

# Household Financial Management in Phenomenology Perspective: A Case Study on a Fisherman Family in Kupang City

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**Abstract**— The fishing community is a community whose livelihood is catching fish. This activity is carried out actively if in the summer when the weather or climate is also supportive. On average, these small fishermen are more focused on meeting the needs of daily life and there is no priority scale for future needs due to a lack of understanding about managing finances so that most of the money is used for living necessities. The problems that are often faced by fishermen's families in relation to financial management consist of general problems and specific problems. Of the 30 respondents, those who have done family financial management only ranged from 10% to 26.67%. The impact of poor financial management of fishermen's families is the mindset of fishermen's children who do not develop and old age problems are not guaranteed by pensions, so it is important to improve family financial management which includes financial planning, distinguishing wants and needs, saving and investing.

**Keywords**— *Financial Management, Household, Phenomenology*

## I. INTRODUCTION

The fishing community is a community whose livelihood is catching fish. This activity is carried out actively in the summer when the weather or climate is

also supportive. However, if the weather or climate is unfavorable, the fishermen's activities will be temporarily suspended to avoid the risk of sea storms. Of course this is very influential on the income of fishermen. Meanwhile, household needs will definitely continue to run but are not matched by sustainable income, so this is very disturbing their household financial management.

According to Martono (2018), management is the art of getting things done through other people. Getting something done here is everything that needs to be done to achieve a certain goal. Gitosudarmo and Indriyo (2000), pointed out that basically management activities include POAC activities, namely Planning, Organizing (the process of ensuring that planning is in accordance with resource objectives), Actuating (actions to facilitate the planning process) and Controlling (controlling and evaluating).

Household financial management is the art of financial management carried out by individuals or families through other people to achieve efficient, effective and useful goals, so that the family members become prosperous and *sakinah* families. mostly in 3 sub-districts where the number of full-time fishermen is much higher than that of full-time fishermen and additional casual fishermen [4]. These fishermen after catching fish they usually sell to first-level consumers or second-level producers. In daily life, the fishermen certainly spend money for their fishing needs and also every day there will be income from the fish they

catch. In fact, the household financial management of fishermen and in general is the same, that is, apart from the needs of daily life, it is also necessary to think about the allocation of savings, investment and insurance as well as reserve funds. On average, these small fishermen are more focused on meeting the needs of daily life and there is no priority scale for future needs due to a lack of understanding about managing finances so that most of the money is used for daily needs. The difficulties of life require that every household must be able to manage its finances so that it can bring its family into a family that is well-off and financially prosperous. The purpose of this study is to determine the important role of financial management

in the household. The urgency of the research is the implementation of research in the hope of finding a way out of good family financial management, especially for fishing families in the city of Kupang.

## II. LITERATURE REVIEW

### 2.1 *Financial Management*

According to Sundjaja Ridwan S. and Inge Barlian [5] financial management is a field of finance that applies financial principles in a corporate organization to create and maintain value through decision making and appropriate resource management. Financial management is the management of the financial function which consists of investment decisions, funding, and asset management decisions. The functions of financial management [2] include POAC, namely Planning (the planning process), Organizing (the process of ensuring that planning is in accordance with resource objectives), Actuating (actions to facilitate the planning process) and Controlling and evaluation.

### 2.2 *Household Financial Management*

Household financial management is a way of managing family finances regularly and carefully through the stages of planning, implementation, and monitoring/ assessment. This management skill is very critical for every family, because whether or not the family's income is sufficient, depends on the way to manage the family economy. Without knowledge of financial management, especially financial planning, the family economy can be "topsy-turvy", so that family life becomes uneasy and family welfare is not achieved. A further consequences can result in family problem. It is also essential to consider the importance of the ownership of money in a family. Ashby & Burgoyne [3] states that for women in particular, they found that having money that was defined as 'mine' versus 'ours' was an important source of economic independence.

An orderly economy is one of the requirements in achieving peace of mind for all family members. Therefore it is necessary to strive, especially for housewives as the holder of family finances to always be wise in meeting the needs of their families. Financial management is very important, because:

1. Money as a fulfillment of needs is limited.
2. Human memory is very limited, so people are not able to remember what money was spent on.
3. The needs of life are very diverse, so it needs a priority scale.
4. Discussion materials and means of communication between family members.
5. It prevents wastage of money use.

Managing finances is not an easy matter and can be done just like that by everyone. It is known that human needs are numerous, such as eating, drinking, clothing, housing, education, health, recreation, transportation, and so on, while the means to satisfy needs in the form of money are limited. This is what causes people to tend to say less than more, because they don't know how to manage their finances.

