
Wise Behavior Models in Consuming Poor Farmers' Households

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Abstract

The background of this research is the existence of a household that is formed to maximize needs, welfare and happiness. Making the best decisions in economic matters is one of the skills that every household must have. This study uses a qualitative approach to the type of phenomenology. The location of this research is in Tlemang Village, Ngimbang District, Lamongan Regency. The selection of informants carried out in the study was carried out by various criteria using the purposive sampling technique. The data collection technique was carried out by interview, observation, and documentation with the informants who met the research criteria. Based on this research, it can be concluded that poor farmer households in Tlemang Village are wise in their consumption. It can be said that consumption is wise because households are not consumptive and manage harvests well, including recording expenses, having a priority scale in consumption, and budgeting funds. Farmer households in Tlemang Village feel prosperous when they can wisely manage their crops to meet their daily needs

Keywords: *Financial Literacy, Financial Management, Harvest, Wise, Consume*

INTRODUCTION

In fulfilling the necessities of life, money is never separated. Money is a legal means of payment used to carry out buying and selling transactions to fulfill one's life needs (Takiddin, 2004). Households in meeting the needs of their family will need money because by only exchanging the money, they can get what they want (Nawawi, 2013). Money has both positive and negative impacts on every household. One of the negative effects of money is that it can cause havoc when they cannot balance their income and expenses. Therefore, households at least have the understanding or knowledge of managing finances to create prosperity.

Financial management is an activity to regulate finances that must be carried out by each individual so as not to be trapped in economic problems, especially in the household economy (Krisna et al, 2010). According to Yuwono et al (2017) financial management is the ability that exists within a person starting with knowing, multiplying, and skillfully managing personal and family finances. Financial management is also defined as the science of finance to create maximum welfare (Lusardi & Mitchell, 2011). Each individual and group must adhere to properly studying financial management to manage personal finances (Yushita, 2017). With smart financial management skills, you can make decisions, so you can produce something consumptive, especially in consumption.

The low level of education possessed, especially in terms of managing household finances, can affect financial conditions and conditions. Through economic education, each individual will be able to be productive and economical in the utilization of the resources they have. wealth or finances owned by each individual and household must know its potential and benefits to fulfill the needs of life (Gross & Crandall, 1973). According to Elvyn (2004), household financial allocation can be divided into 3 parts, namely consumption, investment, and savings. This is what every household should be able to behave wisely in their daily

consumption. Wise behavior can be seen when each individual and household can record the expenses made, determine the priority scale and determine the spending budget to create family welfare (Otoritas Jasa Keuangan, 2017).

Careful financial planning can increase the perceived well-being of every household. The formation of an economy in the household has a goal, namely to maximize happiness, peace, needs, and welfare (Nuriyah, 2020). Accordance research conducted by Endrianti & Laila (2016) stated that in a household the most important thing to do is determine the priority scale when you want to do a consumption. Each household can determine the priority scale after which it makes a budget according to what is needed to meet the needs of its family. If when the funds have been budgeted they have an excess or surplus, the household can save or invest. Following the opinion given by Masithoh et al (2016) said that financial management is one of the right choices that every household must have. In managing household finances, it must be designed as well as possible so that there are no miscalculations (Yohanna & Maya, 2018).

There are several previous studies including research conducted by Nuriyah (2020) which states that many farmers are still ineffective in financial management and the use of their available sources of funds is inefficient. In addition, research conducted by Indriani et al (2020) with the results of the study stated that housewives in the village of Jailing tend to force themselves to consume without measuring their abilities. These problems move researchers to want to provide innovation by adding variables related to financial literacy and wise behavior in consumption. The contribution of the researcher in this research is to have a goal of doing a lesson in the field of public finance to be able to manage private funds for good consumption. Tlemang Village is one of the villages that has residents with most of their jobs as farmers. The results of observations made by researchers in Tlemang Village stated that farmers lacked understanding and knowledge related to financial literacy, but were wise in terms of managing finances for consumption. The lack of literacy possessed by these farmers can result in the income of the crops produced not being allocated properly. However, when viewed from a lifestyle to meet daily consumption needs, it is quite good. When the lifestyle is following the results it has, it will lead to prosperity for every household (Indriani et al., 2020). Most of the farming households in Tlemang Village use their harvests for capital, but some have bank loans because they are not enough. This income is the main source of income for farmers. Therefore, the harvest must be allocated as well as possible. In the opinion of Lawrence in Alsemgeest & Grobbelaar (2015) "The management of money is much more important than the number of money couples earn".

The importance of wise behavior in consuming to improve the welfare of life. Based on the background and some relevant research that has been described above, it encourages researchers to have wise behavior in consuming farmer households in Tlemang Village, Ngimbang District, Lamongan Regency.

