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## The Effect of Financial Planning in Family Financial Well-Being Among Marginalised Communities at The City of Makassar

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### Abstract

Qualitative research using a phenomenological approach. The results of the study show that financial planning plays an important role in improving the welfare of marginalised families in Makassar City, who generally have low and irregular incomes, by organising income according to priorities, controlling expenditure, distinguishing between needs and wants, and building an emergency fund to deal with financial risks such as illness or job loss. Through disciplined planning, families can avoid wasteful spending, steer clear of high-interest debt, utilise income for business capital, and improve financial literacy, which in turn enhances financial awareness. Although its implementation is still constrained by low income, literacy, access to financial services, and a consumptive culture, this strategy has proven capable of strengthening economic resilience, opening up opportunities for increased income, and gradually realising long-term goals such as children's education or home ownership.

**Keywords:** Planning, Finance, Family, Welfare, Marginalised

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### 1. Introduction

Family financial well-being is one of the key indicators in measuring the quality of life of a community. Financial well-being not only encompasses the ability to meet basic needs such as food, clothing, and shelter but also includes the ability to manage income effectively, have savings, invest, and anticipate future financial risks. For families, especially those in marginalised communities, proper financial management is crucial to their survival and improvement in welfare.

Marginalised communities in Makassar City generally belong to low-income groups, work in the informal sector, and have limited access to economic resources and formal financial services. This situation makes them vulnerable to economic shocks such as increases in the price of basic necessities, job losses, or sudden expenses due to illness. In such situations, financial planning becomes critically important. Without proper planning, families risk getting trapped in a cycle of poverty that is difficult to break.

Financial planning is the process of systematically organising and managing finances to achieve financial goals, both short-term and long-term. This concept includes managing income, controlling expenses, allocating funds for savings and investments, and protecting against risk through insurance or other forms of protection. In the context of marginalised communities, financial planning presents its own challenges. Unstable income, low financial

literacy, and limited access to financial products are factors that hinder the optimal implementation of financial planning.

In Makassar City, the phenomenon of financial instability among marginalised families is evident in the high number of informal sector workers, such as street vendors, daily labourers, motorcycle taxi drivers, and domestic workers. Most of them manage their finances spontaneously without a structured plan. Expenses are often made based on urgent needs, while savings are rarely a priority. As a result, when faced with sudden needs such as children's education costs or healthcare expenses, they are forced to take out loans, even at high interest rates, which only worsen their financial situation.

Various studies show that good financial planning can improve the financial well-being of families, even those with low incomes. With financial planning, families can manage their income more wisely, reduce unnecessary expenses, and allocate funds for more productive purposes. Careful planning also helps families build emergency funds so that they are more resilient to future financial risks.

However, the implementation of financial planning among marginalised communities is often hampered by low financial literacy. Many families do not understand the importance of financial record-keeping, budgeting, or saving strategies. In addition, there is still a perception that financial planning is only relevant for those with high incomes, when in fact it is low-income groups who most need measurable planning to avoid financial crises.

The government and various non-governmental organisations in Makassar have actually implemented various financial literacy programmes, such as small business management training and savings education. However, the impact has not been evenly distributed due to limitations in coverage and the intensity of assistance. Most marginalised communities still rely on traditional and undocumented financial management practices, making it difficult to evaluate the effectiveness of spending and the achievement of financial goals.

In addition to literacy factors, the influence of a consumerist culture also poses a challenge. Some members of the community prioritise fulfilling lifestyle needs or immediate consumption over allocating funds for savings or investments. This is often influenced by social pressure, environmental habits, or a lack of awareness regarding the importance of long-term financial stability. In this context, financial planning can be a tool that guides financial behaviour towards a more rational and future-oriented direction.

The geographical conditions and economic development of Makassar City also influence the welfare dynamics of marginalised communities. As one of the metropolitan cities in eastern Indonesia, Makassar has experienced rapid economic growth, but the gap between high- and low-income groups remains wide. Without appropriate intervention, marginalised families will fall further behind and find it difficult to escape the cycle of economic limitations.

