help them understand the investment mechanism and how to manage their finances better.

Through this training, it is hoped that young people in Gampong Hagu Barat Laut can gain sufficient knowledge about the capital market, including how to invest in stocks, risk management, and the use of digital technology in the investment process. This will not only help them develop a strong understanding of investment, but also encourage them to start investing wisely and in a

Digital Financial Literacy Training for Youth of Northwest Hagu Village Using Capital Market Investment and Stock Savings Methods

Muhammad Multazam, Rico Nur Ilham, Irada Sinta, Muttaqien, Ayu Anora, Yusnidar

planned manner. Thus, this training is expected to contribute to improving the economic welfare of the local community as a whole.



Figure 1, Group Photo

Digital financial literacy training with capital market investment methods and stock savings is also a relevant solution in facing global economic changes. The capital market is no longer just a place for the elite, but has been opened to anyone who has internet access and basic knowledge of investment. Therefore, introducing the capital market to rural youth is very important to expand their economic opportunities and create broader financial awareness.

This article aims to explain the importance of digital financial literacy training to the youth of Gampong Hagu Barat Laut, as well as how capital market investment and stock saving methods can have a positive impact on the local economy. This training is expected to be the first step in creating a young generation that is financially intelligent and ready to face economic challenges in the future.

Objective

This training program has the main objective of providing basic knowledge about the capital market and the concept of saving stocks to young people. In addition, this training aims to teach them about the importance of financial planning, risk management, and wise decision making in investing. With this understanding, young people are expected to be able to take advantage of investment opportunities to achieve their financial goals in the future.

Benefit

- **Improving Financial Literacy:** This training helps young people understand the basic concepts of finance, investment, and capital markets, so they are better prepared to manage their personal finances effectively.
- **Financial Independence:** With the knowledge gained, young people will be more confident in making investment decisions and developing their own portfolios, which can lead them towards financial independence.
- **Increasing Investment Awareness Among Youth:** This training is expected to increase awareness of the importance of early investment, which will have an impact on more stable economic conditions in the future.

Target

Providing benefits to the community in utilizing the Tunera subulate plant as a natural pest control without spending a lot of money

METHOD

Place and Time

Community service was carried out in Hagu Barat Laut Village, Banda Sakti District, Lhokseumawe City, Aceh Province, for 7 days, starting from 20 - 27 August 2024.

RESULTS AND DISCUSSION

Digital Financial Literacy in the Digital Era

Digital financial literacy refers to a person's ability to understand, use, and manage digital-based financial tools effectively. Amid the rapid development of financial technology (fintech), digital financial literacy is a much-needed skill. According to the OECD (2020), digital financial literacy includes an understanding of financial services, related technologies, and the risks and benefits of digital financial transactions. In this context, young people who do not have adequate digital financial literacy are at risk of being left behind in economic competition.

In rural areas such as Gampong Hagu Barat Laut, digital financial literacy is often not a priority. Lack of access to technology and financial education causes young people in the area to have a poor understanding of the opportunities available in the digital world, including in the field of investment. Based on data from the Financial Services Authority (OJK), the level of financial literacy among rural communities in Indonesia is still relatively low, only around 36% in 2019 (OJK, 2019). This shows that there are still many people, especially young people, who do not fully understand the concept of digital finance, including investment in the capital market.

The digitalization of the capital market offers great opportunities for anyone who wants to use technology to improve their financial well-being. Mobile applications and online investment platforms make it easier to access the stock market, even with small capital. However, without sufficient understanding of how the capital market works, young people may have difficulty in taking advantage of these opportunities. Therefore, digital financial literacy training is very important to help young people understand how digital investment works and avoid the risks that may arise.



