



COMMUNITY ENGAGEMENT ARTICLE

# Improving Economic Literacy for the Young Generation of PERMAI in Penang, Malaysia: Building Entrepreneurial Skills

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## Funding information

Universitas Muhammadiyah Makassar & Universitas Negeri Makassar.

## Abstract

This Community Service Activity (PKM) was carried out in collaboration with the Indonesian Community Organization (PERMAI) Penang, Malaysia, and involved 30 participants aged 7-17 years consisting of Indonesian diaspora students and youth. The aim of this activity is to improve economic literacy and entrepreneurial skills through a participatory approach that combines theory and hands-on practice. The material provided includes personal financial management, financial planning, and the preparation of simple business ideas based on self-potential. The results of the evaluation showed a significant increase in participants' understanding, with an average post-test score of 86% compared to the pre-test. In addition to increasing knowledge and skills, this activity also strengthens the character of the participants, especially in terms of independence, entrepreneurial ethics, and social responsibility. Thus, this PKM proves that the integration of economic literacy and entrepreneurship training is effective in empowering diaspora youth to face economic challenges and create business opportunities independently.

## Keywords

Economic Literacy; Entrepreneurship; Empowerment.

## Abstrak

Kegiatan Pengabdian kepada Masyarakat (PKM) ini dilaksanakan bekerja sama dengan Pertubuhan Masyarakat Indonesia (PERMAI) Pulau Pinang, Malaysia, dan melibatkan 30 peserta berusia 7-17 tahun yang terdiri atas pelajar dan pemuda diaspora Indonesia. Tujuan kegiatan ini adalah meningkatkan literasi ekonomi dan keterampilan kewirausahaan melalui pendekatan partisipatif yang menggabungkan teori dan praktik langsung. Materi yang diberikan mencakup pengelolaan keuangan pribadi, perencanaan keuangan, serta penyusunan ide bisnis sederhana berbasis potensi diri. Hasil evaluasi menunjukkan adanya peningkatan signifikan pemahaman peserta, dengan rata-rata nilai post-test naik 86% dibandingkan pre-test. Selain peningkatan pengetahuan dan keterampilan, kegiatan ini turut memperkuat karakter peserta, terutama dalam hal kemandirian, etika berwirausaha, dan tanggung jawab sosial. Dengan demikian, PKM ini membuktikan bahwa integrasi literasi ekonomi dan pelatihan kewirausahaan efektif dalam memberdayakan pemuda diaspora untuk menghadapi tantangan ekonomi serta menciptakan peluang usaha secara mandiri.

## Kata Kunci

Literasi Ekonomi; Kewirausahaan; Pemberdayaan.

## 1 | INTRODUCTION

A nation's progress today and in future days is much determined by the younger generation as the successors of that nation. A quality young generation is also a product of a quality education system (Aisyahrani, 2024). Millennials and Gen Z make up the younger generation which have become an essential part of today's economy and its business world. This young generation has changed existing economic and business procedures with their unique characteristics as well as bringing new challenges to be faced in this modern era plus new opportunities that can come along with it. They must be stimulated to grow an entrepreneurial spirit within them so they are given chances to learn about it and experience the process directly. Programs or initiatives related to the development of

entrepreneurship like business incubators, accelerators, and mentorship will assist this younger generation in starting up their own businesses and managing them (Sari, 2023). Education in economics will prepare the younger generation to face global economic challenges. Education in economics provides an understanding of how an economy works at the level of a nation and at the international level (Rambe, 2024). Economic literacy can be described as knowledge possessed by someone about basic principles of economics that includes how markets operate what role government plays in an economy plus concepts like supply and demand (Dolonseda *et al.*, 2024). Economic literacy is a tool for changing unwise behavior into wise behavior—for example, how one should use income to invest, save for protection, or meet life needs (Edi Irawan, 2023). The Indonesian Community Organization (PERMAI) at Penang Malaysia is a platform for members of the young generation from the Indonesian diaspora who have great potential to actively participate in sectors related to economy and entrepreneurship. Based on preliminary observations most members of this community perceive that they possess inadequate skills regarding economic literacy as well as entrepreneurial capabilities.

