Optimizing Investment Strategies to Improve the Welfare of Migrant Workers

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Abstract: The high public interest in becoming migrant workers is motivated by the narrowing number of available jobs and the low wages of domestic workers. This is the reason why migrant workers dare to take the risk to leave their home country and work abroad. However, migrant workers often find challenges and obstacles in financial management of their income while abroad. The financial management constraints faced by migrant workers are triggered by the low level of financial literacy, so a training program related to financial literacy is needed as an effort to improve financial management skills for migrant workers. This service program focuses on investment strategies for the welfare of migrant workers. This program aims to broaden the insights and knowledge of migrant workers regarding the correct investment strategy as an effort to achieve economic independence. The training method carried out in this service program is based on interactive training related to appropriate investment strategies. The results of this study are expected to improve the financial literacy of migrant workers, especially in the context of investing, so that it can be used as a provision for migrant workers to improve their economy sustainably in the long term.

Keywords: Investment, Migrant Workers, Welfare.

Introduction

The deteriorating economic conditions experienced by the community in their home area are the background for a person to migrate to other areas that are believed to provide more promising economic prospects (Yulianto & Furqan, 2022). According to the ILO (International Labor Organization), migrant workers can be said to be people who migrate with the aim of working or being employed by others. This definition takes into account the aspects of cross-border movement and labor participation in economic activity in the country of migration (Fitriani et al., 2024). The most dominant pull factor in determining a person's decision to become an Indonesian migrant worker is the wage indicator. This is based on the wages offered by the country of migration are much greater when compared to the amount of wages in Indonesia (Fikriansyah & Julia, 2023).

It is undeniable that the high interest of people who choose to work abroad is due to the narrowing number of jobs in Indonesia. Indonesia as a country with such a large population growth does not go hand in hand with an increase in employment. This country with millions of potential natural resource wealth has not been able to guarantee its people to live properly (Hidayat & Najicha, 2021). Indonesian migrant workers who dare to take the risk to work abroad tend to be motivated by the problem of not having income or assets (Tsania & Sundaya, 2023). In reality, migrant workers often face various challenges, obstacles, and even uncertainties that motivate them to decide and take risks to fulfill economic goals. Courage in this case is not only limited to their decision to leave their home country and look for work in another country, but also includes the way they manage finances and invest to fulfill long-term economic goals.

Indonesian migrant workers have an important role in contributing to foreign exchange earnings for the country, but they still often face challenges and limitations in terms of financial management. In several reports related to the financial condition of Indonesian migrant workers abroad, there are still errors in terms of financial management. For example, the increase in

remittances received is not in line with future economic goals. This shows that the remittances generated by migrant workers are only to meet short-term needs and not for long-term needs (Buchdadi et al., 2022). Things like this should be an important note for future improvements in expanding migrant workers' insights about financial planning.

Financial literacy is an insight and expertise that is influenced by actions and attitudes to improve the quality of decision-making and also financial management as a goal to achieve financial well-being (Safitri et al., 2022). However, the obstacles faced by Indonesian migrant workers in long-term financial planning are triggered by their low level of financial literacy and limited knowledge of investment. Limited access to training programs and financial management training is a factor that affects the low level of financial literacy of Indonesian migrant workers, so they often experience challenges related to financial management and remittances (Suranto et al., 2024). This lack of literacy can hinder their potential to take advantage of the income they earn while working abroad. It is urgent to make efforts to provide financial literacy knowledge so that migrant workers can manage their finances better.

The task of community service is one of the important elements in the Tri Dharma of Higher Education. Where service programs are carried out in accordance with the needs of the community or in this case the service partners. Thus, it is very necessary to have efforts in the form of education and training programs on financial literacy, especially investment so that migrant workers can optimize their income more effectively. This training program is not only aimed at improving financial literacy, but also aimed at helping Indonesian migrant workers manage and plan financial goals in the long term. Through the provision of financial literacy focused on investment, it is hoped that migrant workers can achieve financial stability even after they stop working abroad. The understanding of financial management provided through the training program can also encourage migrant workers to make productive investments, so that they have control over their future welfare.

This service program was held in Kuala Lumpur, Malaysia at the end of September 2024 by collaborating with IKMA (Ikatan Keluarga Madura) as a service partner. IKMA is a community that focuses on social activities in the form of taking care of the bodies of Indonesian citizens who died in Malaysia. Thus, this program is expected to be able to reach migrant workers who need assistance in managing finances by investing safely and effectively.

The results of this service program are expected to have a long-term and sustainable impact on the welfare of Indonesian migrant workers. With an understanding of how to manage and optimize their income more effectively, migrant workers can set aside some of their income to be used as savings and investments so that future financial conditions can be stable. A good understanding of investment is also aimed at avoiding investment scams that often target people who lack financial literacy. Not only that, this program is also expected to make a positive contribution to the country's economic growth in a sustainable manner, given that Indonesian migrant workers are the country's largest foreign exchange contributors.

