

Investment Management Based on Family Group Savings

Sahudin

Management Science Doctoral Program, Faculty Of Economics and Business, Bengkulu University

Kamaludin

Management Science Doctoral Program, Faculty Of Economics and Business, Bengkulu University

Robinson

Management Science Doctoral Program, Faculty Of Economics and Business, Bengkulu University

Berto Usman

Management Science Doctoral Program, Faculty Of Economics and Business, Bengkulu University

***Correspondence :** Sahudin
sahudinsawit@gmail.com

Received: 19-12-2024

Accepted: 11-01-2025

Published: 30-01-2025

Copyright © 2025 by author(s)
and Scientific Research
Publishing Inc.

This work is licensed under the
Creative Commons Attribution
International License (CC BY
4.0).

<http://creativecommons.org/licenses/by/4.0/>



Open Access

Abstract

This research aims to develop an investment management model based on family group savings to enhance financial literacy and family economic independence. Low financial literacy, particularly among low-income communities, hinders their ability to plan and manage finances effectively. Family group savings, as part of an existing social culture, holds great potential to serve as a productive investment management tool. This study employs a qualitative approach with an action research design, where the researcher is directly involved in the process of financial literacy education and the application of socially-driven investment management within family group savings. In this context, the role of the social entrepreneur is crucial, as individuals with a social entrepreneurial spirit can drive change in family savings management by exemplifying wise financial practices and encouraging family members to invest in an organized manner. The results of the study show that with proper financial literacy education and support from a social entrepreneur, family group savings can be managed more effectively, applying healthy cash flow principles as outlined by Kiyosaki. This family-based investment management model opens up sustainable entrepreneurial opportunities, not only enhancing financial literacy but also strengthening long-term family economic well-being.

Keywords

Investment Management, Family Group Savings.

Introduction

Good financial literacy is one of the key factors that determine an individual's financial independence. The ability to manage personal finances, including planning and managing investments, greatly influences the economic stability of both individuals and families. Unfortunately, financial literacy among the Indonesian population, particularly among low-income individuals with limited education, remains very low. This phenomenon contributes to their struggles in escaping poverty, as they lack a proper understanding of how to manage finances effectively. Many people still perceive financial planning as something only necessary for individuals with higher incomes or better education. In reality, low-income individuals particularly need solid financial planning to improve their economic conditions and avoid financial problems in the future. This lack of knowledge results in many families, even those with high incomes, facing financial difficulties due to the absence of clear investment plans for their future. As a result, when their income declines—such as due to retirement or job loss—they often experience significant financial hardship (Devi, 2020).

In addition, a long-standing social cultural phenomenon in Indonesian society is the practice of family group savings (*arisan keluarga*). Family group savings not only serve as a means to strengthen relationships among family members but are often used as a tool to help achieve common financial goals. In this practice, each family member contributes a certain amount of money, which is then distributed to one family member according to the agreed-upon *arisan* period. Although the concept of family group savings is already quite popular and beneficial for fostering togetherness and providing funds for family members' needs, there are still many weaknesses when viewed from a family financial management perspective. Among these, family group savings tend to overlook financial productivity aspects, as the funds obtained are often used for consumption purposes. Additionally, the value of money distributed in the *arisan* can be eroded by inflation, which increases annually. It is also not uncommon for family group savings to risk cessation after one period, with no continuity toward improving the long-term economic well-being of the family. Furthermore, the existing family group savings model does not significantly incorporate entrepreneurial and investment elements that could drive the family economy forward, thus limiting its impact on long-term economic improvement.

However, family group savings holds significant potential to be further developed as a means to enhance family economic well-being, especially if approached through an investment management framework. In this context, family group savings could serve as a platform for educating family members on financial literacy and investment. If managed properly, family group savings can function as a tool to build joint business ventures that manage funds productively and encourage family members to become more entrepreneurial. Therefore, it is crucial to integrate entrepreneurship and investment elements into the family group savings model, ensuring that the accumulated funds can be used for business capital or profitable investments rather than just for consumption purposes.