This condition indicates their incapacity to manage personal finances properly design business ideas effectively utilize economic opportunities available within their environment. Young generations who are well-versed in economic literacy tend to be interested in entrepreneurship. Entrepreneurship today has become one of the important pillars that encourage economic growth by creating new jobs. The spirit of entrepreneurship plus entrepreneurial skills are such urgently required competencies for young generations amidst stiff global competition (Patimah *et al.*, 2024). Indeed many youths have fallen into unemployment hence nurturing an entrepreneurial spirit among them could serve as an alternative solution towards addressing restricted job opportunities (Farwati *et al.*, 2023). Entrepreneurship is a word commonly known as "entrepreneurship," which is a science that reveals the values, skills, and attitudes of a person in facing challenges of life in order to gain profits with risks that may arise (Rusby *et al.*, 2024). The skills possessed by an entrepreneur include the ability to set goals in life and business, motivate others, take initiative, raise capital, manage time and religious spirituality as well as learn from experiences (Firrahmawati *et al.*, 2021). Entrepreneurial skills are absolutely required by someone to achieve independence in life as well as to exist amidst difficult economic conditions (Nugrohowati & Rudatin, 2021). Thus raising the financial literacy of the younger generation is deemed very strategic to enhance entrepreneurial skills because with financial literacy one can manage risks handle business capital and make sounder choices for their business.

## 2 | METHOD

The method of implementing this community service activity uses a participatory and educational approach, which emphasizes the active involvement of participants in each stage of the activity. This approach was chosen so that the activity not only focuses on knowledge transfer, but is also able to foster practical skills, independent attitudes, and entrepreneurial spirit among the young generation of the Indonesian Community Organization (PERMAI) Penang, Malaysia. The implementation of the activity is carried out through several stages as follows:

### 1) Preparation Stage

At this stage, the implementation team coordinates with the PERMAI management to identify training needs. The participants involved were 30 people, consisting of teenagers and Indonesian diaspora students aged 7-17 years. The inclusion criteria for participants include: (a) active membership in PERMAI, (b) basic Indonesian language skills, and (c) willingness to participate in the entire series of activities. There are no exclusion criteria other than the absence of more than one training session. In addition, a pre-test was carried out to measure the level of economic literacy and entrepreneurial understanding. This pre-test is used as a basis for comparison with post-test results at the evaluation stage.

### 2) Stages of Implementation of Activities

This stage is the core of the service program which is carried out through several thematic sessions with a participatory approach, namely:

#### a) Economic Literacy Introduction Session

Participants were given a basic understanding of economic concepts, the role of money in life, and the importance of personal financial management. The session also emphasizes the simple skill of managing money based on future needs and goals.

#### b) Entrepreneurial Skills Development Session

This training uses a learning by doing approach, participants are invited to explore creative business ideas, design simple business models, and understand the basic principles of marketing and small business management. Business simulations are carried out so that participants can practice entrepreneurial concepts directly, starting from planning, capital management, to product promotion.

#### c) Young Entrepreneur Empowerment and Motivation Session

This activity is focused on strengthening entrepreneurial character, such as independence, responsibility,

innovation, and business ethics. Participants were also given inspiration from the success stories of young entrepreneurs to foster the spirit of entrepreneurship. Each session uses interactive lecture methods, small group discussions, case studies, and role simulations to encourage active participation and contextual learning (Kolb, 2015).

### 3) Evaluation and Reflection Stage

Evaluation was carried out through a combination of pre-test and post-test, semi-structured interviews, and direct observation during the activity.

- a) Pre-test and post-test were used to measure quantitative improvement in three key aspects: English language proficiency, understanding of digital ethics, and economic literacy. The test instruments are arranged based on the assessment rubric (Creswell & Creswell, 2018).
- b) Semi-structured interviews were conducted on 10 participants who were purposively selected to explore changes in attitudes and perceptions after participating in the activity.
- c) Direct observation was carried out using a structured observation sheet that contained indicators of active participation, cooperative ability, and the application of ethics in digital activities (Miles, Huberman, & Saldaña, 2019). Quantitative data was analyzed using comparative descriptive statistics (comparison of pre-test and post-test averages), while qualitative data was analyzed through thematic analysis with an open coding and categorization process to find participants' behavior patterns and perceptions. This method is expected to be able to encourage the improvement of economic literacy while building entrepreneurial skills for the young generation of PERMAI, so that they can become financially intelligent, creative, independent, and competitive individuals.

## 3 | RESULT AND DISCUSSION

### 3.1 Result

This PKM activity was carried out in accordance with the plan that had been prepared with PERMAI partners in Penang, Malaysia. The participants who took part in the activity amounted to 30 people, consisting of teenagers and student's members of the Indonesian Community Organization (PERMAI). The entire set of activities is designed to not only provide theoretical knowledge, but also include hands-on practice that involves the active involvement of participants in each training session. The enthusiasm of the participants was seen from the beginning of the activity, as evidenced by the full attendance and active participation in each session. Before the implementation of the activity, most of the participants had not fully understood the basic concepts of economic literacy such as personal financial management, budget planning, and the importance of saving for productive purposes. Through training sessions and discussions, participants gained a new understanding of the importance of managing finances wisely and avoiding consumptive behaviors. Entrepreneurship training sessions provide an opportunity for participants to hone their creative and innovative thinking skills. Participants were invited to design simple business ideas based on their own potential and the surrounding environment. Through simulations and case studies, they learn to formulate business plans, calculate capital, and understand promotional and marketing strategies. In addition to increasing knowledge and skills, this activity also has a positive impact on the formation of participants' character. Through motivation and reflection sessions, participants began to understand the importance of ethics in entrepreneurship, the spirit of independence, and social responsibility. Participants realized that entrepreneurship is not just about seeking financial gain, but also a means to contribute to society and strengthen a positive identity as the young generation of the Indonesian diaspora in Malaysia. An attitude of never giving up, teamwork, and a desire to continue learning are important values that grow during the activity. Results of the activity show that increasing economic literacy combined with entrepreneurship training has a significant impact on the empowerment of the younger generation. By understanding the fundamentals of economics and entrepreneurial practices, participants are better prepared to face future economic challenges and have the ability to create business opportunities independently. participatory practice.