Method

The method used in the activity "Optimizing Investment Strategies for Improving the Welfare of Migrant Workers" is interactive training. This service activity was organized by collaborating with IKMA (Ikatan Keluarga Madura) in Kuala Lumpur, Malaysia in 2024. IKMA is one of the migrant worker communities whose activities focus on social activities, namely the management of the bodies of Indonesian citizens who died in Malaysia. The participants of this training activity are migrant workers from Madura who are members of the IKMA community, while the resource persons are experts in financial literacy, investment, and international finance.

1. Pre-implementation of service activities

In the pre-implementation stage of service activities, needs identification and also mapping of problem strategies faced by Indonesian migrant workers were carried out. This stage begins by compiling a literature review related to the economic challenges of migrant workers and also a comprehensive needs analysis. In addition to the literature review, the initial study was also carried out by conducting a survey to partners regarding the needs and challenges faced. The results of this analysis were then used to design a training curriculum that included topics on the benefits of investing, types of investments, and also safe investment strategies. Determination of appropriate methods such as training, consultation or counseling as well as an implementation schedule that suits the conditions and time for partners and the community service team. Then, budget planning and resource allocation are carried out to support the sustainability of the service program. In addition, this stage also includes the preparation of training materials, resources, and also the practical facilities needed.

2. Implementation of service

The training for Indonesian migrant workers presented resource persons who are experts and

competent in the fields of financial literacy, investment, and international finance. In this training, the method applied is based on interactive dialogue, so that trainees can interact directly with resource persons to ask various issues related to financial management and investment strategies. By implementing two-way communication between resource persons and trainees, the training that is carried out to explore further understanding from each participant can run smoothly (Sasa et al., 2021).

Before the training is conducted, it is important to hold an initial socialization for migrant workers as a strategic preparation step. This socialization aims to introduce the service program as a whole, starting from the objectives, benefits, to the schedule of activities that will be carried out. With an informative and communicative approach, it is expected that migrant workers can better understand the objectives of the program and are better prepared to receive training materials. This socialization is also a means to identify the needs and challenges faced by migrant workers, so that the material presented in the training can be more relevant and applicable.

The training will include material presentation sessions, case discussions, and question and answer sessions to strengthen participants' understanding of the topics discussed. The material presentation is focused on important issues related to financial literacy, personal finance management, and how to determine safe and appropriate investment instruments. Through case discussions, participants were exposed to real-life situations relevant to their daily lives, so they could practice putting theory into practice. Q&A sessions were also set up to ensure that each participant had an equal opportunity to understand and explore the material in depth.

In addition, to support a more flexible and sustainable learning process, each participant will be provided with a digital learning module. The module is designed to include learning videos and interactive tutorials that guide them in determining investment instruments as well as providing safe tips on sending remittances. With this module, participants are expected to be able to repeat the material independently whenever needed, so that their understanding will deepen and the practical skills they need to strengthen their financial condition can be achieved.

3. Activity evaluation

The evaluation phase aimed to measure the success of the training and its impact on improving the understanding and welfare of Indonesian migrant workers. The evaluation method used includes measuring the participants' level of understanding of financial literacy and investment. In addition, feedback obtained from training participants will be collected to further improve the program in the future. The evaluation also highlights the sustainability aspect, where participants are expected to implement the knowledge they have gained to improve their finances independently. With the financial literacy and investment training program, it is hoped that it can have a positive long-term impact on the economy of Indonesian migrant workers.

Result and Discussion

Results

Training on optimizing investment strategies to improve the welfare of migrant workers was held at the end of September 2024 in Kuala Lumpur, Malaysia. The participants of this training program are Indonesian migrant workers who are members of the IKMA (Ikatan Keluarga Madura) social community in Malaysia. Through this program, training participants gain a pragmatic and more comprehensive understanding of investment strategies, so that they can be used sustainably in terms of financial management. The training sessions organized opened the trainees' insights about the importance of financial planning and also how to invest wisely. This training program enables migrant workers to better optimize their income through investment.

Figure 1. Training material presentation session

Table 1. Training materials

Materi	Content
Strategi Investasi untuk Peningkatan Kesejahteraan Pekerja Migran	1) Peran penting investasi 2) Keuntungan berinvestasi 3) Jenis-jenis investasi 4) Peran penting perencanaan keuangan 5) Identifikasi profil risiko 6) Pentingnya diversifikasi dalam investasi

The selection of investment strategy material is motivated by the very important role of investment in efforts to improve the welfare of migrant workers which cannot be ignored. Investment allows migrant workers to utilize and manage their income more efficiently. One of the benefits of investing is being able to protect and also develop assets to prepare for future economic needs. In this training, various types of investments were introduced to migrant workers, both short-term investments such as time deposits and long-term investments such as stocks and gold, each of which has different characteristics and potential benefits. In addition, financial planning material is also an important aspect for migrant workers in order to equip them in managing their income. Financial planning is aimed at helping migrant workers to make a strategic allocation of funds in an effort to limit unproductive spending and also ensure the availability of savings for future needs.

