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Enhancing financial literacy and citizenship as pillars of social and economic sustainability in Baubau city

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Abstract. Social and economic sustainability in the digital era depends on preparing the younger generation with essential competencies, particularly in financial literacy and civic awareness. Despite national efforts to improve financial education, many primary school students in Indonesia still struggle with basic financial skills, including managing money wisely and distinguishing real from counterfeit currency. This study aims to enhance both financial and civic literacy among elementary school students in Baubau City as foundational pillars for long-term social and economic development. Employing a mixed-method approach, the research combines quantitative surveys and qualitative observations, covering stages of needs analysis, program design, and evaluation of learning outcomes. A total of 100 students participated in pre- and post-intervention assessments. The results indicate a significant improvement—on average, 40–45%—in students' understanding of financial concepts and civic responsibilities. These outcomes highlight the importance of integrating financial and citizenship education into the primary school curriculum to foster early awareness, responsible behavior, and cultural rootedness. The study provides evidence that targeted interventions at the basic education level can contribute meaningfully to sustainable development. It also reveals an existing gap in financial and civic competence that must be addressed by educators and policymakers through more responsive and inclusive curriculum design.

1 Introduction

Financial literacy education and cultural and civic literacy are integral parts of character building for elementary school children. Baubau City, as an area with significant cultural wealth and economic potential, needs a younger generation who not only understands personal financial management but also appreciates and preserves the local culture. Previous

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research has shown that primary school-age children have great potential to learn and internalize the concept of financial and cultural literacy from an early age [1].

Financial literacy is a basic skill in the era of globalization that can help individuals understand and manage their finances well. The urgency to improve financial literacy is very clear, especially in Indonesia, where only 29.7% of the population is skilled in basic finance [2]. The importance of teaching financial literacy at the basic education level as an effort to build positive habits from an early age, foster a sense of responsibility and financial awareness among students [3]. Financial literacy taught in early childhood helps children understand good financial management, and reduces the risk of financial difficulties in the future [4-7]. Financial education in schools not only has an impact on better financial decision-making, but it also improves children's ability to analyze choices and plan for their future [4].

On the other hand, cultural literacy and citizenship play an important role in building self-confidence and social identity in a diverse society [8], [9]. Teaching about cultural and civic values in primary education can strengthen children's understanding of their social responsibilities [10]. Teaching cultural literacy not only helps children understand diversity but also encourages them to respect and preserve local values [11]. Student involvement in cultural activities is able to improve social skills and collective awareness [12]. Therefore, it is important to integrate civic content in the curriculum of primary schools in Baubau City, so that students not only become financially savvy individuals but also care about their social environment.

In the context of Baubau City, which has cultural riches such as the Buton Palace Fortress and local oral traditions, cultural literacy is becoming increasingly relevant. Through formal education, students can be invited to recognize and preserve these cultural elements as part of their identity. This is in line with UNESCO's view which underlines the importance of culture-based education to create an inclusive society. In addition, the literacy education programs developed need to include interactive methods that are interesting and relevant to students' daily lives, such as the use of technology Augmented Reality in financial literacy education [13]. The implementation of these methods is expected to increase the effectiveness of literacy and citizenship education among children [14].

However, financial and cultural literacy among children still faces challenges. Several studies have shown that most elementary school students in Baubau have a low level of understanding related to financial management [15] and local cultural values [16], [17]. The lack of integrated teaching materials is one of the main causes [18]. Therefore, this study aims to examine in depth the strategies and approaches that can be used to improve financial literacy and cultural literacy as well as citizenship in elementary school children in Baubau City.

Furthermore, the interactive approach used in this activity is based on constructivist learning theory, where students are given space to explore and learn through hands-on experience. This approach has been shown to be effective in improving learners' understanding, as demonstrated in a study by [19]. Contribution What is expected from this study is to provide a holistic education model that can be applied in elementary schools in Baubau City, as well as provide insight to teachers and policy makers about the importance of integrating financial literacy with cultural and civic education. The results of this study are expected to be used as a reference for communities, academics and education practitioners in designing a curriculum that is more inclusive and responsive to local needs and contexts [20]. With a focus on financial literacy and culture and citizenship, it is hoped that this educational program will not only improve students' understanding of financial management, but also foster awareness and more responsible actions towards their social environment [21].

2 Methodology

2.1 Research Design

This study applies a mix method design (combining qualitative and quantitative methods) to allow for more in-depth analysis and broader generalization. In this study, a qualitative approach is used for a more detailed exploration of students' attitudes and perceptions towards literacy, while a quantitative approach is used to measure the level of financial and cultural literacy more objectively through instruments (questionnaires and tests).