Given these conditions, it is important to examine the impact of financial planning on the financial well-being of families in marginalised communities in the city of Makassar. This research is expected to provide a clear picture of the extent to which financial planning can improve the economic resilience of marginalised families. In addition, the results of this research can also serve as input for the government, financial institutions, and other related parties to design more effective financial literacy programmes that are in line with the conditions and needs of marginalised communities in Makassar.

With a deeper understanding of the relationship between financial planning and financial well-being, it is hoped that strategies will be developed that can empower marginalised families, promote economic independence, and ultimately reduce financial vulnerability among low-income communities. These efforts will not only improve the quality of life for families, but also contribute to the achievement of inclusive and sustainable economic development in the city of Makassar.

## **B. Problem Formulation**

1. What is the relationship between financial planning and welfare? Family finances in marginalised communities in the city of Makassar
2. What are the strategies for financial planning for welfare? Family finances in the city of Makassar
3. What are the advantages and disadvantages of financial planning for family financial welfare in communities in the city of Makassar?

## **2. Literature Review**

### **A. Financial Planning**

Financial planning is very important in a family, because in order to manage family finances well, good financial planning is also necessary. If financial planning is good, then a family will no longer be confused if the economic situation changes because finances have been planned well, which means that a plan has been prepared for what to do if the economy is unstable.

According to Taufik Hidayat, financial planning is the process of planning finances to achieve financial goals. According to Aulia, in principle, financial planning is to help and facilitate every family in determining the flow of money in and out of the family. The function of family financial planning is to plan for the future as early as possible to achieve the desired financial goals through planned, organised, and wise financial management.

According to Lai and Tan, success, prosperity, or financial happiness can be achieved through good family or personal financial planning. Therefore, financial planning is essential to achieve family prosperity, success, and happiness. Massaya in Ika states that family financial planning is a strategy for achieving short-term, medium-term, and long-term family financial goals.

Fitria Adi W and Rosemarie Sutjiati (state that financial planning is necessary because everyone basically has uncertainty, namely fear of the future of their financial life, because life is essentially uncertain and no one is able to prevent accidents, suffering and hardship, as well as pursue luck and good fortune. Financial planning will provide options for facing the future. In Rahmawati Dian Pratiwi's research, financial planning also has several objectives, namely: short-term, medium-term, and long-term objectives. Short-term goals are intended to address risks or for unexpected emergencies, medium-term goals are aimed at fulfilling our desires, such as purchasing a home, and long-term goals are for long-term needs, such as children's education and other such matters. According to Trifena Maria Istrilista, family financial planning simply involves how much income is received, how much is spent on consumption to meet the needs of each family member, and how much is saved to achieve family financial goals. Goss, as cited by Rita and Santoso, states that to achieve optimal results when conducting financial planning, a financial planner must:

- a. Set measurable financial goals with a time frame. Each goal that has been set will have certain consequences for the cash flow that will be generated.
- b. Periodically review your financial condition. Financial goals may change over time due to changes in a person's lifestyle, such as marriage, promotion, or having children.
- c. Start planning as early as possible. Developing good financial planning habits, such as saving, budgeting, investing, and regularly reviewing, can help a person adapt to changes in life and manage emergencies.
- d. Financial goals must be realistic. Achieving financial goals requires a lengthy process due to uncertainties and risks such as inflation, stock price fluctuations, and changes in interest rates, which can impact the outcomes of financial planning.
- e. Achieving financial goals requires effort. Therefore, financial planning does not end with the planning itself.

