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The 4<sup>th</sup> International Conference on Entrepreneurship

## **Empowering Financial Decision-Making for Indonesian Migrant Workers in Hong Kong**

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### **ABSTRACT**

This community service activity initiated by Faculty of Economics and Business Universitas Pelita Harapan (UPH), in partnership with Enrich Hong Kong has successfully conducted webinar for Indonesian Migrant Workers in Hong Kong. This webinar tried to enhance financial literacy and deepen understanding of savings as part of their financial planning for long-term goal. This initiative provides insight and practical guidance for managing personal financial management, to set financial goals. The webinar tries to bring the concept to practice by giving some scenarios that match the profile of the participants that were captured through a survey prior to the event. This webinar brought interactive discussion to better connect with the participants. This is a continuous activity to ensure that there's impact toward the participants.

*Keywords:* **Financial Literacy, Savings, Financial Planning,**

### **INTRODUCTION**

Indonesian Migrant Workers are considered economic heroes due to their significant contributions to the country's foreign exchange reserves. However, behind their substantial contributions lie various challenges that hinder their financial goals. As migrant workers, they have big dreams of building a better future for themselves and their families in Indonesia. Yet, managing their finances amidst the high cost of living and economic uncertainties can be a daunting task.

Global economic shifts, uncertain working conditions, and a lack of financial literacy have made it challenging for many Indonesian Migrant Workers (PMI) to manage their earnings and plan for the future effectively. This webinar aims to provide financial understanding, beginning with the first step: saving through effective strategies. According to an initial survey of participants from Enrich, one of the issues identified is the fluctuating exchange rate between the Indonesian Rupiah and the Hong Kong Dollar, among other financial challenges.

Solution that were offered are to address these issues, the webinar is organized to reach PMIs with the following objectives:

1. Share strategies for financial management, focusing on savings and income allocation.
2. Enhance the financial literacy of PMIs, aiding them in better managing their earnings.
3. Equip PMIs with effective saving strategies, even while they are working abroad.
4. Address issues related to foreign currency exchange rates and their impact on financial planning for PMIs.

Expected Outcomes of this event is to enhance the financial knowledge and literacy to the workers. The webinar was conducted through live streaming and will be available for re-runs to

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accommodate PMIs who are unable to attend the live session. The webinar recording will be accessible on [Enrich's Facebook page](#), ensuring broad reach and continuous educational impact.

### LITERATURE REVIEW

In regards to this topic, there are some relevant studies that have been conducted. Laksono, *et al.* (2019) studied about financial literacy of Indonesian migrant workers and their remittance management and saving patterns. The findings showed that a low financial literacy leads to poor financial decisions which in turn can limit long-term savings even though they receive stable income. Some variables that influence savings of Indonesian Migrant Workers has been studied by Gatri and Mafruhah (2023), which shown that age and income have positive effect on the savings. IOM Report (2018) on their report of the Economic Role of Remittances from Indonesian Migrants provides detailed statistics on remittances from Indonesian migrant workers, showing that remittances contributed significantly to household income and savings. However, it also highlights the challenge of managing these funds effectively, given the lack of financial planning among many workers. Bachtiar and Prasetyo (2017) research report on Return Migration and the Economic Impact on Indonesian Migrants discusses the economic effects of return migration on Indonesian workers that examines the successful returnees have contribution to local development through their savings.

### METHODOLOGY

To address the financial challenges faced by Indonesian Migrant Workers, this activity is conducted through an online webinar. The webinar is designed to reach a broad audience under the organization, providing an accessible platform for financial education. The key objectives of the webinar are: (1) aiming to educate participants on saving methods to manage income and allocation that suit their profile. (2) to increase financial literacy, i.e. saving, budget allocation, macroeconomics factor such as interest rates, which is fundamental to help them make sound decisions to manage their income and set financial goal. (3) Equipping Participants with practical yet effective strategies and plan. (4) Currency Exchange risk: provide insights to lower exchange rate risk. This is due to their frequent transactions to home country rate (Rupiah).

To reach out more participants, the webinar is recorded and can be accessed anytime by the member of the organisation. This is to cater to the need of the participants who don't have flexibility due to their working hours and cannot join the live session. Even though they can't interact directly, should they have questions, they can submit it prior the webinar goes live. This method also provides continuous access to the educational content, thereby enhancing the overall financial knowledge and skills of participants. The anticipated outcome of this initiative is an increase in financial literacy and improved financial management practices, enabling them to achieve better financial stability and long-term goals. The rerun link is provided here: <https://fb.watch/vMJw9Y5OPP/>.

### RESULTS

Prior to the webinar, UPH team conducted a pre-test survey about savings concept presented in table 1 below.

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TABLE 1  
SURVEY RESULT OF PARTICIPANTS' SAVING BEHAVIOR AND KNOWLEDGE

No	Questions	% of participant answer correctly
1	When is the right time to save money?	100%
2	What is fixed expenses?	82%
3	What is emergency fund?	100%
4	Priority if one doesn't have emergency fund, savings, or investment, but have debts	65%
5	Receive salary in cash	52%
6	First thing to do after receive their salary <ul style="list-style-type: none"><li>- Transfer to family in Indonesia</li><li>- Put into saving accounts first, then transfer to family</li><li>- Keep it for themselves</li></ul>	<ul style="list-style-type: none"><li>- 85%</li><li>- 13%</li><li>- 2%</li></ul>

Source: author data

Based on the survey, almost all of them share the financial responsibility with their family, only 1 participants who can keep the income for him/herself. The challenge for one's who has family and dependents are at different level compare to single/not-married worker. It shows even more important of knowledge, plan, and strategy they must have, and ultimately the practice and habit one must implemented to have financial security and stability.

At the end of webinar, participants write their reflection and they have the action plan to apply the recommendation from this webinar on how to manage their income and do savings for their financial goals.

## **CONCLUSION**

The collaboration between the Faculty of Economics and Business UPH and Enrich Hong Kong through this webinar has demonstrated the crucial role of financial education in enhancing the financial literacy of Indonesian Migrant Workers in Hong Kong. By focusing on practical aspects of financial management, such as savings, budgeting, and currency exchange issues, the webinar successfully addressed key challenges faced by them. The interactive format allowed participants to engage deeply with the content, assess their current financial situations, and develop tailored strategies to improve their financial stability.

Overall, the initiative highlighted the importance of targeted financial literacy programs for migrant workers, who often face unique economic pressures and lack access to formal financial education. The recorded sessions ensure that the impact of the webinar extends beyond the live event, providing ongoing access to valuable insights. As participants implement the strategies learned, this program has the potential to significantly contribute to improved financial decision-making, fostering greater economic resilience and long-term financial well-being the workers and their families.

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