Considering the vast potential of family group savings, this research aims to develop an investment management model based on family group savings as a socialpreneurial platform to enhance the economic well-being of family members. This study will explore how financial literacy education can be implemented within the family group savings forum, as well as how the role of family group savings can be expanded by adding entrepreneurial and investment elements that support long-term family economic sustainability. Additionally, this research will analyze how the family group savings model can form joint business groups (KUBE) that provide benefits not only in the short term but also strengthen the family economy in the long run. The key questions to be

addressed in this study are:

1. Can financial literacy education within the family group savings forum increase family members' understanding of the importance of financial planning and investment?
2. How can the implementation of investment management based on family group savings enhance family members' economic independence and form successful joint business groups (KUBE)?
3. Is there a positive trend in the increase of assets and investments among family group savings members after the implementation of investment management based on family group savings?
4. Has the joint business venture through family group savings succeeded in increasing the income of its members through collective investment management?

Therefore, it is hoped that this research will contribute positively to improving family financial literacy, raising investment awareness, and creating entrepreneurial opportunities within the family environment through a more productive and sustainable family group savings model.

Methods

This research uses a qualitative approach with an action research design. Action research is a method widely used not only to acquire knowledge but also to carry out practical actions to create change in society. According to Cresswell (2010), action research is characterized as a participatory approach, where research is conducted by involving participants directly in the process of the desired change. This action research assumes that research should not only generate knowledge but also be connected to practical goals that can bring positive impacts to society. The primary objective of action research is to make reforms that are expected to bring significant changes to the lives of participants, the institutions they work for, and the researchers themselves.

This research aims to develop and enhance financial literacy in the community through a socialpreneurship approach with a primary focus on family investment management, especially for community members involved in rotating savings. This approach emphasizes education about the importance of individual and group investments, as well as the application of financial principles that can be implemented in everyday life, as proposed by Robert T. Kiyosaki in his book *Rich Dad Poor Dad*.

In this research, the researcher will be actively involved in taking action alongside the community as the research object. Several stages that will be carried out in this action research are:

1. **Family Financial Literacy Education:** The researcher will provide lectures and discussions related to improving financial literacy, focusing on practical understanding of the differences in cash flow between the rich and the poor, as described by Robert T. Kiyosaki. The goal is to raise awareness among family members involved in rotating savings about the importance of regular investment allocation each month as part of a healthy financial life principle (Kiyosaki, 2017).
2. **Implementation of the Socialpreneurship-Based Investment Management Prototype:** The researcher will introduce an investment management prototype developed with a socialpreneurship approach. This concept aims to teach better-off members of the rotating savings group to implement investment concepts while helping less fortunate members.

Through this approach, it is hoped that a social entrepreneurship model will be created that can improve the financial conditions of the community collectively (Mair & Marti, 2006).

3. **Mentoring Rotating Savings Groups in Investment Management:** The researcher will mentor family rotating savings groups in implementing investment management using the socialpreneurship approach. This mentoring includes managing the legal entity of the Joint Business Group (KUBE), implementing monthly investments, assisting with bookkeeping and financial reporting, and providing religious knowledge and prayers in every rotating savings meeting. The goal of this mentoring is to create social awareness that can improve the economic welfare of families and the community as a whole (Dees, 1998).

This approach is expected to provide new insights to the community about the importance of investment management in family life and create positive changes in their financial mindset and habits. Therefore, this research aims to contribute to the development of social entrepreneurship in the community and improve the long-term economic welfare of families.

Results and Discussion

Based on the action research we conducted over approximately three years, through three stages—financial literacy education, investment management implementation with a social entrepreneurship approach, and mentoring in investment management—this investment management prototype has shown significant results. The findings of this research indicate that the family rotating savings-based approach is not only effective in improving financial literacy, but it can also encourage sustainable investment management.

First, the targeted families successfully implemented the family rotating savings-based investment management, which has been running effectively and continues to thrive as this journal is being written. In practice, investment activities are conducted alongside family social gatherings, which are complemented by shared prayers and meals, further strengthening family bonds. This demonstrates that the family rotating savings-based investment model not only has a positive impact on the economic aspect but also on the social aspect, where family relationships have become closer (Source: Action Research Results, 2025).