Many factors can influence personal and family financial planning. According to Lusardi and Mitchell, financial literacy can be defined as financial knowledge with the aim of achieving prosperity. With good financial literacy knowledge, it will be easier to consider decisions, especially in the financial sector. Not only the level of knowledge, but various demographic factors can also influence families in their financial planning. Lai and Tan explain that an individual's circumstances can influence personal or family financial planning decisions, such as: a. Income level b. Age c. Gender d. Education Based on the theories above, which highlight numerous factors influencing family planning, the author has selected several factors to serve as variable X that can influence family financial planning, namely: a. Financial literacy b. Education level c. Income The reason the author chose these three factors is that, at present, in Banjar Balam Village, these three factors are particularly prominent for research. The lack of education and knowledge about financial literacy, as well as the diverse income levels of the community in Banjar Balam Village, have prompted the author to investigate these three factors.

## **B. Family Financial Planning**

Financial planning, as defined by the Certified Financial Planner, Board of Standards, Inc, is the process of achieving one's life goals through planned financial management. Life goals may include buying a house, saving for children's education, or planning for retirement. Financial planning is a science that involves the study of finances by systematically and conceptually organising various financial attributes, both in the short and long term. Financial planning is the process of planning finances as early as possible to achieve a certain level of economic satisfaction in life. According to Aulia, fundamentally, financial planning is about helping families establish and manage the flow of money within the household. The function of family financial planning is to plan for the future as early as possible to achieve desired financial goals through planned, organised, and wise financial management. Everyone has different incomes, needs, and expenses. Of course, single people have different financial issues than married people. Basically, what needs to be considered in managing finances, whether single or married, is how to manage income so that it can be set aside for savings and investments. Good financial management is related to a person's commitment to themselves to realise their future goals, as well as prioritising the fulfilment of their most important needs.

When planning your finances, it is very important to pay attention to the financial planning process, which consists of five logical procedures in the following order:

- a. Determine your financial goals Determine your financial goals using SMART (Specific, Measurable, Achievable, Realistic, and Time-bound).
  - 1) Specific means that we must be able to imagine our goals in detail. For example, for children's education funds, someone must already estimate the cost of attending a renowned university, and for retirement funds, we must already be able to imagine how we want our lives to be in our old age.
  - 2) Measurable means that it can be measured, in this case using currency as the measuring tool. For example, if we want to plan for an end-of-year holiday, we must estimate how much money will be needed for the holiday.
  - 3) Achievable means it can be attained. To avoid setting unrealistic goals, financial goals should be aligned with our financial capabilities.
  - 4) Realistic means our goals are reasonable, not unrealistic fantasies that cannot be achieved in the real world.
  - 5) Time Frame means we must choose a clear timeframe to achieve them. For example, for children's education funds, we must clearly know when the child will enter university and so on.
- b. Analyzing Current Financial Conditions After formulating the financial goals you want to achieve; the next step is to determine your current financial position.

The current financial situation relates to income, expenses, living costs, cash flow, debt, assets, and other factors. Knowledge of the current financial situation can help a person decide which needs to prioritise based on the current conditions. The first thing to consider when creating a financial plan is to understand the current financial situation, including primary income, additional income (if any), whether expenses are increasing or not, and so on. By understanding the current financial situation, one will think more carefully about expenses, thereby minimising unnecessary costs in household needs.

Creating a Financial Plan There are two steps to creating a financial plan: creating a personal/family income and expenditure budget. In general, a budget is divided into two parts, namely income and expenditure. After compiling a list of income that can be obtained, allocate expenditure for each expenditure item that has been compiled and don't forget to include savings and investments for expenditure items. And creating a financial plan to achieve the financial goals we have previously set by investing. Everyone has aspirations or goals they want to achieve in life. For example, performing the Hajj at the age of 40 or sending their children to a prestigious university. Of course, these financial goals must be specific, measurable, and realistic so that the timeline for achieving them is clear. Financial goals should be considered at the outset so that the goals and aspirations you wish to achieve can be carried out according to the initial plan that has been calculated. For example, for the Hajj at the age of 40, the amount to be saved each month is Rp X, so that Financial planning has several objectives, namely:

- a. Financial planning and control are formulated and designed with the aim of minimising future risks.
- b. Financial planning and control must be based on the concepts of targets or priorities that are to be achieved.
- c. Financial planning and control that is well-designed and properly implemented.
- d. Effective financial planning and control can provide the ability to detect various events that occur.