Through financial management, we will learn how to make decisions based on priorities according to the conditions of each family. We can prioritize needs that are very important, important, and less important, so hopefully there is money left for future needs by saving.

There are many ways to manage good family finances in order to create good and reliable family financial management in supporting the family economy. Some tips or easy ways to manage or manage good family finances ([pasca.unej.ac.id](http://pasca.unej.ac.id)), namely:

1. Learn to understand all financial aspects in the family
2. Make a financial plan
3. Get used to saving
4. Must distinguish wants and needs
5. As much as possible to avoid debt
6. Determine what are the long-term targets
7. Doing investment

### 2.3 *The Purpose of Household Financial Management*

The arrangement of the household economy is usually related to the allocation of incoming and outgoing budgets to meet the economic needs of the family. When viewed in general financial management in the household also has several objectives such as: [7]

1. To encourage families to have savings, family savings are very important in order to help

household finances remain in good condition even though things are going wrong.

2. To use money according to priorities and needs, with family financial management, of course, you can ensure that finances can be used according to the priority scale of needs and not just wants.
3. As an opportunity for a new source of income, if you have managed to manage your family's finances, of course you can see if the source of income is still less or greater than the amount of money coming in. If the condition of the money is more, then you can use the money to run a business.

#### *2.4 Benefits of Household Financial Management*

Broadly speaking, financial management has a scope that includes the process of budgeting, investing, spending and saving. To implement this process, of course, it takes a lot of skills, starting from communication, building trust and resolving conflicts. In addition, the existence of financial management in the family also makes you get many benefits, such as:

1. Assist in planning and meeting needs

The needs of a family's life certainly have various components, both daily and routine needs and long-term needs. However, many families are more focused on meeting routine needs such as paying home mortgages, monthly shopping and others.

2. Helping families to make big financial decisions.
3. Encourage more frugal behavior

Families who prioritize financial management application will certainly appreciate the importance of frugality and saving money. With the principle of household financial management in the form of frugal living behavior, it will make your family avoid unintentional overspending.

#### *2.5 Phenomenology*

According to Leksono [8] Phenomenology as a research method is often said to have similarities with narrative and ethnographic studies. The difference is, phenomenology seeks to reveal the universal essence of phenomena experienced personally by a group of

individuals. Phenomenological studies can be described as the application of qualitative methods in order to explore and reveal the common meaning of a concept or phenomenon that is the life experience of a group of individuals. One of the important points that become the advantages of phenomenological studies is that experiences hidden in the philosophical and psychological aspects of individuals can be revealed through narratives so that researchers and readers seem to understand the life experiences experienced by research subjects. The purpose of phenomenological research is to reduce individual experiences of a phenomenon into a description that explains the universal essence of the phenomenon.

### III. METHODS

#### *3.1 Population and Sample Size*

The population in this study were all fishing families in Kupang City. The sample used is purposive sampling technique. The sample criteria are full-time fishermen whose main livelihood is fishing. Respondents will be interviewed to obtain information about the object under study.

#### *3.2 Methods of Data Collection*

- B. Data collection techniques

The data used are primary data types, namely data obtained directly from the source, in this case, each individual fisherman's family. Primary data obtained from survey research through interview

#### *3.3 Analysis technique*

The data analysis technique used is qualitative analysis which is applied to reveal the similarity of meaning which is the essence of a concept or phenomenon that is consciously and individually experienced by a group of individuals in their lives. Qualitative analysis using the concept of phenomenology is to reduce individual experiences of a phenomenon into descriptions, which explains the universal essence of the phenomenon.

### IV. RESULTS

#### *4.1 General description of the fishing community in Kupang City*

The fishing communities in Kupang City are mostly spread in three sub-districts, namely Oesapa, Oeba and Nun Baun Sabu Villages. Their livelihood routine is fishing. Meanwhile, weather and climate sometimes become the most influential factors for this community to go fishing, so that during stormy seasons, they lose their main income. Dealing with the current

pandemic conditions, that people's purchasing power decrease, reresulting in the selling price of fish to decline slightly. The fishing families in the city of Kupang on average only rely on income from fishing. Their biggest difficulty is during the hurricane season with weather conditions that do not support them to go fishing. They temporarily lose their main income while the necessities of life continue. Some of the impacts they experience during the hurricane season are:

1. Loss of main income
2. Family finances are in chaotic condition especially for those who have no savings
3. Some expenses have to be eliminated in order to focus on spending for basic needs
4. It is possible for debt to arise

