



# EXAMINING FINANCIAL PLAN

&

# ASSESSMENT OF INCOME



# Learning Objectives

Examining  
financial  
planning



Recognize needs  
and desires, as well  
as priority scales



Establish a  
formula for  
budgeting and  
expenditures



Recognize sources of  
income and their  
appropriateness



Recognize personal  
goals/vision



Have a financial plan



Have a careful  
attitude  
towards  
incoming  
money



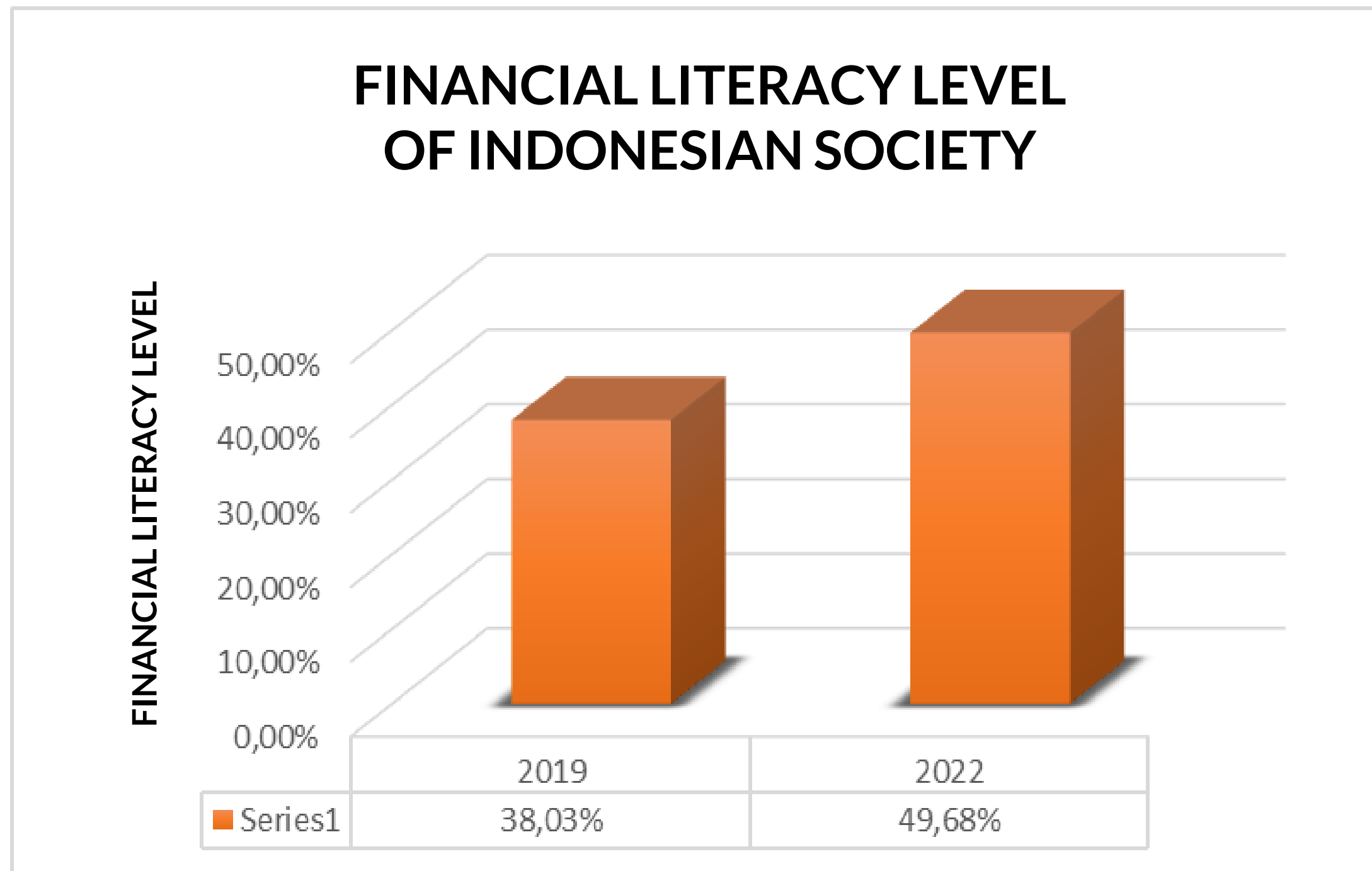
# Financial Literacy

“is the knowledge, skills and beliefs that influence financial management for well-being.”