In general, there are three categories of financial planning time frames:

- a) Short-term financial planning is financial planning made for a period of 1 (one) year or 12 (twelve) months. It is intended to mitigate risks or for unexpected emergencies such as health issues and so on.
- b) Medium-term financial planning: Financial planning created over a period of 1 (one) to 5 (five) years. It is aimed at specific goals such as purchasing a home and so on.
- c) Long-term financial planning Financial planning made for a period of more than 5 (five) years, usually 10 (ten) to 15 (fifteen) years or more.

Intended for children's educational needs and so on. 19. In addition, the purpose of financial planning is to minimise risks that may arise in the future that are not planned for, such as natural disasters that we cannot predict. Few people realise that if they have been saving money, they have already been practising simple financial planning, as saving is also part of financial planning. Whether saving through financial institutions or traditionally using piggy banks and the like.

### **C. Marginalised Communities**

Marginalised communities are groups that are consistently excluded from various aspects of life, such as gender, biology, religion, economics, ethnicity, language, culture, and others. Here are some examples of marginalised communities that are excluded from various aspects of life. First: Street vendors, who sell goods in front of shops or on the streets for pedestrians along busy roads. The space they use is narrow, approximately 2.5 feet (five feet), and over time, this selling space has become the name of the group of street vendors. Street vendors play at least three important roles: as providers of basic necessities for the less fortunate at affordable prices, as employers, particularly of unskilled or uneducated workers who have migrated to cities due to uncontrolled urbanisation. Another role is as a link in the marketing chain, specifically as retailers. Based on these three important roles, street vendors are the mainstay of community life, especially in cities. This role is also carried out by itinerant vendors.

Second: Beggars are people who ask for money. Beggars are also defined as people who are unable to perform any form of work to earn money and are therefore forced to ask others for money. Begging was originally done only to meet daily food needs and not for savings, but nowadays begging is used for specific purposes. Thus, this behaviour seems to exploit the marginalisation of certain groups to obtain greater material gains. Based on this phenomenon, the definition of a beggar can shift to 'a profession that deliberately evokes pity or threatens others so that they are given money.' This shift in definition occurs due to current facts or phenomena among certain groups of beggars. Such phenomena include: the organisation of beggars, with earnings from begging reaching levels comparable to other professions, such as doctors, teachers, and others, and even exceeding them, thereby becoming a primary source of income. Additionally, another phenomenon is the daily morning pick-up at a certain bridge, followed by a return pick-up at the same location in the evening. Some beggars are willing to go to great lengths to elicit sympathy from others, even going so far as to pretend to be mentally ill, dress like people with disabilities (such as being unable to walk, using a wheelchair, and so on), and pretend to be collecting donations for an orphanage, mosque, Islamic boarding school, or other organisation. Some groups of beggars have made preparations, such as wearing ragged clothing (due to rules prohibiting the use of nice clothes) or carrying infants, even if they are not their own children.

Third: Street performers. Street performing is carried out by various types of people with different motivations. There are adults, people with disabilities (usually blind), art lovers, children, and others. Their motivations also vary; some genuinely seek to earn money to sustain their livelihoods, while others simply aim to express their artistic spirit through singing and playing music. In a private television station programme, there is an event where artists busk, with the proceeds from their performances intended to assist those in need. In this article, street performers who fall under the category of marginalised society are those who roam around seeking money to sustain their lives through singing, playing music, or dancing. However, certain individuals exploit the situation of street performers to seek profit or obtain more money from their performances, such as by wearing costumes and appearing like transgender individuals. Therefore, to determine whether a street performer belongs to the marginalised group or not, it is necessary to further investigate their circumstances and motivations for performing.