Second, the accumulation of a significant amount in the family members' investment contributions in the family rotating savings serves as another indicator of success. Based on the data we collected during the research, all family members consistently made monthly investments, and the progress of the investments and fund management were reported periodically. For example, all the accumulated investment funds have been allocated to purchase cattle, which are then raised by family members with experience in cattle farming. This shows that the investments made are not merely in the form of monetary savings but also in productive assets that can yield long-term profits.

The amount of investment per family member is as follows:

Table 1. Investment Amount per Family Member (Keluarga Sidik-Kamalia Seijoan)

NO	Head of Family	Number of Members	TOTAL
1	Nurdin	2	7.281.111,11
2	Yahudin	4	8.891.111,11
3	Sahudin	7	38.851.465,00
5	Jamaludin	5	11.436.063,13
6	Rudi Hartono	5	15.597.222,22
7	Pauzi	5	16.797.222,22
8	Hansopian	4	8.331.111,11
9	Rio	4	7.876.111,11
10	Sahlin	6	17.512.222,22
11	Adi Haryono	4	7.986.111,11
13	Wafa Syahidah	1	1.000.000,00
14	Zata Amani	1	6.000.000,00
15	Gilang	1	621.000,00
16	Himmah aliyah	1	860.000,00
TOTAL			149.040.750,00

(Source: Action Research Results, 2025)

Thus, this investment management model has successfully created added value both in the family's economic aspects and in the sustainable management of investment funds.

These findings reinforce the argument that family rotating savings-based financial management can be applied as an alternative solution to improve financial literacy and the overall well-being of families.

Third, the financial development of the families applying the family rotating savings-based investment management has shown healthy financial indicators, as can be seen in the financial reports, both the income statement and the balance sheet. Based on the action research results conducted by the researcher in mentoring the financial bookkeeping for the Joint Business Group based on family rotating savings, it has demonstrated healthy business development. This is reflected in the financial reports that show significant profits and the rapid growth of assets.

The implementation of structured financial management has contributed to the improvement of the group's financial performance. Through systematic bookkeeping and transparent reports, family members can clearly monitor the progress of investments and fund management. The financial reports prepared show significant profits, which are indicators of success in fund and investment management. Moreover, the development of the group's assets has also increased rapidly, indicating that the business being run is not only stable but also growing in line with the investment goals.

In detail, the financial development recorded in the financial reports can be seen as follows:

Table 2. Income Statement of Family Rotating Savings-Based Investment Joint Business Group (KUBE)
(Keluarga Sidik-Kamalia Seijoan)

Account Number	Account Name	Amount (RP)
1	Incomer	
1.1	Cattle Sale	
	2022	27.000.000,00
	2023	38.000.000,00
	2024	13.200.000,00
	Number of cattle sales	78.200.000,00
1.2	Saving and loan income	
1.2.1	Murabahah margin income	2.700.000,00
1.2.2	Ujroh Income	3.910.737,50
	Total Savings and loan income	6.610.737,50
	Total income	84.810.737,50
3	Cost	
3.1	Cattle keepers wages	6.025.000,00
3.2	Kube Manajemens Operation	1.182.600,00
	Cost amount	7.207.600,00
	Net Profit	77.603.137,50

(Source: Action Research Results, 2025)

Table 3. Balance Sheet of Family Rotating Savings-Based Investment Joint Business Group (KUBE) (Keluarga Sidik-Kamalia Seijoan)

Aktiva			Pasiva		
Account Number	Account name	Rupiah	Account Number	Account Name	Rupiah
01.01	Cass	-	02.00	Debt	
01.02	Financings receivable	19.807.300,00	02.01	Account payable	3.210.000,00
01.03	Cattle suplies	134.901.537,85	02.02	Employee salaries payable	1.182.600,00
			02.03	TPQ saving	635.487,50
			02.04	Family sacrificial saving	640.000,00
				Amount of debt	5.668.087,50
			03.00	Capital	
			03.01	Mandatary member saving	50.040.750,35
			03.03	Investment capital	99.000.000,00
				AMOUNT OF CAPITAL	149.040.750,35
TOTAL		154.708.837,85	TOTAL		154.708.837,85

(Source: Action Research Results, 2025)

This data provides a clear picture of the financial health of the family rotating savings-based business and illustrates the success of implementing investment management in improving family well-being. Thus, this model can serve as an example for other groups in adopting a more transparent and organized financial system to enhance collective welfare.