Some of the families maintain their economy by selling things such as running a small kiosk at home, but many fishermen's wives who only rely on their husbands as breadwinners. Based on the results of interviews, it is known that fishermen in the city of Kupang can be grouped into three groups, namely:

1. The first group, that is the rich fishermen, who have more asset so that their social level can be classified to be the highest
2. The second group of fishermen, namely fishermen who have boats, this group can be categorized to be the middle level
3. The third group of fishermen, those who are labor fishermen who do not have capital and boats. They are the lowest social level

This research focused more on the second and third group of fishermen. The main reason is that the first group of fishermen are fishermen who are financially capable so that their family's financial management is quite good so that their standard of living is also prosperous. There are two seasons that occur in Kupang City in connection with the activities of fishermen, namely:

1. The East season is from March to November
2. The west season (unfriendly weather) ranges from December to February

The income earned by fishermen during these two seasons is also different. It is certain that in the east season the income will be much greater than the income in the west season.

Table 1  
Average income of fishermen per month (Rp)

Group of Fishermen	Average income of fishermen per month	
	East Season	West Season
The Second Group	15,000,000	8,000,000
The Third Group	4,000,000	2,000,000

Source :Primary Data

From the table 1 above, it is clear that the income of these fishermen decreased dramatically when entering the west season. This is a serious problem for the fishermen's families because income decreases while the necessities of life never decrease; it continues to increase.

#### 4.2 *Problems in the financial management of fishermen's families*

Some of the financial management problems of fishermen's families in the city of Kupang that have often occurred can be divided into two perspectives, namely:

##### 1. Common problems

###### a) Education level

The level of education tends to be very influential on a person's mindset. The average education of fishermen in Kupang city is lower secondary education so that knowledge about money management is minimal. This findings is inline with Lee [9] that householders education has significant effects on saving.

###### b) Creativity

Creativity is the ability of a person to express his or herself to do something outside his usual routine which is useful for a person life. The fishermen of Kupang city are more focused on their main livelihood as fishermen so that sometimes during the Western Season, a condition when they do not go for fishing, there is no creativity from themselves to do other things that produce additional income Usually at this time they only rely on the activities of their wives who operates a small kiosk to support the family economy. They assumpt that during the West Season, it is the time for them to rest.

###### c) Tradition

This tradition concerns the habits that often occur in society. Like the fishermen in Kupang, tradition has shaped them that their main activity is fishing, so there is no willingness to go out and try other activities.

2. Special problems

- a) The fishermen do not know how to use the money  
The use of money flows only according to existing needs without thinking about the impact in the future
- b) Does not have a priority scale in using money
- c) The fishermen do not have a financial plan
- d) Increase the debt or it is well known as an idiom of Robbing Peter to pay Paul
- e) Do not have saving and investment

In previous research [8] with an accounting focus area, on average, almost the same problems were found, namely the families did not make proper records and did not even record the inflows and outflows of money due to the lack of knowledge about financial management and family financial decision making, who are always constrained by differences of opinion in the family, as well as the absence of good financial planning [10]

*4.3 The Impact of the Financial Management Phenomenon of Kupang City Fishermen's Families*

Impacts that may arise in the future for future generations, if the phenomenon of family financial management like this is not immediately corrected, for example, such as:

- 1) Lack of children's mindset, that they will still and continue to live with their parents' income as fishermen. This view it will form a child's personality that is at least the same as his parents so that there is no effort to further improve the family's economy.
- 2) Children's behavior tends to follow how their parents behave in the family. Likewise, with behavior regarding family financial management, it will influence children if they build a family later
- 3) With lack of guaranteed by a pension and not supported by good savings will cause difficulties for children in their old ages
- 4) Prepare children to be not just a second or third group of fishermen like their parents. However, it is hoped that they can prepare their children as the first group of fishermen who have capital and boats with middle to upper economic levels. So even though the parents are fishermen and their children are fishermen, they are fishermen who are more successful than their parents

*4.4 Fisherman Household Financial Management*

Based on the results of a survey conducted on 30 fishermen who were sampled, it is known about the behavior of family financial management that has been happening to fishermen's families in the city of Kupang.

Table 2

The results of a survey of 30 respondents regarding the implementation of family financial management

Household Financial Management	Number of Respondents	Percentage
Financial Planning	6	20%
Wants and Needs	8	26,67%
Saving	3	10%
Investment	-	0%

Source : Primary Data

Based on the table above, of the 30 respondents for each component of family financial management shown, all of them did not reach 50%. Also, for the investment point, none of the fishermen did it.