Fourth: Street vendors are traders who sell food, drinks, or other goods on public transport, at road intersections, and in some cases by offering their wares in the hope that someone will buy them. The people who become street vendors often do so because they have no other options. This is due to their limited educational background and skills, which prevent them from securing employment in available job openings. Therefore, they must sustain their livelihoods and meet the needs of their families, leading them to seek income by becoming street vendors.

Fifth: Street children are those who live on the streets, namely children under the age of 18 (eighteen) who spend part of their time on the streets and in public places, including vulnerable children who work on the streets, children who work on the streets, or children who work and live on the streets and spend most of their time carrying out daily activities. Every child has rights; children's rights are part of human rights that must be guaranteed, protected, and fulfilled by parents, families, communities, governments, and the state. The protection of children must adhere to several principles, including: 1) non-discrimination, 2) the best interests of the child, 3) the right to life, and 4) respect for children. This is achieved through various efforts: prevention, outreach, fulfilment of rights, and/or social reintegration. Social reintegration is the process of returning a child to their family, a foster family, or society so that the child can perform their social functions properly, just like other children.

Sixth: The disabled community, disabled comes from the word different ability, which means having different abilities. The differences in abilities of the disabled community are due to several causes, such as physical differences from birth or due to accidents. This condition causes them to have physical weaknesses, such as blindness, physical disabilities, speech impairments, hearing impairments, and others. Although they may have physical limitations compared to others, they often possess greater sensitivity than non-disabled individuals. However, their rights as citizens are sometimes not adequately protected. For example, public facilities often lack services tailored for people with disabilities, such as accessible education or schools, public transportation, and public restrooms. As a result, they frequently cannot access the rights they are entitled to as citizens.

Seventh: The waria and transgender community is one of the Lesbian, Gay, Bisexual, Transgender, Intersex, and Queer (LGBTIQ) groups. The term waria comes from the words wanita (woman) and pria (man), referring to people who have gender uncertainty or gender tendencies that differ from their physical characteristics. Therefore, they often appear different

in their behaviour and physical appearance. This is not their choice, but a condition they must live with in their daily lives. As a result, they face many difficulties, such as in practising their religion for those who are Muslim. They also often experience unwanted treatment, such as harassment and discrimination. This situation marginalises their lives, making it difficult for them to access their rights as citizens of Indonesia; for example, they struggle to find decent employment or adequate income. According to several psychological studies, transgender individuals do not suffer from psychological or mental disorders. Therefore, their condition cannot be treated or counselled through psychological means. Since this community also has the right to live as citizens, people outside the transgender community need to understand the challenges faced by transgender individuals and treat them like everyone else. This way, they can overcome their life difficulties and live comfortably like everyone else.

Eighth: Religious Minority Groups, people who hold religious beliefs that are not widely embraced by the majority population, are classified as members of religious minority groups. In addition to religion, this also includes sects (tarikat) within a religion that do not have many followers or adherents. Due to their small numbers, they sometimes face certain treatment and difficulties in freely expressing their religious beliefs or faith.

### **3. Research Methodology**

Qualitative research using a phenomenological approach

### **4. Discussion**

#### **A. The relationship between financial planning and welfare. Family finances among marginalised communities in Makassar**

Financial planning is a systematic process of managing income, expenses, savings, and investments to achieve family financial goals. For marginalised communities in Makassar, most of whom live on limited and uncertain incomes, financial planning plays a very significant role in determining the level of family welfare. The relationship between the two can be understood through various interrelated aspects.

##### **1. Effective Income Management**

Marginalised communities in Makassar City generally work in the informal sector, such as street vendors, pedicab drivers, small-scale fishermen, daily labourers, or domestic workers. Their income is often unstable, so proper management is key to ensuring that basic needs are met. With financial planning, income can be allocated according to priorities, such as basic needs, education costs, health, and emergency savings. Without planning, spending tends to be uncontrolled and money runs out before important needs are met. This situation shows that financial planning is directly related to a family's ability to maintain financial stability.

