

FINANCIAL LITERACY EDUCATION FOR MSMEs CULINARY BUSINESSES IN OVERCOMING CAPITAL

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ABSTRACT

Many MSMEs such as in Kalisari Village, Pasar Rebo District, East Jakarta face obstacles in accessing capital. These obstacles are often caused by a lack of knowledge in financial management, network limitations, and banking policies that are unfavourable for small businesses. This situation not only hinders the growth of MSMEs but also threatens the sustainability of the business in the long term. Therefore, the purpose of the Community Service activities carried out is to increase knowledge and understanding of the sources and requirements for obtaining capital loans, calculating interest rates so that partners who need capital loans can choose capital with low interest. The method carried out by means of counselling, training, and business assistance in increasing access to capital sources, activities were carried out in Kalisari Village, Pasar Rebo District, East Jakarta. The result after participating in the activity, namely the partner's knowledge and understanding of financial literacy related to capital increases, the partner can also calculate the amount of interest set by the capital lender so that the partner can choose the source of capital that is considered more profitable.

Keyword: Financial Literacy, Culinary Business, Entrepreneurship, Capital Access.

1. INTRODUCTION

During global challenges and changing market dynamics, the existence of MSMEs is very important in creating jobs and encouraging innovation. There are many types of businesses that are included in the MSME category in Indonesia, which is around 98.67 percent with a Gross Domestic Income of around 60.34 percent (Lestari et al., 2021). MSMEs are proclaimed to be the front line to achieve the economic pillar on the world development agenda by 2030. MSMEs can also encourage the Indonesian economy, which is able to absorb a very large workforce, which is around 97 percent of the total workforce in Indonesia is in the MSME sector (Fajar et al., 2020). MSMEs also make a very large contribution and role, including in the equitable distribution of the national economy, which can reduce unemployment, because it can increase job opportunities (Fajar et al., 2020). However, despite their large contribution, many MSMEs, especially in urban areas such as Kalisari Village, Pasar Rebo District, East Jakarta, still face obstacles in accessing capital. These obstacles are often caused by a lack of knowledge in financial management, network limitations, and banking policies that are unfavorable for small businesses. This situation not only hinders the growth of MSMEs but also threatens the sustainability of the business in the long term. Therefore, Community Service (PKM) activities aim to help MSMEs in Kalisari to increase access to capital sources or related to financial literacy. Financial literacy is knowledge, skills, and beliefs that can influence attitudes and behaviors to improve the quality of decision-making and financial management in order to achieve prosperity (Wulandari & Santoso, 2024); (Millia et al., 2025).

The low financial literacy of MSME actors can cause various problems such as debt management, savings and loan management and business future planning. Financial literacy has a positive and significant effect on financial management behavior (Amelia, 2022). If MSME actors have a higher level of financial literacy, this understanding will have a positive and significant impact on the use of financial services (Amelia, 2022).

The number of traders in Kalisari Village, Pasar Rebo district, East Jakarta, continues to increase, and more than 90 percent belong to the Micro, Small and Medium Enterprises or MSMEs category (Sukaesih & Miswan, 2022). Of these MSME actors, it is dominated by the culinary business sector. According to observations, culinary business activities in the Kalisari area are developing more rapidly than other business fields such as necessities, clothing, stationery, office equipment, building materials, and others. The causes of the increase in culinary businesses include because culinary businesses can be carried out with not too large capital, and the interest in buying culinary businesses is still promising. Culinary business is one type of MSME that will not disappear at any time Sandiaga Uno as the Minister of Tourism and Creative Economy of the Republic of Indonesia said that Culinary is one of the locomotives of the revival of Indonesia's creative industry (Nurmala, 2022).

In running their businesses, MSME actors face many problems, among the problems faced are the limited capital they have and the difficulty of accessing capital sources, even though capital is one of the important resources for the development of the company. Capital is a factor that has a fairly important role in the process of developing a business, because capital is needed when entrepreneurs want to establish a new company or to expand an existing

business, without sufficient capital, it will affect the smooth running of the business, so that it will affect the income obtained (Devi, 2021); (Siti Fatimah et al., 2021).