~*OJK (Otoritas Jasa Keuangan Indonesia)*

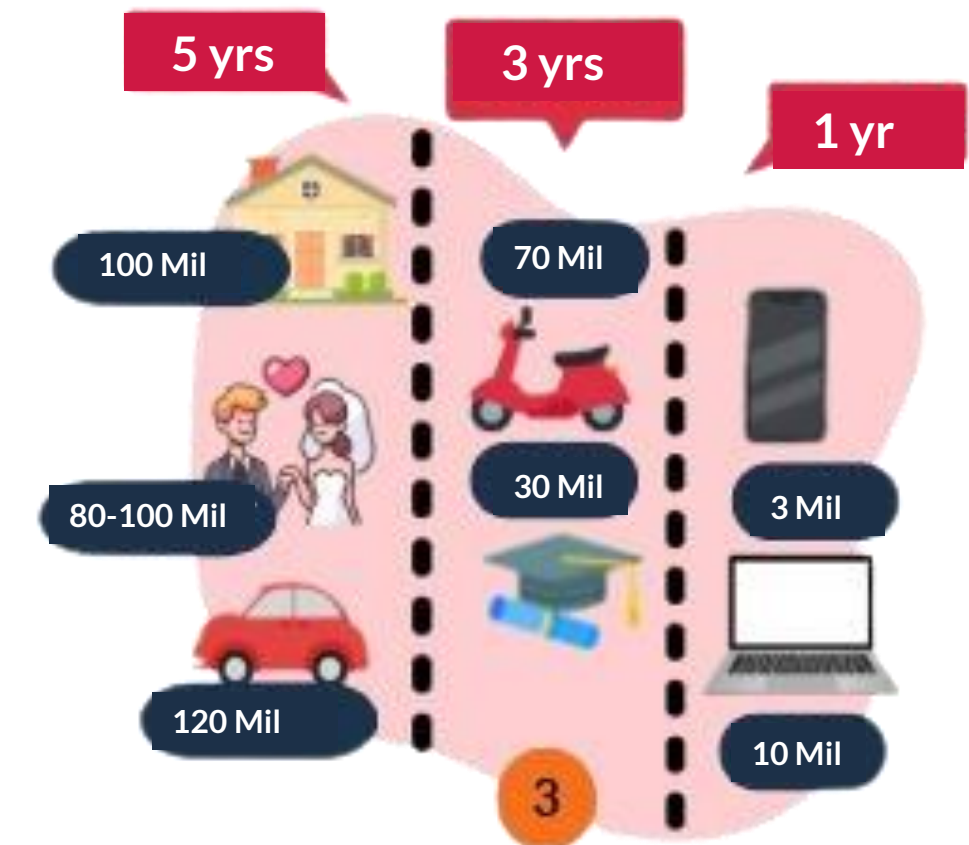
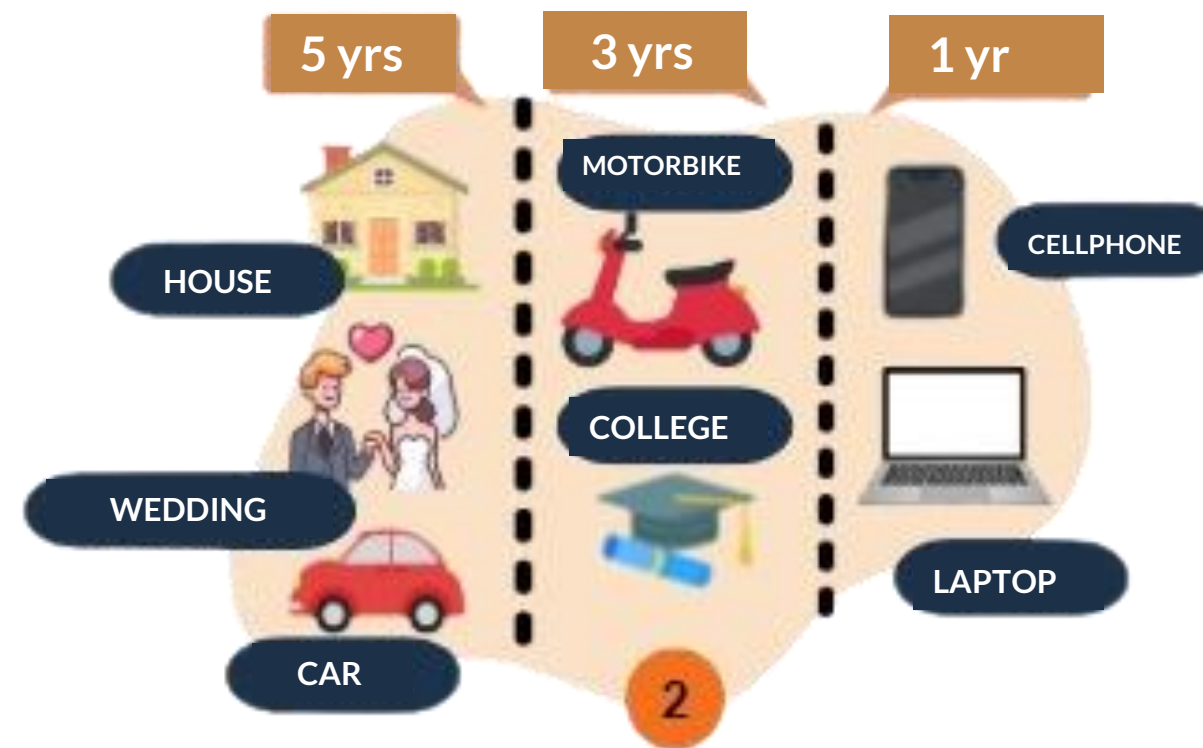