##### **2. Controlling Expenditures and Avoiding Excessive Consumption**

One common problem faced by marginalised families is the difficulty of distinguishing between needs and wants. A culture of consumption, even among low-income groups, can still arise due to environmental influences or emotional impulses. Financial planning helps families prioritise their expenditures and refrain from unnecessary purchases. In Makassar, this phenomenon is evident, for example, in spending on non-

essential needs such as large celebrations or the purchase of consumer goods on instalment plans. Without planning, this spending often sacrifices funds for basic needs. The relationship seen here is that the more disciplined the financial planning, the better the family's ability to avoid waste and maintain its financial well-being.

### **3. Building an Emergency Fund and Dealing with Financial Risks**

Marginalised families are vulnerable to financial risks, such as job loss, illness, or natural disasters. Without savings or reserve funds, they are often forced to borrow money at high interest rates, which worsens their financial situation. Financial planning allows for the allocation of a portion of income to an emergency fund, even if the amount is small, as long as it is done regularly. In Makassar City, cases of families trapped in debt to loan sharks are quite common, especially among marginalised communities that lack financial preparation. There is a clear correlation between financial planning and strengthening a family's resilience to risk, so that their welfare is not easily disrupted by urgent circumstances.

### **4. Improving Access to Economic Opportunities**

Financial planning is not only about survival, but also about opening up opportunities for family economic improvement. With good management, part of the income can be used for small investments or business capital, such as expanding a market stall or purchasing work equipment. Many marginalised families in Makassar have successfully increased their income after implementing disciplined financial management, for example by saving to buy a sales cart or sewing machine. This shows that financial planning can serve as a bridge from subsistence to better well-being.

### **5. Improving Financial Literacy and Awareness**

Financial planning is closely related to financial literacy. The more often families create budgets, record expenses, and evaluate the results, the higher their awareness of the importance of money management. In marginalised communities in Makassar, many people still think that financial planning is only for high-income earners. However, research shows that low-income groups are actually the ones who most need measurable planning to avoid debt traps and financial instability. This relationship is two-way: financial planning improves literacy, and increased literacy makes financial planning more effective.

### **6. Impact on Family Financial Well-being**

Financial well-being includes a family's ability to meet basic needs, have savings, reduce debt, and achieve long-term goals such as children's education or home ownership. With financial planning, families can develop strategies to achieve these goals gradually. In Makassar, marginalised families who have a habit of setting aside part of their income for education savings are proven to be better prepared to finance their children's schooling without having to go into debt. Conversely, families without planning often have to take detrimental emergency measures, such as selling assets or borrowing money.

### **7. Challenges in Implementation among Marginalised Communities**

Although the relationship between financial planning and financial well-being is clear, its implementation among marginalised communities still faces significant challenges. Factors such as low and unstable income, limited access to formal financial services, low literacy rates, and the influence of consumerist culture are the main obstacles. Nevertheless, targeted mentoring and education programmes can help marginalised families understand that financial planning is not just theory, but a practical necessity that can improve their quality of life.

## **B. Strategy Financial planning for welfare. Family finances in the city of Makassar**

Financial welfare is a goal that every household wants to achieve, whether they belong to the middle class or a marginalised community. In the city of Makassar, which has considerable economic and social diversity, financial planning strategies are a determining factor in maintaining income stability, meeting basic needs, and planning for the future. Financial planning is not merely recording income and expenses, but includes careful management and wise financial decision-making. The following are relevant strategies for improving family financial well-being in the city of Makassar.

### **1. Set Clear Financial Goals**

The first strategy is to set specific, measurable, realistic, and time-bound financial goals. These goals can include short-term needs such as paying for children's school fees, medium-term goals such as buying a vehicle or expanding a business, and long-term goals such as owning a home or saving for retirement. For families in Makassar, clear goals will help focus the use of funds and avoid expenditures that do not support the achievement of those goals.