Based on the data obtained, the family rotating savings-based investment Joint Business Group (KUBE) has proven to be quite effective in implementing investment management. Over a period of 3 years, the group successfully accumulated a profit of IDR 77,603,137.50, routine investment funds of IDR 149,040,750.35, and overall asset growth amounting to IDR 154,708,837.85. All the investment returns are distributed as profit-sharing to family members during the annual Eid al-Adha celebration, sourced from the sale of cattle purchased with the investment funds.

These findings further strengthen the argument that the family rotating savings-based investment management approach can serve as an effective model for improving family financial literacy and collective fund management. Additionally, the positive impact observed on family economic growth proves that this model is not only beneficial in the financial aspect but also contributes to strengthening social bonds among family members. This success also opens opportunities for other groups to adopt a similar system to improve their economic well-being in a sustainable manner.

Conclusion

Based on the discussion above, the researcher draws several conclusions, as follows:

- a. The family rotating savings culture, which has been well-established in society, can serve as a strong foundation for developing a joint investment management system based on a Joint Business Group (KUBE) for Independent Investment. This shows that the existing practice of family rotating savings can be an effective foundation for collective investment activities, with a significant potential to improve the well-being of family members through organized fund management.
- b. Investment management based on the Joint Business Group (KUBE) and family rotating savings will be more effective if initiated with financial literacy education and supported by the important role of individuals who act as social entrepreneurs. Social entrepreneurs who actively set examples and educate family members on how to manage family finances will facilitate the realization of sustainable investment management. In this regard, family financial literacy theory explains that a good understanding of financial management is a key factor that can change family attitudes and habits towards money and investment.

Additionally, the application of cash flow principles as explained by Robert T. Kiyosaki in his book *Rich Dad Poor Dad* supports healthy financial management within the business group. According to Kiyosaki, wealthy individuals tend to focus on positive cash flow, meaning that their incoming cash flow exceeds their outgoing cash flow. Implementing this principle in family rotating savings-based investment management helps families manage and grow their wealth regularly through wise investments.

Furthermore, in the context of social entrepreneurship, an individual with a social entrepreneurial spirit can leverage the potential of family rotating savings to create businesses that benefit all family members. This demonstrates a strong link between group investment management and the social entrepreneurship approach, which focuses not only on economic profit but also on creating a positive social impact.

Overall, this family rotating savings-based investment management model not only contributes to enhancing financial literacy but also creates sustainable family economic well-being, in line with theories that prioritize cash flow management and community-based business development. This model has the potential to become a successful example for other groups seeking to implement more organized and collectively beneficial financial systems.