Figure 1. Activity Documentation

To find out the extent of the improvement in the understanding and skills of the participants after participating in this PKM activity, measurements were made through pre-test and post-test. A pre-test is given before the training session begins to measure participants' initial knowledge of human resource management and financial literacy. Meanwhile, the post-test is carried out after the entire series of activities is completed to assess the learning results obtained. The comparison between the results of the pre-test and post-test provides an overview of the level of effectiveness of the program in improving the competence of participants. The following tables and Diagrams present the results of these measurements visually for easier analysis.

Table 1. Pre-Test and Post-Test Results

| Assessment Aspects                            | Pre-Test (%) | Post-Test (%) | Information                              |
|---|--------------|---------------|--|
| Personal Financial Management                 | 35%          | 90%           | Increased Understanding                  |
| Understanding the Basic Concepts of Economics | 28%          | 80%           | Significant Improvement in Understanding |
| Simple Business Planning Skills               | 25%          | 88%           | Improved Skills                          |

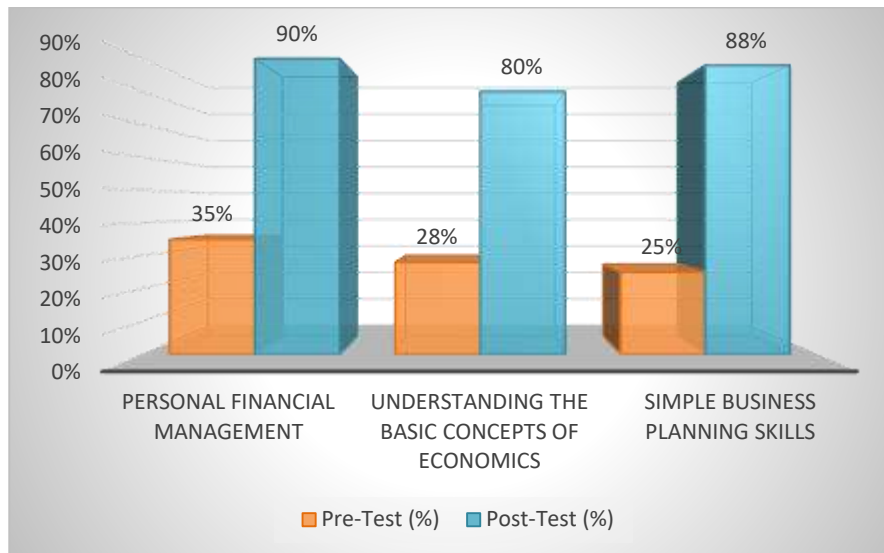


Figure 2. Pre-test and Post-test Results

Based on the table and graph of comparison of pre-test and post-test results, there was a significant increase in the three main indicators of activities, namely personal financial management, understanding of basic economic concepts, and simple business planning skills. This percentage increase describes changes in participants' mastery of the material before and after the training, which is measured through written tests and behavioral observations during the activity. In the aspect of personal financial management, the participant's level of understanding increased from 35% to 90%, indicating an increase of 55%. This increase reflects the success of participants in understanding the basic principles of financial literacy as stated by the OECD (2018), namely the ability to manage money, make financial planning, and make responsible financial decisions. Qualitative data from interviews also showed positive behavioral changes; Some participants reported starting to implement personal financial records, reducing consumptive expenses, and allocating some of their income to productive savings. The aspect of understanding basic economic concepts showed an increase from 28% to 80%. This improvement shows the success of learning in improving participants' cognitive capacity to understand basic economic concepts such as needs, scarcity, value, and the role of economics in daily life. Based on the results of the group discussion, participants were able to relate these concepts to real experiences, for example in making decisions about consumption and efficient use of resources. Meanwhile, in the aspect of simple business planning skills, there was an increase from 25% to 88%, or by 63%.