Many MSME actors are trapped in a cycle of inability to access the capital needed for business growth and sustainability. In Kalisari Village, Pasar Rebo District, East Jakarta, this problem is getting deeper due to a combination of internal and external factors. First, many MSME owners lack knowledge and skills in effective financial management or management. In addition, limited networks often hinder them from obtaining the information and resources needed to expand their business. On the other hand, banking policies that tend to favor large businesses and complicated requirements for access to credit create greater barriers for MSMEs. The impact of this challenge is very real, resulting in many small businesses being forced to operate below their maximum potential, even at risk of bankruptcy. Therefore, the identification and in-depth understanding of this problem is essential to design an effective and relevant mentoring strategy for MSMEs in the region. However, despite their large contribution, many MSMEs, especially in urban areas such as Kalisari Village, Pasar Rebo District, East Jakarta, still face serious obstacles in accessing adequate capital. These constraints are often caused by a lack of knowledge in financial management, network limitations, and banking policies that are unfavorable for small businesses. This situation not only hinders the growth of MSMEs but also threatens the sustainability of the business in the long term. Therefore, this Community Service (PKM) activity aims to: 1. Increase knowledge and understanding of available sources of capital and their requirements, 2. Providing training on how to calculate the interest rate set by the lender, 3. Helping in increasing access to capital sources.

With these goals, this activity is expected to have a significant positive impact on the growth and sustainability of MSMEs in the Kalisari Village area, as well as improve the welfare of the community.

2. METHOD

The implementation of Community Service activities began in February until August 2025 for MSME actors in Kalisari Village, Pasar Rebo District, East Jakarta. The activity is divided into 3 stages, namely: 1) Preparation, 2) Implementation of activities, and 3) Evaluation and preparation of activity reports. The details of Community Service activities are as follows:

- Stage 1. Preparation: At this stage, the activities carried out are the team approaching partners by visiting them at their respective places of business with the aim of finding out the problems faced in carrying out business activities, as well as asking for willingness to be given counseling, training, and business assistance. The activity will be carried out in February 2025.
- Stage 2. Implementation of activities: At this stage, the activities carried out are to provide counseling or provide information about "Financial Literacy in Overcoming Capital". After providing counseling, it was continued by providing training on how to calculate the interest rate or profit set by the lender. Before the activity was carried out, the partner was told to work on *the pre-test questions*, and after the activity was carried out, the partner was also told to work on *post-test* questions with the aim of finding out the changes in knowledge and understanding of the material that had been given. At this stage, business activities are also assisted for each partner by visiting each partner by asking about problems or difficulties faced by the partners, and the team tries to find a solution so that the problems they face can be overcome properly.
- Stage 3. Evaluation and report making; At this stage, the activities carried out are evaluation and making activity reports. Evaluation of activities is carried out to determine the level of achievement and suitability of activities, as well as evaluate the process of implementing activities.

3. RESULTS AND DISCUSSION

Result

Community Service activities were carried out for 6 culinary business actors in February 2025 which began by interviewing partners individually to find out the profiles of the partners. Profile of Partner activities as follows:

1. Mr. Pardiyo is 55 years old, Elementary School Education. At the age of about 16 he migrated to Jakarta to find work and work in restaurants. After feeling proficient in cooking and having the courage to be self-employed, in 1995.. Mr. Pardiyo faced financial problems because his 2 children studied in Magelang and in Semarang, even though both of his children received scholarships, they still needed additional expenses from their parents. The financial problem he experienced was when he had to pay the rent of a business premises of Rp 15 million per year.



Figure 1. Mr. Pardiyo's Culinary Endeavors

2. Mr. Fendi Pranoto was born in 1991 with a greedy education from Vocational High School or High School from Metro Lampung Province. Mr. Fendi sells various drinks consisting of: Es teler, avocado coconut ice, mixed ice, avocado ice, coconut ice, and others, selling from around 9.30 am to around 18.00. The problem faced by Mr. Fendi Pranoto is that sales from the beginning of 2024 have decreased, so there is often a lack of capital to buy raw materials, especially to buy raw materials ahead of Eid al-Fitr which must have a large amount of stock.



Figure 2. Mr. Fendi Pranoto's Culinary Business

3. Mrs. Ririn Widyanti is 37 years old, educated after high school, since graduating from school and opened a business selling chicken noodles and meatballs from 2008 to December 2024. However, from January 2023 to November 2024, sales of chicken noodles and noodles have decreased very drastically, so in January 2025 it was decided to sell chicken soup and meat soup in tents using carts. Mrs. Ririn experienced financial difficulties because she had borrowed money online and often lacked capital to buy raw materials when approaching Eid al-Fitr which had to have quite a lot of stock.



Figure 3. Mother's Kitchen Business: Ririn Widyanti

4. Mr. Ruslan is 50 years old, elementary school education, sells various fried foods, a place of business renting Rp 12,000,000 per year which must be paid at once. Considering that Mr. Ruslan also has a child who is in the 6th semester, to pay for the rent of the business premises is often lacking, so it requires a money loan.