2.2 Research subject

The subjects of this research consist of elementary school students, teachers, and parents in Baubau City. For a qualitative approach, data collection will involve in-depth interviews with teachers and parents who have important insights into how financial and cultural literacy is introduced to children. As for the quantitative approach, this study will involve 100 students from various schools in Baubau City who will be selected through a random sampling technique

2.3 Data Collection Techniques

Qualitatively through (1) interviews to explore in-depth information from teachers, parents and students regarding the literacy practices applied so as to get feedback; and (2) observation, direct observation of learning activities in the classroom that include teaching cultural and financial literacy. Quantitatively through (1) Questionnaire: to assess financial and cultural literacy knowledge among students; (2) Tests (in the form of pre-test and post-test) to measure the improvement of student understanding.

2.4 Data Analysis

Qualitative data are analyzed descriptively by presenting the results in narrative form to describe in-depth findings about cultural and financial literacy practices. Quantitative data were analyzed using SPSS 25.0 statistics.

3 Results and Discussion

The measurement of financial literacy aspects can be presented in Table 1.

Table 1. Result of observation and interviews on aspects of financial literacy

Variable	Description	Result
Understanding the concept of financial literacy	Measurement of students' knowledge of basic literacy concepts (saving & shopping well	70% understand the concept of saving well
Saving & financial management practices	Observation of students' activities in saving practices, including the amount of money saved and attitudes towards spending	The average student saves 50,000/month
Participation in Literacy Activities	Student involvement in literacy activities, such as game simulations and group discussions	80% are involved in literacy activities
Use of Educational Media	Evaluate the effectiveness of the educational media used,	85 % of students like

	such as storybooks, educational games, and animated videos	
Attitude Towards Money and Spending	Assessment of students' attitudes towards the use of money and expenditure management, as well as extravagant habits	60% of students indicated a frugal attitude
Ability to Create a Budget	Assessment of students' ability to plan and create a simple budget for their needs	55% of students were able to create a simple budget
Parent involvement	A measure of parental support in guiding children to understand financial literacy at home	75% of parents are involved in educational activities
Level of Confidence in Financial Decisions	Measurement of students' confidence in making financial decisions based on the knowledge gained	65% of students feel confident in financial decisions

The increase in financial literacy among elementary school students in Baubau City (Table 1) shows encouraging results, with 70% of students having a good understanding of the basic concepts of saving and shopping wisely. Students who have a high understanding of financial literacy tend to be more confident in managing their personal finances, including in making planning and managing budgets [22]. Involvement in practical activities, such as buying and selling simulations, piggy banks and saving activities, has a positive impact on students' ability to manage finances. Improving numerical skills is indispensable to support financial literacy [5]. In addition, observations on the use of educational media also show that 75% of students like the use of educational games related to financial literacy. The importance of integrating numeracy skills into financial literacy as a step to improve students' understanding of financial information [23]. Furthermore, the measurement of cultural and civic literacy aspects can be presented in table 2.

Table 2. Result of observation and interviews on aspects of financial literacy

Variable	Description	Result
Understanding of Culture & Citizenship	Measurement of students' understanding of cultural values, rights, and obligations as citizens	65%of students understand cultural and civic values
Cultural Literacy Activities	Observation of student involvement in cultural literacy activities, such as reading cultural books, discussions, and art performances	70% of students are actively involved in arts and cultural activities
Application of Character Values	Evaluate the extent to which students apply character values, such as discipline, tolerance, and mutual respect	75% of students apply character values in social interactions
Involvement in Social Activities	Assessment of student participation in social activities, such as community service and flag ceremonies	80% of students are involved in social activities in the community.
Mastery of Speaking and Listening Skills	A measure of a student's ability to communicate about culture and citizenship effectively	60% of students showed good speaking skills in discussions.
The Influence of Parents and the Environment	Assessment of family and surrounding environment support in supporting children's cultural literacy and citizenship	65% of parents are actively involved in supporting children's literacy education
Interest in Cultural Reading	Observation of students' interest in books and readings related to culture, folklore, and history	72% of students show a high interest in cultural reading

Effectiveness of Learning Media	Evaluation of the use of educational media used to improve cultural literacy and citizenship	75% of students like the use of audio- visual media based on local wisdom

The increase in cultural literacy and citizenship among elementary school students in Baubau City (Table 2) shows a better awareness of cultural values and civic responsibility. The observation results show that 70% of students are actively involved in cultural literacy activities. Cultural integration in thematic learning helps students understand the relationship between culture and the curriculum being taught, which in turn improves their understanding of cultural values [24]. In addition, the application of character values in social interaction is also the focus of cultural literacy and citizenship learning. Data shows that 75% of students are able to apply character values such as discipline, tolerance, and mutual respect in daily life. Learning civic education in the context of good cultural literacy can have an important role in shaping good and intelligent citizens [25]. Student involvement in social activities, such as community service and flag ceremonies, also shows the positive impact of efforts to improve cultural literacy. Observations show that 80% of students actively participate in these social activities. Quality civic education programs have an important role in developing students' civic knowledge and encouraging their active participation in society [26].