### **2. Creating a Realistic Household Budget**

Budgeting is the core of financial planning. A budget helps allocate income to various categories, such as basic needs, savings, investments, and entertainment. General principles like 50-30-20 (50% basic needs, 30% wants, 20% savings/investments) can serve as a starting guide, though they need to be adjusted to the family's income conditions. In Makassar, where living costs vary depending on location and type of work, a realistic budget will prevent monthly financial deficits.

### **3. Record and Evaluate Expenses**

Without proper record-keeping, families will find it difficult to know where their money is being spent. Recording daily, weekly, or monthly expenses helps evaluate whether spending is in line with the plan. Many families in Makassar find it helpful to use simple methods such as a notebook or free financial app on their mobile phones to track their expenses. Regular evaluation allows families to identify wasteful spending and allocate funds more efficiently.

### **4. Setting Aside Emergency Funds**

Another important strategy is to build an emergency fund that ideally covers 3–6 months of living expenses. This fund is used to deal with urgent situations such as illness, job loss, or sudden repairs. In Makassar, where most marginalised families have daily or weekly incomes, setting aside an emergency fund may seem difficult, but it can

start with small, consistent amounts. Having an emergency fund reduces reliance on high-interest loans that can damage financial well-being.

### **5. Manage Debt Wisely**

Debt can be helpful when used for productive purposes, such as business capital, but it becomes a burden when used for excessive consumption. Financial planning strategies include limiting the amount of debt, choosing low-interest loan sources, and establishing a clear repayment plan. Families in Makassar should avoid debt from informal sources such as loan sharks who charge high interest rates, as this can lead to long-term financial problems.

### **6. Saving and Investing**

Saving is the first step in building prosperity, while investing helps grow the value of money. For low-income families, investing can start with simple forms such as gold or term deposits. In Makassar, several microfinance institutions and cooperatives provide affordable savings and investment products that families can use to maximise the growth of their assets.

### **7. Improving Family Financial Literacy**

Financial planning strategies will not work optimally without adequate knowledge. Financial literacy helps families understand the concepts of money management, investment, savings, and financial risk. The Makassar City Government, together with private institutions, often holds financial literacy training sessions. Participating in such activities helps families gain new insights to improve their household financial management.

### **8. Diversifying Income Sources**

Reliance on a single income source increases financial risk during a crisis. A good financial planning strategy includes efforts to increase income sources, such as through small businesses, side jobs, or utilising family skills. In Makassar, many families take advantage of these opportunities by opening home-based culinary businesses, selling online, or becoming online ride-hailing partners to increase their income.

## **C. Advantages and disadvantages of financial planning on the financial welfare of families in Makassar**

Financial planning is a strategic step in regulating and managing financial resources so that family needs can be met sustainably. In Makassar City, which is the centre of economic growth in eastern Indonesia, the socio-economic conditions of its residents vary considerably, ranging from high-income groups to marginalised communities. In this context, financial planning plays an important role in supporting family welfare, but it also has limitations that need to be considered.

### **Advantages of Financial Planning**

#### **a. More Focused Income Management**

Financial planning helps families in Makassar to allocate their income according to their priorities. By drawing up a budget, families can ensure that basic needs such as food, education, and health are met before allocating funds for secondary needs. This prevents waste and ensures that every rupiah is used effectively.

#### **b. Increased Financial Stability**

Another advantage of financial planning is the creation of financial stability. With the regulation of expenses, savings, and investments, families are better prepared to face sudden needs without having to rely on high-interest loans. This stability is very important in Makassar, where the cost of living continues to increase along with the city's development.

#### **c. Minimising Financial Risk**

Financial planning usually includes setting up an emergency fund and managing debt wisely. This step reduces financial risks that can disrupt family welfare, such as job loss, illness, or disaster. Families with reserve funds will be better able to maintain their quality of life in difficult situations.