This improvement shows that participants not only understand the concept of entrepreneurship theoretically, but are also able to apply it in the preparation of a simple business plan that includes the identification of business ideas, capital calculations, marketing strategies, and profit analysis. Several groups of participants came up with potential business designs such as Indonesian culinary businesses and community creative products. This increase is in line with the view of Lusardi and Mitchell (2014) that financial literacy and entrepreneurial skills are two important elements in building the economic independence of young individuals. The average increase in participants' understanding reached 86%, which shows the effectiveness of the activities in improving economic literacy and entrepreneurial skills. However, there was variation in results between participants. Participants with a secondary education background showed greater improvements in practical aspects such as business simulations, while participants with higher education backgrounds showed stronger improvements in conceptual aspects. This variation shows the influence of background knowledge and learning experience on the effectiveness of the program. In general, the results of this study show that the participatory and educational approach applied in this service activity is effective in improving economic literacy, entrepreneurial skills, and financial awareness of young participants in the Penang PERMAI community. This increase reinforces the empirical evidence that experiential entrepreneurship education is able to shape a younger generation that is more independent, creative, and economically resilient.

### 3.2 Discussion

The results of the activity show that the participatory and educational approach applied in this program is effective in improving the economic literacy and entrepreneurial skills of the younger generation. The active involvement of participants through discussions, case studies, and business simulations has been proven to strengthen their understanding of economic concepts and their application in real-life contexts. This finding is in line with research conducted by Zulatsari and Soesatyo (2018) which stated that economic literacy and entrepreneurship education have a significant effect on students' entrepreneurial interests. Through an active learning approach, participants not only gain

knowledge, but also develop confidence and critical thinking skills in facing modern economic challenges. The results of increasing participants' economic literacy are also consistent with the findings of Lestari and Arifin (2020) who affirm that the ability to understand basic economic concepts and personal financial management is an important foundation in shaping rational and productive economic behavior. In addition, the practice-based approach used in this activity supports Kolb's Experiential Learning theory (Kolb, 2015), where learning through hands-on experience is able to lead to deeper understanding and sustainable skills. In the context of entrepreneurship, this activity also shows that the younger generation tends to be more responsive to training that combines elements of creativity and digitalization. This is supported by research by Susanti *et al.* (2021) which emphasizes that the integration of digital literacy in entrepreneurship training is able to increase the competitiveness and innovation of young entrepreneurs. Similarly, research by Rahmawati and Fitriani (2022) shows that project-based learning and business simulations are effective in fostering entrepreneurial orientation among students and young communities. Thus, this service activity not only increases economic knowledge, but also builds applicable entrepreneurial skills. The practical implication is the need for the sustainability of the program with an emphasis on digital business assistance, social media-based marketing, and strengthening the network of young entrepreneurs in the diaspora as a forum for collaboration and cross-border economic innovation. Through this strategy, the young generation of PERMAI in Penang is expected to be able to become creative, independent, and competitive agents of economic change.

## 4 | CONCLUSION

The Community Service Program entitled "Improving the Economic Literacy of the Young Generation of PERMAI in Penang, Malaysia: Building Entrepreneurial Skills" showed a significant positive impact on improving conceptual understanding, practical skills, and entrepreneurial attitudes among the young generation of the Indonesian diaspora. The participatory and educational approach applied allows participants to not only understand the basic principles of economics, but also to internalize the ability to manage personal finances, identify business opportunities, as well as develop a simple business plan that is contextual with their socio-economic environment. These results indicate that interactive-based and hands-on training methods are effective in developing entrepreneurial competencies oriented towards ethics, creativity, and adaptability to digital transformation. However, the sustainability of the program's impact requires a follow-up strengthening strategy through digital business mentoring mechanisms, social media-based marketing training, and the formation of a sustainable network of young entrepreneurs in the diaspora. This effort requires cross-institutional collaboration between academics, community organizations (PERMAI), local governments, and industry partners who are committed to the development of the creative economy. In addition, it is necessary to adapt the program based on the demographic characteristics and educational background of the participants, so that the effectiveness of the activities can be optimized. Follow-up research is recommended to use a longitudinal approach in assessing the long-term impact on participants' economic behavior, as well as an experimental design with a control group to identify the components of the intervention that have the most influence on learning outcomes and changes in entrepreneurial behavior. This program contributes to strengthening the capacity of the young generation of the Indonesian diaspora as agents of economic change that are independent, innovative, and adaptive to global challenges, as well as providing an empirical basis for the development of an entrepreneurial education model based on economic literacy in a transnational context.

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How to cite this article: Arniati, A., Hakib, A., & Hasan, M. (2025). Improving Economic Literacy for the Young Generation of PERMAI in Penang, Malaysia: Building Entrepreneurial Skills. *AJAD : Jurnal Pengabdian Kepada Masyarakat*, 5(3), 504-510. <https://doi.org/10.59431/ajad.v5i3.641>.