Figure 4. The Culinary Career of the Ruslan Communist Party

5. Mr. Ucok is 46 years old, an elementary school educationist, who sells various kinds of fried foods. Mr. Ucok did not know that if you need capital to increase your business, there are loans or credit from banks with low interest rates and easy requirements.



Figure 5. Mr. Ucok's Kitchen Business

6. Tarminah's 50-year-old mother sells nasi uduk, yellow rice, vegetable cakes, filled rice cakes, and various fried foods. Mrs. Tarminah intends to increase her selling goods so that to increase the capital to sell, she will borrow money from official financial institutions so that the costs or interest that must be paid are affordable.



Figure 6. Mrs. Tarminah's Culinary Business

The implementation of Community Service activities is carried out by 1. Counseling, 2. Training, and 3. Mentoring. Counseling and training were carried out at the Team's house which happened to be not far from the place where the partners lived and sold. In addition, the partners and the implementation team have a good relationship, namely the team often buys products sold by the partners.

The participants who were present at the counseling and training were: 1. Mr. Fendi Pranoto, 2. Mrs. Ririn, 3. Mrs. Tarminah, 4. Mr. Ucok represented by his wife, Mrs. Acin, 5. Mr. Ruslan represented by his wife, Mrs. Suheni, 6. Mr. Pardiyo represented by his wife, Mrs. Surani. Mr. Ruslan's wife, Mr. Pardiyo's wife, and Mr. Ucok's wife always help her husband's business activities and in terms of managing finances are always communicated and compromised.

Before the counseling is carried out, a pre-test is carried out to find out the knowledge and understanding of the partner before the counseling material is given. A photo of the partner filling in the answers to the pre-test questions is presented in Figure 7.



Figure 7. Partners or Participants are Answering Pre Test Questions

Based on Figure 7, it can be seen the seriousness of the partners even with a non-stressful atmosphere when doing or answering pre-test questions. This shows seriousness in answering the question according to the knowledge they have.

After the partner has done the pre-test questions, counseling is carried out on "Financial Literacy in Overcoming Capital" with the following subjects:

1. Definition of Financial Literacy
2. How to manage finances well and effectively
3. Sources of capital
4. Requirements for borrowing money at an official Bank or Institution
5. Comparison of loan interest rates between borrowing from banks and loan sharks on behalf of Multi-Business Cooperatives

The implementation of counseling and training activities regarding financial literacy is presented in Figure 8.



Figure 8. The Abdimas Team is Providing Counseling and Training to Partners

In Figure 8, the team provides counseling and training materials to partners using LCD assistants with the intention that the material presented is clearer and easier to understand and understand by participants. After being given counseling and training materials, it is followed by a *post-test* to find out whether the knowledge or knowledge provided is understood and understood by the participants. The value of *pre-test* and *post-test results* is presented in Table 1.

Table 1. Pre-test and Post-test Results of PKM Partners

MSME Partners	Score Pre-test	Score Post-test
1	60	100
2	60	80
3	100	100
4	80	100
5	60	80
6	60	100
Average	70	93,33

The counseling and training materials are printed in the form of a small pocket book (10 x 15 cm) with the aim that participants can learn the material, especially training materials on how to calculate the interest rate or profit level set by the capital lender. Thus, if the partner really needs the loan capital, they can compare it with other sources of lenders.

Pocketbooks containing counseling and training materials were distributed to each participant or activity partner. Participants were happy to get a pocket book about the material because during their free time they could be relearned. The picture of each participant obtaining a pocket book is presented in Figure 9.



Figure 9. Each Participant Receives a Pocket Book of Counseling and Training Materials

Discussion

All invited activity partners were all present and arrived on time, this shows the partners felt they needed the material to be delivered by the team. During counseling activities carried out by partners, they seriously listen, and if there is material that is not understood, dare to ask. Participants are given the opportunity to ask questions if there is material that is not understood or understood. Participants were very enthusiastic about participating in the counseling and training, and participants asked about the material presented by the implementation team if there was material that they felt was not understood or not understood.

The counseling material is mainly emphasized, namely if you need capital or experience capital difficulties, you should take advantage of loans or business loans from official banks such as BRI, BSI, BNI, Bank Mandiri. It is better not to use loan sharks who usually work on behalf of multi-business cooperatives by setting very high interest rates that can reach 20 percent per month with administrative costs of around 10 percent of the loan amount, or online loans with interest rates that can reach 20 percent per month (Sasmitha & Budi Harto, 2021). The interest rate on People's Business Loans (KUR) set by official banks is 6 percent per year.

Partners are also informed about the number of illegal and fraudulent investments that promise to provide high profits which are usually informed through social media which has taken many victims. After being informed of the number of illegal investments offered in various ways, the knowledge of the partner increased, and they would not be interested or accept the offer.