# Financial Literacy Survey Results



Source: Survei Nasional Literasi dan Inklusi Keuangan (SNLIK) 2022

# Write down the differences between these three images



# Financial Planning

“The process of achieving one's life goals through integrated and planned financial management.”

~*Financial Planning Standards Board Indonesia*



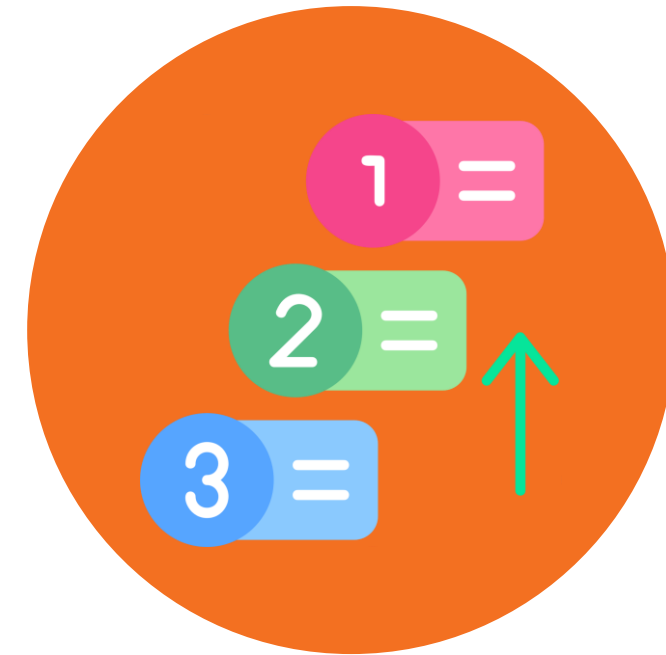
# Three Key Elements of Financial Planning



Set individual  
goals/vision to be  
achieved in the future



Able to distinguish  
needs from desires



Set priorities



# Three Key Elements of Financial Planning

- Setting individual Goals or Vision to be achieved in the future



*Specific*

Have a defined  
monetary value



*Measurable*

Have measurable  
milestones to assess  
progress in  
achieving goals



*Achievable*

The actions to be  
taken will lead to  
achieve the  
objectives



*Realistic*

Achievable with  
available  
resources



*Timebound*

Have a specific  
deadline





## An example of a SMART Goal/Vision is as follows:

Bagas is a marketing officer who has just started working for a Communications Media company in Jakarta. Currently, he uses public transportation to get to work. Bagas' father, who is now retired and opens a kiosk in front of their house, needs a motorcycle to help him deliver gallon bottled mineral water and Gas to customers. Seeing his father's desire, Bagas made a plan to be able to buy a motorcycle with a price range of Rp 18,000,000, - within the next 1 year. Bagas seeks to buy a motorcycle with the cash method so that he must save from his monthly salary of Rp1,500,000, - for 12 months.