References

- Adetayo, O.A. (2019). The Oxymoron of Financial Illiteracy in a Highly Educated Population: Are We Appropriately Equipping Trainees?. *Plastic and Reconstructive Surgery - Global Open*, 7(7), ISSN 2169-7574, <https://doi.org/10.1097/GOX.0000000000002329>
- Borner, K.B. (2016). Making the business case for coverage of family-based behavioral group interventions for pediatric obesity. *Journal of Pediatric Psychology*, 41(8), 867-878, ISSN 0146-8693, <https://doi.org/10.1093/jpepsy/jsv166>
- Cresswell, J. W. (2010). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. SAGE Publications.
- Dees, J. G. (1998). *The Meaning of Social Entrepreneurship*. Center for the Advancement of Social Entrepreneurship.
- Dumas, S.E. (2018). "Men Are in Front at Eating Time, but Not When It Comes to Rearing the Chicken": Unpacking the Gendered Benefits and Costs of Livestock Ownership in Kenya. *Food and Nutrition Bulletin*, 39(1), 3-27, ISSN 0379-5721, <https://doi.org/10.1177/0379572117737428>
- Etxarri, E.E. (2018). Social value of social cooperatives: Application of the Polyhedral Model to ZABALDUZ S.COOP. *CIRIEC-Espana Revista de Economia Publica, Social y Cooperativa*(93), 155-180, ISSN 1989-6816, <https://doi.org/10.7203/CIRIEC-E.93.9953>
- Falconier, M.K. (2023). Together—A couples' program integrating relationship and financial education: A randomized controlled trial. *Journal of Social and Personal Relationships*, 40(1), 333-359, ISSN 0265-4075, <https://doi.org/10.1177/02654075221118816>
- Fernandes, D., Lynch, J. G., & Netemeyer, R. G. (2014). Financial literacy, financial education, and downstream financial behaviors. *Management Science*, 60(8), 1861-1883.
- Hutchinson, C. (2024). Calculating the social impact of home automation for people with disability: A social return on investment study. *Australian Occupational Therapy Journal*, 71(6), 956-966, ISSN 0045-0766, <https://doi.org/10.1111/1440-1630.12977>
- Jaber, J.O. (2023). Assessment of Retrofitting Old Residential Buildings in Urban Districts: Expected Performance of Selected Energy Efficiency Measures. *Jordan Journal of Mechanical and Industrial Engineering*, 17(4), 555-570, ISSN 1995-6665, <https://doi.org/10.59038/jjmie/170411>
- Jurkševičiūtė, G. (2023). Students' Financial Literacy Knowledge Research: The Case of Kauno Kolegija Higher Education Institution. *Vide. Tehnologija. Resursi - Environment, Technology, Resources*, 2, 119-125, ISSN 1691-5402, <https://doi.org/10.17770/etr2023vol2.7266>
- Kiyosaki, R. T. (2017). *Rich Dad Poor Dad: What the Rich Teach Their Kids About Money That the Poor and Middle Class Do Not!*. Plata Publishing.

- Lusardi, A., & Mitchell, O. S. (2014). The economic importance of financial literacy: Theory and evidence. *Journal of Economic Literature*, 52(1), 5-44.
- Mair, J., & Marti, I. (2006). Social entrepreneurship research: A source of explanation, prediction, and delight. *Journal of World Business*, 41(1), 36-44.
- Mishra, S. (2019). Out-of-pocket expenditure and distress financing on institutional delivery in India. *International Journal for Equity in Health*, 18(1), ISSN 1475-9276, <https://doi.org/10.1186/s12939-019-1001-7>
- Shim, S., Barber, B. L., Card, N. A., Xiao, J. J., & Serido, J. (2010). Financial socialization of first-year college students: The roles of parents, work, and income in shaping financial knowledge, attitudes, and behaviors. *Journal of Youth and Adolescence*, 39(12), 1557-1570.
- Suryani, E. (2017). Pengembangan arisan keluarga berbasis manajemen investasi untuk meningkatkan kesejahteraan keluarga. *Jurnal Ekonomi dan Bisnis Indonesia*, 11(2), 87-101.
- Travers, M. (2022). Business models, consumer experiences and regulation of retirement villages. *AHURI Final Report*(392), ISSN 1834-7223, <https://doi.org/10.18408/ahuri4127501>
- Wikoff, N. (2015). Material hardship and 529 college savings plan participation: The mitigating effects of Child Development Accounts. *Social Science Research*, 50, 189-202, ISSN 0049-089X, <https://doi.org/10.1016/j.ssresearch.2014.11.017>
- Zimmerer, T. W., & Scarborough, N. M. (2008). *Essentials of Entrepreneurship and Small Business Management*. Pearson Education.
- Zvingilaite, E. (2015). Heat savings and heat generation technologies: Modelling of residential investment behaviour with local health costs. *Energy Policy*, 77, 31-45, ISSN 0301-4215, <https://doi.org/10.1016/j.enpol.2014.11.032>
- Zyczyńska, A. (2020). Influence of thermal retrofitting on annual energy demand for heating in multi-family buildings. *Energies*, 13(18), ISSN 1996-1073, <https://doi.org/10.3390/en13184625>