After the counseling was carried out, it was continued with training on "How to calculate the interest rate or profit set by the capital lender or lender", namely lenders of official institutions (banks), cooperatives, and loan sharks who are generally on behalf of "Multi-Business Cooperatives". Thus, participants or partners can compare the amount of interest rates set by banks and loan sharks, so that it is hoped that partners in this case business actors do not choose loan sharks if they experience capital difficulties.

One of the objectives of the activity is to increase knowledge and understanding of financial literacy, based on Table 1, it can be seen that the average pre-test score or before counseling is carried out = 70 and the post-test score or after being given material or counseling = 93.33 meaning that the knowledge or understanding of partners about financial literacy has increased by 33.33 percent. There is an increase in knowledge and understanding of partners as community service participants in accordance with what has been done (Farida et al., 2022); (Paranita et al., 2020).

After counseling and training, business activity assistance is then carried out by visiting activity partners often to ask about the problems faced and the team trying to overcome these problems. The problems faced by the activity partners are:

1. Mr. Pardiyo in the month of February 25, 2025 when he had to pay the rent for a business premises that had to be paid for 1 year of Rp 15 million, lacked money of Rp 10 million. The team suggested applying for credit to the Bank so that the installments were low, but it turned out that they still had loan installments so they were worried that they would not be approved considering that the Identity Card (KTP) was not yet Jakarta. Finally, the Team tried to apply for a loan at the Cooperative where the Team worked, the loan was approved with a loan service of 1% per month, and will be repaid in 10 installments. Mr. Pardiyo always pays in installments on time.

1. Mr. Fendi Pranoto on the eve of Eid al-Fitr, which is March 26, 2025, needs money to buy raw material supplies, especially young coconuts and avocados, for Eid al-Fitr and a few days after Eid al-Fitr. He needs a capital of Rp 1,500,000 (one million five hundred thousand rupiah), which will be paid after the material is sold about 2 weeks after the Eid al-Fitr holiday. Considering that borrowing money from an official institution takes time and administrative requirements are needed, then a loan is given by the Team. The money is repaid within a period of 1 month, and to ease the payment, it is paid in 4 installments.
2. Mrs. Ririn Widyanti in March 2025 was visited by an online loan collector who had not been paid in installments for about 2 months, the loan amount was IDR 2 million, considering that the amount of interest on online loans was quite large, so the team gave a loan to pay it off, and promised to pay it in installments.
3. Mr. Ruslan in March 2025 rented a business premises of IDR 12 million per year which must be paid at once, at that time it was still less than IDR 6 million. The team suggested borrowing money from the bank, but still had installments to the bank, because he had borrowed to buy land left by his parents in the village. But Mr. Ruslan promised to pay it off in 5 months, the team believed and borrowed from the cooperative where the team worked. Mr. Ruslan fulfilled his promise and always paid on time, on September 1, 2025 Mr. Ruslan's loan was paid off.
4. Mr. Ucok on August 23 came to Tim's house for consultation that next to the place of sale there was a T.E.H O.P.L.O.S profit wara that wanted to sell for Rp 6 million, while Mr. Ucok only had Rp 1 million, so he planned to borrow Rp 5 million, considering that the place was very close to the place of sale, so Mr. Ucok wanted to borrow money. The team suggested borrowing credit from the Bank so that the interest rate was low, but Mr. Ucok's Identity Card had not moved to Jakarta. Finally, Tim believed because he had known him for a long time, and his house was nearby, and finally Tim lent him from the cooperative where Tim worked and promised to pay it off for 20 months so that it would feel light.

CONCLUSION

Financial literacy education activities for culinary MSME actors in Kalisari Village, Pasar Rebo District, East Jakarta proved that there was a significant increase in the knowledge and understanding of partners regarding access to capital. Through counseling, training, and mentoring, participants are able to understand the available sources of capital, how to calculate interest rates, and consider the risks of various loan alternatives. The results of the pre-test and post-test evaluations showed an average increase in knowledge of 33.33 percent, which confirms the effectiveness of the program.

In addition, partners now have practical skills in choosing more profitable sources of capital, avoiding the pitfalls of high-interest loans such as loan sharks or illegal online loans, and being more confident in accessing official financial institutions. Thus, this program not only helps overcome the capital limitations faced, but also strengthens the foundation for the sustainability of MSME culinary businesses in the long term. Overall, this activity makes a real contribution to the empowerment of MSMEs, especially in improving financial literacy which has direct implications for competitiveness, business sustainability, and the welfare of local communities.

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