RESEARCH METHODS

This study uses a qualitative approach to the type of phenomenology. The qualitative approach was chosen for the reason that this approach has a high level of criticism. The power of criticism possessed by a qualitative approach can provide more accurate research results. In this study, researchers used farmer households in Tlemang Village, Ngimbang District, Lamongan Regency as the main research subjects who were able to provide interpretations. Researchers will get some descriptive data in the form of written and spoken words from the informants who have been observed. Researchers reveal the problems related to how the behavior of farmer households in consumption. This research can be described and understood

when the researcher describes the data obtained from the interviews such as data and pictures supporting the research so that it can provide support for the descriptions that have been presented in the research report.

This study uses two sources of data, namely primary and secondary. Primary data is obtained from data collection by researchers directly from the first source. Researchers held face-to-face interviews with the informants who had been determined. Researchers use primary data because the information obtained from the informant directly will be more accurate. The second source is secondary. Where secondary data is collected through several literature studies from local village officials that can support primary data. For example, information will be more accurate about the location of the village obtained from a map of the location of the research area. Population data is related to economic information for households in Tlemang Village. The selection of informants in this research is using the purposive sampling technique. Selected informants, especially housewives with various characteristics have sources of income from harvesting and harvest holders.

RESULTS AND DISCUSSION

The data in this study is data where researchers analyze how financial literacy and wise behavior in consuming farmer households are. The results of the researcher's observations can describe the overall activities of the informants, namely as follows:

A. Model of Wise Behavior in Consuming

There are several differences between humans when it comes to managing their finances for consumption. When you want to feel the fulfillment of a need in a household, every household must be careful in processing the income they have. Some indicators can make loyal households wise in consuming them:

1) Financial Recording in Consuming

For the income of each farmer's household to be managed properly, the farmer household as much as possible to record the income and expenditure for consumption. The results of interviews and observations made by researchers said that many informants had recorded. If it is not recorded, it means that the informant is already familiar with the monthly expenses. The reason for the informants to record is so that the informant understands that the income that the informant has is used for any needs. As for the informants who record financially only expenses or income in large amounts, for example when buying jewelry (gold). This is evidenced by the informant's answer with the code w/inf3/120222/WN "Of course I write but sometimes it's just a big expense. If for daily expenses it is rarely written because I have targeted 25 thousand a day"

2) Deliberation with Partners in Determining Consumption

In domestic matters, a husband and wife, must be open and understand each other. Openness in the household must be carried out, especially in determining all joint decisions. If the joint decision is not carried out, it can lead to several problems, one of which can trigger quarrels and misunderstandings. When this is continued, it will become a barrier to harmony in the household. As stated by one of the informants with the code w/inf1/100222/SD said that the informant always discusses all family problems. According to the informant, a family must discuss with each other to decide anything. So that families understand each other's household conditions. informants are also afraid that if they do not

discuss with each other and there are problems, they will be confused. However, there was one informant who did not discuss family financial problems with his partner. So, it can be concluded that the results of observations with informants mostly stated that it was important to have discussions with partners so that they could regret family problems properly.

3) Determining the Priority Scale in Consuming

Each home has a different need. This causes the household to have and determine the priority scale for consumption. Every household is obliged to make an alternative and best choice to decide everything. Judging from the results of interviews with informants, they said that before meeting their needs and desires, they would first determine the priority scale of needs. As the answer given by one of the informants with the code w/inf7/110222/LA "yes, I buy what I need first, sis, if there is an excess, then buy another". This can represent everything that farmer households always determine and choose basic needs first.

4) Preparing for Future Risk

Having a decent life is the dream of every household. However, a decent life must be balanced with careful planning in meeting all the needs of life now and in the future. The needs that must be carefully planned include the need for food, clothing, shelter, health, and unexpected needs. With good planning, every household can have a decent life. Any risks that will occur in the future have been well thought out. as did the informants in the study, for example, the informant with the code w/inf1/100222/SD "There is but it is not in the form of money, because if savings are in the form of money, I think it will run out quickly. I usually just in case I will buy gold so that it can be saved for the future." The SD informant is one of the 10 informants studied who stated that they have plans for the future.

5) Allocating Harvest Results in Consuming

The importance of allocating crop yields in determining consumption behavior. Financial allocation is done so that every time you make an expenditure it can be seen how much is spent. The income earned must be allocated according to need. Each farmer's household certainly has a different way of allocating its finances. This is usually due to the influence of the surrounding environment, the size of the income, and the daily lifestyle. So have a habit of consuming various things. From the observations, it was found that the overall opinion of the informants was consumed according to their respective tastes. The informants always adjust to the income they have after being allocated. For GSYS, farmers' households live alone, even though they get a lot of profits, they will still be adjusted to the financial allocations that have been made.