***NEEDS***

**VS**

***DESIRES***

# NEEDS VS DESIRES

Needs are things that must be fulfilled for survival.

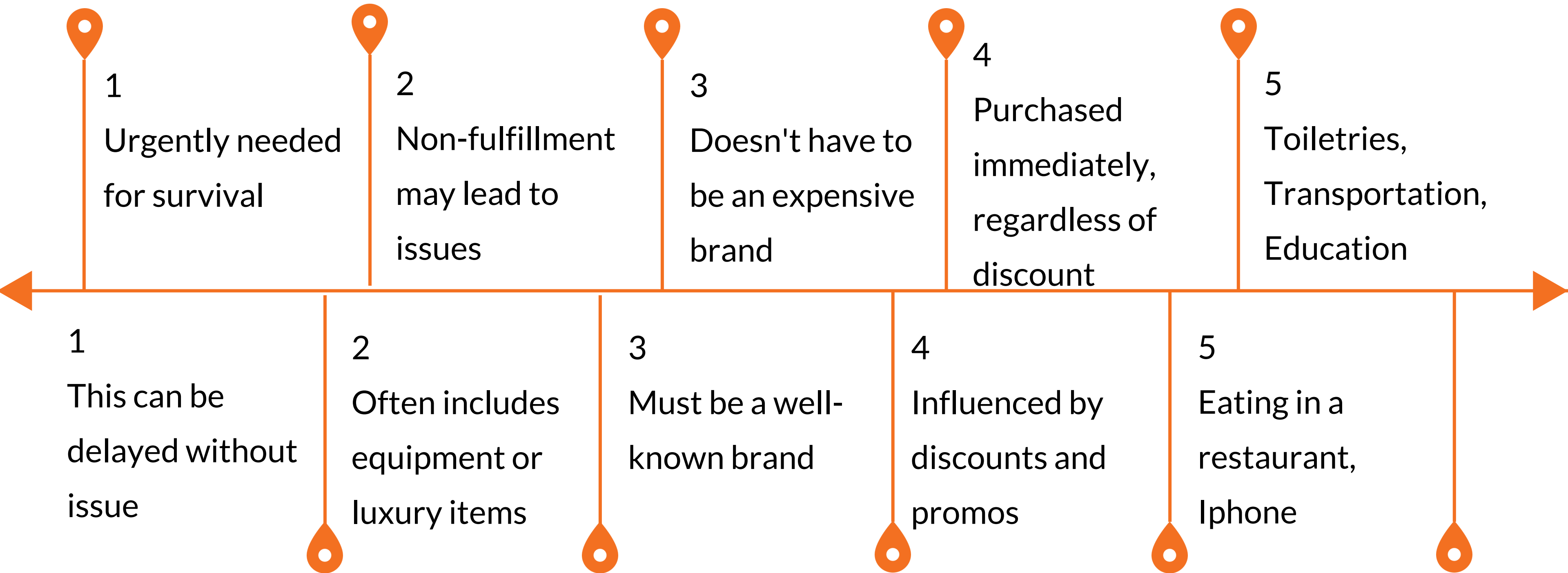


Desires are not urgent and are more about lifestyle fulfillment.