The results of the evaluation showed a significant increase in students' understanding of financial and cultural literacy. Before the activity, only 40% of students understood the importance of saving and planning expenses. After the activity, this figure increased to 85%. In the aspect of cultural literacy, there is an increase in students' awareness of the importance of preserving local traditions from 45% to 80%. The following diagram (Figure 1) shows the results of the pre-test and post-test for both aspects of literacy.

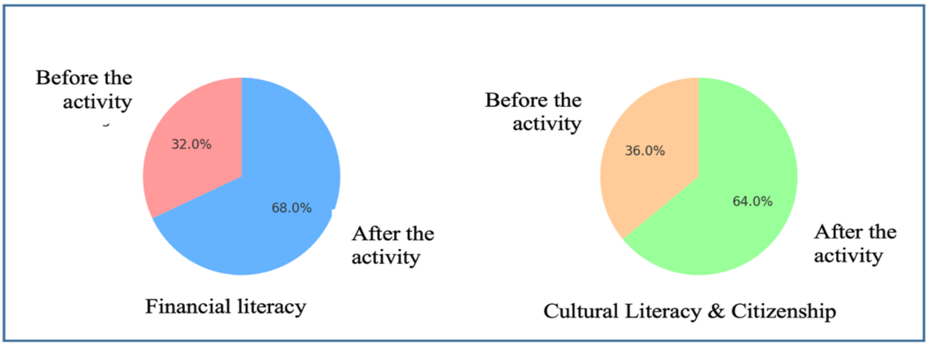

Fig. 1. Results of the evaluation of the implementation of financial literacy and cultural & civic literacy

The results of the evaluation showed a significant improvement in students' understanding of financial and cultural literacy after participating in the designed activities. In terms of financial literacy, the number of students who understand the importance of saving and planning expenses increased from 40% before the activity to 85% after the activity. This demonstrates the program's success in providing relevant and actionable insights into personal financial management. Learners now have a better understanding of how wise financial decisions can affect their well-being in the future.

This increase also reflects the effectiveness of the learning methods used, which can be interactive approaches, case studies, or simulations that teach the importance of saving and managing daily expenses. The transformation from pre-test to post-test numbers shows that students not only absorb information, but are also able to internalize the financial values taught. This increase of 45% is an indication that students are starting to realize the importance of financial planning in supporting the achievement of their long-term goals. This is in line with research (27), which highlights that the experiential approach is able to improve students' understanding of financial concepts.

In the aspect of cultural literacy, students' awareness of the importance of preserving local traditions increased from 45% before the activity to 80% after the activity. This increase shows that the program is able to change the way students perceive local cultural values. The increase in post-test scores shows that the integration of cultural values into teaching materials increases students' interest in learning. Students who are involved in cultural activities are more enthusiastic about learning (28). Culture-based education strengthens collective consciousness among children (11). In the context of education, cultural literacy is an important element to ensure that the younger generation not only recognizes traditions, but also values and maintains them as part of their identity.

Significant results in this aspect are likely to be achieved through in-depth approaches, such as group discussions, cultural visits, or the introduction of traditional practices through hands- on demonstrations. With this increased understanding, students are expected to contribute to the preservation of culture in their environment, especially in coastal areas that are rich in unique and distinctive traditions.

Overall, the improvement in both aspects shows the success of the program in broadening students' horizons while forming a positive attitude towards financial and cultural literacy. The success of this activity underscores the need for collaboration between schools and local communities to support holistic learning that includes financial and cultural literacy. This could be a model for similar activities in the future. It is important to maintain an already successful approach and continuously evaluate the program to be more relevant to the needs of the learner and their environment. That way, this achievement is not only temporary, but sustainable in shaping financially and culturally literate individuals.

4 Conclusions

Improving financial literacy and cultural literacy as well as citizenship in elementary school children in Baubau City is very important to shape their character and skills in the future. The results of the study showed a significant increase in students' understanding of aspects of financial literacy and cultural literacy (40-45%). This research emphasizes the need to integrate financial and cultural literacy education in the primary school curriculum to prepare students to become intelligent, ethical, and responsible individuals in their social and financial lives in the modern era.

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