Figure 2, photo with speakers from BEI and Phintraco securities

The use of technology in finance allows for faster, more transparent, and more accessible transactions for anyone. However, on the other hand, technology also carries risks such as online fraud and unhealthy investments. Therefore, in this digital financial literacy training, it is important to emphasize the security aspect of investing, including how to recognize a trusted investment

Digital Financial Literacy Training for Youth of Northwest Hagu Village Using Capital Market Investment and Stock Savings Methods

Muhammad Multazam, Rico Nur Ilham, Irada Sinta, Muttaqien, Ayu Anora, Yusnidar

platform and how to protect personal data in digital transactions. By mastering digital financial literacy, young people in Gampong Hagu Barat Laut can take advantage of various investment opportunities available in the capital market. In addition, this understanding can also help them make smarter and more informed financial decisions, and reduce dependence on traditional sources of income. In the long term, increasing digital financial literacy among village youth will have a positive impact on the local economy, with the emergence of more individuals who invest productively.

Capital Market as an Investment Tool

The capital market is a place where parties who need funds meet with parties who have excess funds and want to invest their funds. In Indonesia, the capital market is regulated and supervised by the Financial Services Authority (OJK) which aims to create a transparent, efficient, and fair market for all players. Investing in the capital market, especially stocks, is one effective way to develop assets in the long term. However, understanding the mechanisms of the capital market is often an obstacle for the community, especially in rural areas such as Gampong Hagu Barat Laut.

One of the main things to understand in capital market investment is the risk involved. Unlike saving in a bank that provides a fixed interest, investing in stocks does not guarantee a definite return and its value can fluctuate over time. However, with the right knowledge of market analysis, risk management, and portfolio diversification, these risks can be minimized. This is what will be taught in digital financial literacy training to young people in Gampong Hagu Barat Laut, so that they can make wiser investment decisions.

Investing in the capital market also requires an understanding of the various instruments available. Stocks, bonds, mutual funds, and derivatives are some of the instruments commonly traded in the capital market. Each instrument has different characteristics, risk levels, and profit potential. In the context of digital financial literacy, young people need to be equipped with the ability to identify investment instruments that suit their risk profile and financial goals. Thus, they can utilize the capital market as a means to develop their wealth optimally.

The Indonesian capital market has experienced rapid development in recent years, with more and more companies listed on the Indonesia Stock Exchange (IDX). According to the IDX report (2022), the number of Indonesian capital market investors has reached more than 10 million people, and most of them are young investors under the age of 30. This shows that investment awareness among the younger generation is increasing, although financial literacy challenges still exist, especially in rural areas.



Figure 3, Together with Gampong Equipment

One of the main advantages of investing in the capital market is the potential for greater profits compared to saving in a bank. However, this advantage can only be achieved with a good understanding of how the market works, fundamental and technical analysis, and the right



investment strategy. Therefore, digital financial literacy training for the youth of Gampong Hagu Barat Laut must include teaching about effective investment strategies, including how to read financial reports, analyze market trends, and make data-driven investment decisions. With a deeper understanding of the capital market, the youth in Gampong Hagu Barat Laut can become smarter investors and be prepared to face market fluctuations. In addition, they can also become agents of change in their communities by sharing knowledge and encouraging more people to invest in the capital market, which will ultimately help improve the local economy.

Saving Stocks as the First Step in Investing

One method that can be used to introduce the youth of Gampong Hagu Barat Laut to the world of capital markets is through a stock savings program. Stock savings is a concept where individuals routinely buy small amounts of shares with long-term goals. This program is perfect for beginners who want to start investing without having to worry about high market fluctuations. With affordable capital, anyone can start investing, including young people in rural areas. Saving stocks also teaches discipline in investing. By setting a regular amount of funds allocated to buy stocks, young people can grow their investment portfolio over time. This concept is in line with the principle of dollar-cost averaging, where investors buy stocks at different prices over time, reducing the risk of buying stocks at the highest price. This method is very suitable for beginners.

DISCUSSION

Digital Financial Literacy Training for youth in Gampong Hagu Barat Laut, which focuses on capital market investment methods and stock saving programs, is an effort to improve financial understanding and skills in the digital era. This training usually aims to introduce youth to basic financial concepts, the importance of investment, and practical ways to invest in the capital market, including stock saving.