B. Farmer Household Welfare

In achieving prosperity the household has different opinions. This is due to the satisfaction of each individual. Something that can provide welfare for each household, for example, the implementation of wise behavior in consumption (recording expenses, prioritizing, and budgeting funds) to fulfill family needs. In addition, there is an opinion that if you do not have debt, you are healthy and your basic needs are fulfilled, you will feel prosperous. As the opinion of one of the informants coded w/inf2/110222/SM "Yes, thank God, it's enough as long as it's not confusing to find food, I think I'm prosperous". The informant stated that he always budgeted his funds so that he would not be trapped in debt or

starvation and that he always felt prosperous with what he had. if asked related to whether according to the informants the opinion they have is sufficient to meet the needs. There are still many who say that no matter how much income you have if you follow a high consumption appetite, it will still be lacking. However, all the informants said that they had been happy with the life they were living.

The following is some evidence during interviews with respondents.



Picture 1 : Interview documentation

1. Model of Wise Behavior in Consuming Farmers' Households

The findings related to the wise behavior of farmer households in Tlemang Village stated that most of them were good. Wise behavior in consumption includes recording expenditures for consumption, making priorities, and budgeting funds. In managing the income of each household, it is well designed. This can have an impact on the consumption behavior of each household. This review is following the opinion expressed by Dwiastansi (2018) in his research which states that financial planning has good goals for achieving prosperity and prosperity in the family. According to farmer households, it was undeniable that doing good financial planning was very difficult at first. However, farmer households have felt for themselves that good financial planning can make it easier when doing any consumption. According to Hasusti (2016), if consumption activities are not well planned, they can consume the benefits and uses of production (goods and services).

According to Yohanna (2017), wise consumption is needed so that it can be planned as well as possible for economic activities (consumption, production, and distribution). Regarding wise behavior in consumption, the first is the recording of expenses for consumption. Many households have recorded their expenses. Some households do not record but with reasons for daily consumption, they are used to it and memorized it. Even though daily expenses are not recorded, they still record expenses of great value. Second, households determine the priority scale in making consumption. Every farmer's household in Tlemang Village always determines the priority scale in consumption activities. If the needs are not determined beforehand, it can hamper household economic activities. This statement is following the opinion of Subaida (2019) that there are several obstacles to

family finances, including when there is a lack of money, they will do debt, and the fulfillment of their needs is not fulfilled properly.

In financial budgeting for consumption, most farmer households have budgeted. Financial budgeting for household consumption of farmers in Tlemang Village is indeed not every day. Following the opinion of Nuriyah (2020) in her research, she said that after determining the priority scale, households must budget for consumption. Moreover, the harvest season is not carried out every month, so farmer households must be smart to manage their finances. This is following what was revealed by Priasmayanti (2016) that financial planning can be said to be very important so that personal and family finances can be well directed.

2. Farmer Household Welfare

From the findings of the study, farmer households that have wise behavior in consumption can be said to be prosperous. Farmers' households say that they are prosperous when they meet their daily needs, do not lack, do not starve, get sick, and do not have debts. If the household is wise in consuming such as recording expenses, determining priority scales, and budgeting family finances, it will definitely not have difficulty meeting needs. Fulfillment of needs is a key indicator for well-being in the household. Welfare in material terms, namely the size of the income owned by the household can meet the needs and wants. In accordance with the stated Sidiq (2015) in his research one of the indicators of the cause of welfare is income.

When a farmer's household does not have dependents such as debt, then living in a household becomes calm and peaceful. The allocation of income owned by households is done as well as possible so that they do not have debt. According to some farming households, it is okay to live a simple life as long as there is no shortage of food and debt. If a farmer's household has debt, it will be confused for fear of not being able to pay off the debt. Therefore, wisely consuming and managing household finances can improve family welfare. The opinion of Wahyono (2001) in his research said that there are several strategies for meeting the needs of households to be prosperous, namely limiting the provision of funds. Households can do this by increasing their education or opening a side business. In this study, every household has made efforts to survive and prosper.

CONCLUSION

Based on research conducted on financial literacy and wise behavior in consuming farmer households, it can be concluded as follows; Farmer households in Tlemang Village are wise in managing harvest income for consumption. It can be said to have wise behavior because in a consuming household farmers are not consumptive. Farmer households record expenses even though some do not. However, it still records a large amount of expenditure. In addition to recording expenses, farmer households also determine the priority scale of needs and budget the necessary funds. Households determine the priority scale from the most needed needs to future needs. Households also make a list of budget funds to reduce less important expenses. This is done by farmer households to achieve the desired welfare, namely not going hungry, lacking, and far from debt. Farmer households are already feeling prosperous. It can be said to be prosperous because so far I have never felt hunger or lack of food. In addition,

farmer households are always grateful because they do not have a forest and are healthy. According to the farmer's household, it can be said that it is prosperous due to several things.

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