Research Journal of Finance and Accounting www.iiste.org
ISSN 2222-1697 (Paper) ISSN 2222-2847 (Online)
Vol.9, No.16, 2018

Planning and Management of Household Finances

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Abstract
This study is intended for all families to plan and manage their household finances. The phenomenon that exists in society that put aside the importance of planning and management of household finances can cause problems in the households that are built. Good financial planning and management will make the family safe and prosperous.
Keywords: Household, Finance Planning, Finance Management

1. Introduction

The home is the gathering place of a family member where we know that the family is the smallest association of a community within the social sphere. Planting the most fundamental concept of life came from a family structure. From home everything needs good governance, organized and conceptualized. If one of these three elements are not met, then the household harmony and stability may be impaired. How to manage family finances is not easy, if there is problem in managing household finances can cause disharmony can even cause a rift in it. The basic problem in household finance management is not from the lack of income, but the main cause is how to properly manage the finances in it (Sina: 2014; Ghozie: 2017).

Inaccuracy of household financial management can be seen from the instability of the household. One indication is the staggering debt financing-financing less useful and on target (Sina: 2013). No one wants a bad financial condition. However many people are not aware of the importance of financial management in his home life. The purpose of financial management it self is to avoid the "deficit" in the financial, not to run into a big financial stake than the pole that is the expenditures rather than income, whether it is revenue from income and debt. This is what underlies the need for planning in the allocation and financial management for the purpose of family life can be achieved.

2. Methods

Tools in this study using phenomenology where the phenomenon of real conditions in everyday life in a family. The phenomenon indicates that the importance of planning and management of household finances. Study of this phenomenon seeks to provide evidence of real life in a family in managing finances, so as to provide an example to the families that have not implemented the planning and management of its finances well. This research was conducted by means of interviews, in which the direction of the in-depth interview is a process of implementation of the phenomenology of expressing the real conditions of the research object (Kuswarno: 2009).

This study examines a family that implements financial planning and management in its family and is supported by a family again as an additional informant. Interviews were conducted openly to all informants, in order to bring a familiar atmosphere and spontaneous answers.

3. Discussion

Personal Financial Management

According to Gitman in Krishna, Rofaida and Sari (2010) stated that financial management is a process of planning, analyzing and controlling financial activities. One form of financial management application is personal financial management which is the process of planning and financial control of individual units or families. Resource ownership in a family money will be relatively limited depending on the number and quality of people inside in search of income, while the wishes and needs of families and the members are relatively limited.

The fulfillment of the wishes and needs of each family or family member is part of every family. In order to use the limited money maximize its usage and on target, hence needed a good and effective financial management effort. This is reinforced by Senduk's (2004) study which states that personal financial management includes decisions about: First, buying and owning as much of the productive property as possible by specifying the desired productive property, writing the desired productive items and immediately after earning a priority salary to own those productive items before paying any other expenses. Second, set spending by trying to be a little harder on yourself for not experiencing a deficit as this is the source of the big problem that will arise in the future. Prioritize debt repayments, then insurance premiums, then living expenses. Third, be careful with debt, when should be owed and when not owe.

Family Financial Planning

Sembel, et al (2003) mentions 11 reasons why financial planning needs to be done by individuals and families, that is to protect themselves and families from various financial impacts (such as accidents, illness, death and lawsuits), reducing debts personal / family, financing life when no longer within the productive age range, financing the costs necessary to raise a child, providing tuition fees to college, paying for weddings, buying a vehicle, buying a home, being able to determine retirement in style desirable life, paying long-term costs and passing on the welfare to the next generation. Similarly, Walker and Llewellyn (2000) research on household accounting: some interdisciplinary perspectives conclude that accounting practices in households and individuals are potentially similar to public institutions.

Budget family is the core of a good planning and effective. A properly calculated budget will maximize the achievement of long-term goals and financial goals in the face of limited income. Budgeting is done through six stages, namely targeting and financial objectives, financial data collection, budgeting, budget analysis, budget execution and review of implementation of the budget funds control (Sembel, et al, 2003).

According to Massaya (2005) as quoted Sina (2013) states that family financial planning is a strategy how to achieve family financial goals in the short, medium and long term. There are five stages in the financial planning that is based on the age of the manager and any sequence of productive age to retirement age.

The five steps are as follows: 1) age 20-30 years, a period when people began to build a financial foundation. At this time someone is in the process of pursuing a career in any field and must create financial habit. The right steps to do that is to invest income, buy property, buy insurance and pension plan. 2) Age 30-40 years, a period in which a person begins to solidify the foundation of the family finances with strategic steps include the buildup of financial assets and increase the amount owned. 3) Age 40-50 years, which is the peak period of independence that time to enjoy the fruits of the investments made several investment portfolios, enjoying a career or business. 4) Age 50-60 years, in which time a pension preparation period, the thing to do is clean up the entire debt / credit and the availability of sufficient funds for retirement. 5) Age> 60 years, a period in which a person is not productive or non-profit social activities and enjoy retirement with sufficient funds retrieved from his early work.

Household Financial Management

Planning is the first step in financial management. The most basic step is to make a marginal income (Ghozie: 2017), because lifestyle problems can hamper family planning particularly with its finances. According to Ghozie 2017, the amount of income is not related to the rich or poor someone, but income will affect the lifestyle that can be purchased. Currently limited income, but spending like there is no end, the priority in spending should be done.

Expenditure priorities according to Ghozie 2017 are: First, prioritizing household expenditures by prioritizing on the basis of the main post, is required, and should be postponed or avoided. Second, the child spending priorities. Third, spending priorities for the future. Fourth, transportation spending priorities. Fifth, personal spending priorities. Sixth, recreational spending priorities. Following expenditures with priority set requires strong commitment to achieve financial goals with good financial discipline followed.

The Importance of Family Financial Planning and Managemnet

Family priority financial goals will facilitate the family's survival in it. It requires precision, tenacity and self-discipline in applying it. Application of a plan can be realized with a high awareness and understanding of every individual concepts that apply. Understanding the application in each family can be tailored to the needs and the ease of the family in translating it. The main informants in this study using computer media in planning, managing and record it so that the writings can be seen neatly. Based on existing records, he can manage its finances well so there is no spending beyond the post has been determined. Good financial management makes it easy for him to know the financial position of his household, even with that note he can know the amount of wealth owned by his family.

The main informant's understanding is supported by a supportive informant who states that how important a financial record and management is to a family. Experience supporting informant while still earning and do not plan and manage his family's financial well lead him into bankruptcy in the business. This experience proves that good planning in managing finances will have a good impact in taking steps in any financial problems. It is expected that there should be no bigger word pegs than poles.

4. Conclusion

The role of financial management in the household is very important for the survival of a family that is in it. Need for planning, recording, decision making and long-term planning in the household to make life better and more precise. Financial management is good housekeeping to avoid misunderstandings between the residents of the house for every transaction there has been no planning and recording along with the evidence as a form of reporting on what has been done.

Researchers expect new family members as well as families who have long built households to manage their household finances in daily life so as to monitor any receipts and expenditures to plan for life to come.

Thank-you note
This paper is written to meet the requirements of completing the master program. I would like to thank the Faculty Economics and Business University Of Jember for having accepted me in the magister program. I also want to express my gratitude to Dr. Whedy Prasetyo, S.E., M.SA, Ak, CA dan Dr. Alwan Sri Kustono, M.Si, Ak, CA, for guidance, advice and encouragement so that this paper.

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