The family is the spearhead of a country's economy. If the family economy is at stable condition, then the economy of a country is also stable. So that the management of family financial management is very important to realize good family finances in achieving good family welfare as well. Some of the things that a fishing family should do to improve their family's financial management are:

1) Financial Planning

Good financial management does not only come from good income but is also influenced by good and directed spending. To balance income and expenditure to be optimal, it is necessary to have good financial planning.

(a) Cash flow planning

If the main source of income is only from a livelihood as a fisherman, then expenditures must be planned so that the use of money is more directed. Cash inflows in the east and west seasons must be considered. Expenditure plans must be clear and have a scale of priorities. Prioritizing food, clothing and shelter needs

- (b) Risk management  
Every activity cannot be separated from the risks. Fishermen also face the risk of changing seasons resulting in unfriendly weather. It is important to include such risk in financial planning, such as special savings.
- (c) Retirement plan  
Plans for the future or old age are very important in financial planning. Because in their old age, the fishermen no longer go for fishing; and of course all the costs of living will be the burden their children..
- 2) Wants and Needs
- (a) Wants that add value  
To purchase something, it is important to think about what it is. By thinking in advance, of course we will avoid wasting, especially for items that are not too valuable or not too important
- (b) Find out the way to buy the right one  
Wanting for an item to buy will certainly encourage someone to buy it. So when there is a desire to buy, it is important to ensure whether or not the existing financial budget is sufficient. Don't let other expense items have to be used to buy our unplanned items.
- (c) Make a list of needs for a month  
Get used to always make a list of needs in a month. Of course this relates to the basic needs of everyday households. The purpose is to make a list of needs so that the expenses that will be made later have direction and are not arbitrary in spending money.
- (d) List future needs  
Making a list of future needs is very important, especially with uncertain incomes such as fishermen. For examples for future needs such as children's education fee, insurance or saving and investment. If there is a list of their needs, then with the money is limited, fishermen will not splurge or use their money arbitrarily but will try to set it aside for future needs.
- (d) Saving  
Saving is a powerful way to reduce expenses that are so much. Special shopping that is needed, not all desires are spent. Savings will also cut some expenditure items so that spending is really only focused on urgent needs. Sometimes frugality has to be forced because the willingness of shopping will always be there. If frugal behavior has become a habit, then family financial management will be good, as ever stated " A penny saved is a penny gained"
- 1) Saving
- (a) Avoid expenditure greater than the income  
One of the best ways to save is to change your lifestyle. Avoid shopping habits that are too consumptive. Fishermen husbands and wives are the key to shaping their children's lifestyle patterns. Sometimes children are also a problem for parents in managing family finances because of the lifestyle demands of today's young people who are all online. So if the husband is busy with fishing, it is the duty of a wife as a housewife to control the family finances, to give children an understanding of a simple lifestyle to avoid expenditure greater than the income
- (a) Arisan  
Arisan is a group of people who collect money or goods regularly in each certain period. If you get a serial number at the beginning of the social gathering period, it means that someone gets an interest-free loan.
- (b) Saving with a piggy bank  
Saving with a piggy bank is the easiest way to save money. But it is also the easiest way to spend money if there is no self-control in the use of money. It takes a high level of awareness in saving money in a piggy bank because the control of money entering or leaving the piggy bank is in yourself.
- (c) Saving in the Bank  
Saving in the bank is slightly safer than saving in a piggy bank. Because saving at the bank will be more controlled with the use of money, let alone choosing to save at the bank by not using an ATM card.
- 2) Investment
- (a) Gold  
One of the investments that can be chosen by the fishing community is through precious metals. Because the value of buying and selling precious metals tends to change at any time so that it can be used at the right moment

- (a) Insurance  
Insurance is also a worthwhile investment for the long term. With income as a fisherman and not having a pension, this income can be set aside for insurance programs such as insurance for children's education costs or insurance for old age.

(b) Doing Small Business

A small business is an alternative business to help the family's economy in addition to hoping from income as a fisherman. The role of housewives is very important in this regard. The head of the household focuses on income that comes from his work as a fisherman and his wife supports household income from small businesses so that the family economy can improve to better condition.

#### V. CONCLUSION

Based on the description above, it can be concluded several important things from the results of this study, namely:

- a. Problems often faced by fishermen's families in relation to financial management consist of general problems and specific problems
- b. Of the 30 respondents, those who have done family financial management only ranged from 10% to 26.67%.
- c. The impact of poor financial management of fishermen's families is the mindset of fishermen's children who do not develop and old age problems are not guaranteed by pensions, so it is important to improve family financial management which includes financial planning, distinguishing wants and needs, saving and investing.

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