#### **d. Helping Achieve Financial Goals**

Good planning enables families to achieve short-term, medium-term, and long-term financial goals. In Makassar, many families utilise financial planning to achieve goals such as buying a home, funding their children's education, or starting a small business.

#### **e. Increasing Financial Awareness and Literacy**

Families who are accustomed to financial planning tend to have better financial literacy. They better understand the importance of managing money, saving, and investing, so they can make wise financial decisions.

### **Weaknesses in Financial Planning**

#### **a. Limited Income and Economic Uncertainty**

One of the main weaknesses of financial planning implementation in Makassar City, especially for marginalised communities, is limited income. Many low-income families find it difficult to implement financial plans because their income is only sufficient to cover daily needs. Unstable income, such as that of informal sector workers, also makes it difficult to implement financial planning consistently.

#### **b. Low Financial Literacy**

Although financial planning improves literacy, the initial problem is the community's low understanding of money management. Many families are not accustomed to recording their expenses or making budgets, making financial planning difficult to implement. Low literacy also leads some people to believe that financial planning is only for the wealthy.

#### **c. The Influence of Consumer Culture**

In Makassar, consumer culture is often an obstacle. A lifestyle that follows trends or social pressure to meet certain standards can cause families to ignore their financial plans. For example, large expenditures for celebrations or the purchase of consumer goods can disrupt planned budgets.

#### **d. Lack of Access to Formal Financial Services**

Some communities, especially those in suburban areas or with low incomes, have limited access to banks, official cooperatives, or financial products such as insurance. Without this access, implementing financial planning strategies such as regular saving or investing becomes difficult.

#### **e. Low Discipline and Consistency**

Financial planning requires discipline to adhere to it. A common challenge is the temptation to use savings for non-priority needs or to ignore the budget that has been set. In Makassar City, this factor is a common cause of failure in family financial planning.

#### **f. Low Discipline and Consistency**

Financial planning requires discipline to adhere to it. A common challenge is the temptation to use savings for non-priority needs or to ignore the budget that has been set. In Makassar City, this factor is a common cause of failure in family financial planning.

### **5. Conclusion**

Financial planning plays a crucial role in improving the welfare of marginal families in Makassar City, who generally have low and unstable incomes, by helping to organise income according to priorities, controlling expenditures, distinguishing between needs and wants, and establishing an emergency fund to face financial risks such as illness or job loss. Through disciplined planning, families can avoid waste, escape from high-interest debt, utilise income for business capital, and enhance financial literacy, which impacts financial awareness. Although its implementation is still hindered by low income, literacy, access to financial services, and a consumerist culture, this strategy has proven capable of strengthening economic resilience, opening up opportunities for income enhancement, and gradually realising long-term goals such as children's education or homeownership.

The financial welfare of families in the city of Makassar, which has high socio-economic diversity, can be improved through financial planning strategies that include setting clear financial goals, preparing realistic household budgets, recording and evaluating expenditures, and setting aside emergency funds to face unexpected situations. In addition, wise debt management, saving and investing habits, improving financial literacy, and diversifying income sources are important steps to maintaining stability and developing family assets. By implementing these strategies consistently and with discipline, families in Makassar—including marginalized communities— can be better prepared to meet basic needs, avoid high-interest debt traps, and prepare for a more prosperous future.

Financial planning is a strategic step in managing financial resources to ensure that family needs are met sustainably, and in the city of Makassar, this is important considering the diverse

socio-economic conditions of its residents. The advantages include aiding in directed income management, increasing financial stability, minimizing financial risks, supporting the achievement of financial goals, and enhancing financial literacy and awareness. However, its implementation still faces various weaknesses, such as limited income and economic uncertainty, low financial literacy, the influence of consumerist culture, limited access to formal financial services, and low discipline and consistency in executing plans. The combination of these factors makes the effectiveness of financial planning in improving family welfare in Makassar highly dependent on economic conditions, access to information, and the commitment of each family.

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