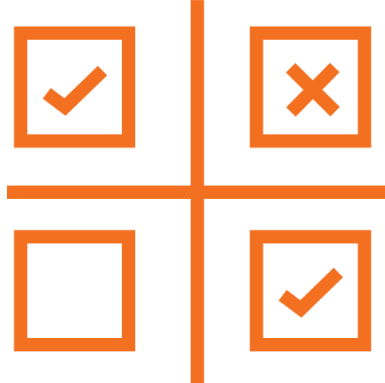


# Needs VS Desires



# Three Key Elements of Financial Planning

- Set priorities

		
	<i>IMPORTANT</i>	<i>NOT IMPORTANT</i>
<i>URGENT</i>	Gas, groceries, tuition, transportation.	Buy a new phone because the old one was broken and not working.
<i>NOT URGENT</i>	Skincare, leisure, entertainment.	Buy a new phone just to keep up with the trend.

# Definition of Money

“A legal exchange or standard of measurement of value, issued by the government of a country in the form of paper, gold, silver, or other metals printed with certain shapes and images.”

~Great Indonesian Dictionary (KBBI)





# Function of Money



## Money as a medium of exchange:

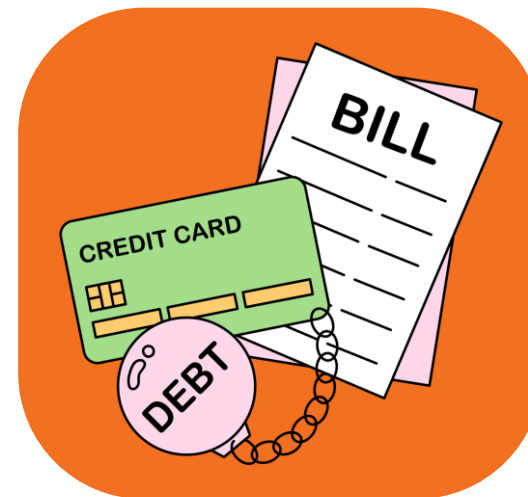
Dimas paid IDR 10,000 for a plate of dumplings.



**Money as a unit of measurement:** Mia is paid IDR 100,000 per hour as a translator.

## Money as a store of value:

Tissa saves IDR 100,000 every month to buy a laptop.



## Money as a measure of delayed payment:

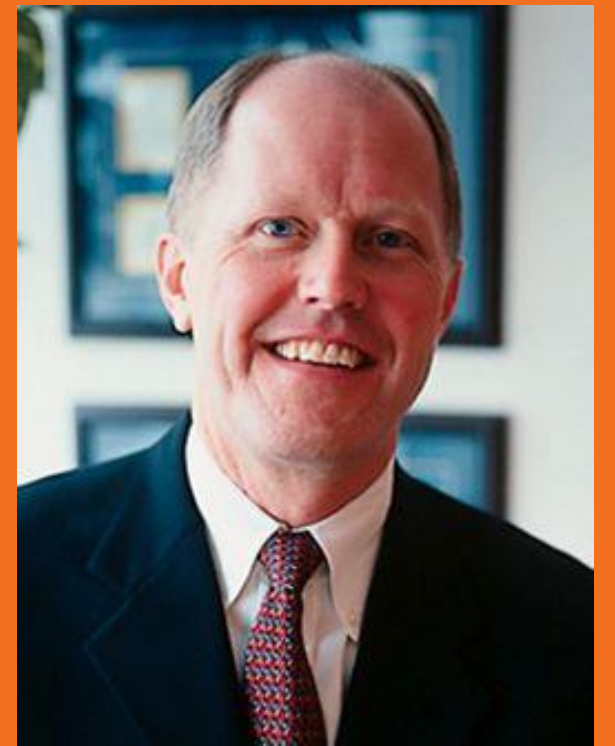
Mario applies for a motorcycle loan with installments of IDR 850,000 per month.



# Definition of Income

“Inflows or settlements (or a combination of both) from the delivery or production of goods, rendering services or performing other activities that constitute activities.”

~Skousen, Stice and Stice  
(2010:161)



# Sources of Income



## Active Income

Earned from work or services performed, such as salaries or wages.



## Investment Income

Earned from investment returns, such as stocks, bonds, or mutual funds.



## Passive Income

Earned from an existing system, such as property rent or royalties from copyrights.



# Proper Cash Flow Order



**EARN**



**SAVING**



**CONSUME**



**DONATE**

**World Vision**

INDONESIA

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Korea International  
Cooperation Agency

**KDS** Korea Institute for  
Development Strategy

**RE:BACH**  
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