The following is a discussion and results that can be summarized from this kind of training:
Discussion:

1. The Importance of Digital Financial Literacy

The training began with an emphasis on the importance of financial literacy in the digital era. With the increasing digitalization of the financial sector, understanding digital tools and platforms has become essential. Youth were introduced to the basic concepts of financial management, income management, and the role of technology in facilitating access to financial services.

2. Introduction to Capital Markets

In this training, the capital market is introduced as a form of investment that can be accessed by the wider community, including the younger generation. The youth of Gampong Hagu Barat Laut are introduced to financial instruments such as stocks, bonds, and mutual funds. They are also taught how the capital market works and how risks and returns can be managed.

3. Saving Stocks as a Long-Term Investment Solution

One of the main topics is the "Saving Stocks" program, which is designed to make it easier for people to start investing in stocks with relatively small capital. In this method, young people are taught the importance of disciplined regular savings in stock instruments for the long term. They are introduced to digital platforms that allow the purchase of stocks with affordable minimum values, such as investment applications.

4. Use of Digital Platforms for Investment

The training also included demonstrations on the use of online applications and platforms for stock investment. Youth were given step-by-step guidance on how to open an investment account, select stocks, and make transactions online. The advantages and disadvantages of various investment platforms were also discussed, including the security of transactions in the digital world.

Digital Financial Literacy Training for Youth of Northwest Hagu Village Using Capital Market Investment and Stock Savings Methods

Muhammad Multazam, Rico Nur Ilham, Irada Sinta, Muttaqien, Ayu Anora, Yusnidar

5. Risks and Benefits of Capital Market Investment

An important part of this training is understanding the risks involved in investing in the capital market. Participants are trained to recognize different types of risks, such as market volatility, liquidity risk, and company risk. However, the training also emphasizes the potential benefits of long-term investment in stocks and how diversification strategies can help reduce risk.

Training Results:

1. Increasing Understanding of Digital Finance

Youth who attended the training showed an increased understanding of the importance of digital financial literacy. They were more familiar with various types of financial instruments and the benefits of long-term investment, especially in stocks.

2. Skills in Using Investment Applications

After the training, participants are more skilled in using digital applications to save stocks. They are able to register, choose stocks, and start saving regularly. Knowledge of how to monitor and analyze investment performance also increases.

3. Motivation to Invest

This training also creates stronger motivation for young people to start investing in the capital market. With better knowledge, they are more confident to start their first steps in investing, especially through stock savings.

4. Improving Future Financial Readiness

The youth of Gampong Hagu Barat Laut are better prepared to face the future financially. They have a clearer view of the importance of saving and investing early on, and are able to use digital technology to make the process easier.

CLOSING

Digital financial literacy training provided to youth in Gampong Hagu Barat Laut has a positive impact in improving financial understanding and investment skills, especially in utilizing digital technology to invest in the capital market through the stock saving method. Here are the main conclusions:

- 1. Improving Financial Literacy:** Youth gain a better understanding of basic financial concepts, the importance of investing, and how to manage personal finances more wisely through capital market investments.
- 2. Digital Technology Mastery:** Participants are able to use digital investment applications effectively, including conducting stock transactions and saving stocks regularly. This increases their ability to actively participate in the digital economy.
- 3. Awareness of Long Term Investment:** This training increases participants' awareness of the importance of starting investing early and in a disciplined manner to achieve long-term financial security.
- 4. Understanding Risks and Benefits:** In addition to recognizing the benefits of investing in the capital market, young people are also equipped with knowledge about the risks involved and strategies to manage these risks, such as portfolio diversification.

Overall, this training successfully prepared the youth of Gampong Hagu Barat Laut to face financial challenges in the digital era and encouraged them to start saving stocks to build a more stable financial future.



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