In addition to financial planning, risk profile identification is also an essential part of the training. This material is designed to teach migrant workers to prepare their ability to deal with financial risks. Risk perception in the context of investment decision making can be interpreted as an individual's view of problems that have a negative impact that raises concerns about the potential risks received. Concerns about uncertainty and expected outcomes are two important aspects of risk awareness (Fadila et al., 2022). Insight into the risk profile will help migrant workers choose and decide on the type of investment that best suits their conditions and needs.

The importance of diversification in investment strategies as an effort to minimize risk also needs to be underlined in this case. The existence of investment diversification allows migrant workers to be able to spread the investment capital on their income to various investment instruments, thus minimizing losses in investing. This can optimize greater security for migrant workers in managing assets and can build financial resilience.

Discussion

The findings show that Indonesian migrant workers who are members of IKMA (Ikatan Keluarga Madura) in Kuala Lumpur, Malaysia tend to prefer gold as the main instrument in investing compared to other forms of investment. This preference is motivated by several factors, such as the stability of the value of gold and the security of gold investments that have been tested over time. Gold is seen as a relatively safe form of investment because it is resistant to economic fluctuations. This encourages migrant workers to tend to invest their income in gold. In addition, gold investment has high flexibility and accessibility because it is easy to

withdraw when needed, without going through complicated procedures. Investment in gold has become a culture of the Madurese community as a form of financial management and provision of financial security.

Figure 2. Documentation of Training Activities

This training program is designed to deepen Indonesian migrant workers' understanding of the urgency of wise financial management and appropriate investment diversification as a way to minimize risk. In this training, migrant workers are taught about how to allocate income in various types of investment instruments, such as savings, property, gold and stocks that can be useful for maintaining economic stability and growth in the long term. In addition, this training is also aimed at understanding financial planning while identifying risk profiles so that in the future they can make investment decisions in accordance with financial goals. The importance of having a strategic plan in financial management by migrant workers. Continuous economic improvement is an effort for each individual to manage their income so that what is obtained is not used up in vain (Lestari et al., 2023).

The successful implementation of this training program can be seen from the enthusiasm of the training participants who actively participated throughout the discussion and question and answer sessions. The majority of the participants did not have a comprehensive knowledge of investment strategies and long-term financial management. This shows that the level of financial literacy among migrant workers is quite low. This training program can open migrant workers' insights on wise financial management. Interactive discussions were held to broaden and enrich the knowledge of the community in understanding the complexity of investment.

Not only that, this service program is also oriented towards achieving the first SDGs (Sustainable Development Goals), namely poverty reduction and the

eighth SDGs, namely decent work and economic growth. This program is expected to help Indonesian migrant workers in forming better financial independence. Financial independence is realized in the form of reducing external assistance, so that Indonesian migrant workers have the ability to organize their future independently. In addition, this training activity has succeeded in increasing solidarity, especially among migrant workers who are members of IKMA. This training program has succeeded in bridging the relationship between community members to become closer. The close relationship between migrant workers can support them in obtaining information related to investment.

When viewed as a whole, this training program has a very positive impact on efforts to prepare Indonesian migrant workers through provision of knowledge to be wiser in terms of financial management of their income. It is hoped that the service program through this training can be carried out in a sustainable manner with further programs that are carried out better and in-depth, so that the insights gained by Indonesian migrant workers can be implemented optimally as an effort to improve the welfare and economic independence of Indonesian migrant workers.

Conclusion

The program "Optimizing Investment Strategies to Improve the Welfare of Migrant Workers" has been successfully implemented in Kuala Lumpur, Malaysia in September 2024 by involving the social community of Indonesian migrant workers, namely IKMA (Ikatan Keluarga Madura). The orientation of this program is to improve financial literacy and the ability to invest wisely among Indonesian migrant workers. This training program is organized through interactive training by providing a comprehensive understanding of financial planning and investment strategies. The findings show that Indonesian migrant workers who are members of IKMA tend to choose to invest in gold compared to other investment instruments. This is because gold is one of the investment instruments that is easily accessible and its value tends to be stable, so that it can protect assets in uncertain economic conditions.

Through the training that has been conducted, it is hoped that it can improve the financial literacy of Indonesian migrant workers, especially in investing and long-term financial management. In addition, this program is also presented as a solution to the problem of remittances that tend to focus on short-term needs without considering long-term needs. The initiation of this program also contributes to improving the welfare of migrant workers and also has a sustainable positive impact on the country's economy through increased foreign exchange contributions from Indonesian migrant workers.

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