

ECONOMIC LITERACY AND PRICE OF GOODS CONCEPT IN SAMPE CITA VILLAGE FOR HOUSEHOLD BUSINESS GROUP

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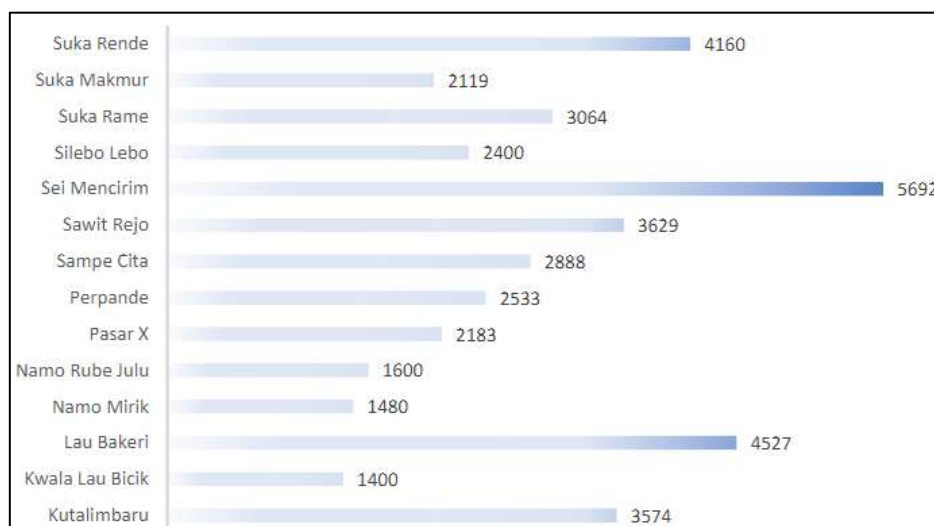
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Abstract: Economic literacy is an individual's ability to understand, analyse and use economic information in everyday life. And the price of goods is the amount of money that must be paid by consumers to obtain a good or service. The purpose of this service activity is to educate the concept of economic literacy and the price of goods in the Sampe Cita village household business group. The method of implementation is through lectures, questions and answers, problem discussions, which then evaluate the productivity of the household business group in question. What is a follow-up in this service activity, in addition to evaluating the productivity of the Sampe Cita village household business group, there will be a next stage of educational activities on different concepts as a provision of understanding if it is still a problem in order to increase the productivity of the business group. Thank you to the Village Head and Village Officials who have supported the implementation of this service activity and it is hoped that they will always support the service activities in the next stage.

Keywords: Economic, Goods, Household, Literacy, Sampe Cita

INTRODUCTION

People in Kutalimbaru Sub-district have various ethnicities and cultures, such as Batak, Karo, Javanese, Mandailing, and others. Kutalimbaru Sub-district has an area of approximately 174.92 km² and consists of 14 villages. Sampe Cita is one of the villages in Kutalimbaru sub-district, Deli Serdang Regency, North Sumatra Province. The following is data on the total population in Kutalimbaru Sub-district.



Source: Head of Kutalimbaru Sub-district, 2023

Figure 1. Some of Village and Population in Kutalimbaru Sub-district

Economic literacy is an individual's ability to understand, analyse and use economic information in everyday life. It involves a basic understanding of economic concepts such as demand and supply, inflation, unemployment, monetary and fiscal policy, as well as personal finance principles such as budget management, savings, investment, and credit. Economic literacy is an essential skill that helps individuals to face economic challenges, make wise decisions, and improve their quality of life.

Price of Goods means the price the price labeled at the time of production, maximum retail price (M.R.P.), the price fixed in the import declaration form or the price fixed at the source by the producer. Price of Goods means the agreed prices, fees and charges set out in the Purchase Order.



Source: Observed, 2024

Figure 2. Head Office of Sampe Cita Village

There are several sectors of business opportunities that can be implemented in small household business groups in Sampe Cita Village (Rangkuty, 2023), one of which will be discussed in this service activity is the Culinary sector. Culinary is one of the elements that builds the identity of a region, and the approach that can be applied by the culinary sector is variation in the products and services offered. Culinary is often a reflection of the culture of a tribe, city, or even country. Moreover, in some cases, it can be used as an indicator of a person's social status. Culinary aspects also have the capacity to permeate the history of civilisations and contribute to the appeal of tourism (Sari, 2018). A business in the culinary sector is a form of business that focuses on food, and it is a type of business that is relatively accessible to various groups, including people in Sampe Cita Village.

Small business opportunities, both in villages and cities, at the national and international levels, have great potential. Economic potential and opportunities that are independent must get attention and can improve the economic welfare of the community in a sustainable manner (Sururi et al., 2021). The market for small businesses is still very broad, and tends to continue to grow. Therefore, the purpose of this community service activity is to help improve the understanding and productivity of small business groups in Sampe Cita Village.

The knowledge and insight of the Sampe Cita village household business group about the concept of economic literacy and the price of goods is a problem of business productivity in improving the economic level of the community around the area where this service activity is carried out. So that this is the main reason my team conducts service activities.

METHODS

The method of approach proposed to overcome the problems faced by the household small business group of Sampe Cita Village, Kutalimbaru Sub-district, involves two main steps, such as:

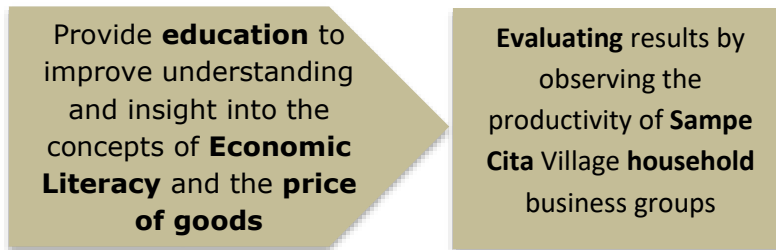


Figure 3. The Method of Implementation

The partners involved in this community service activity consist of:

Table 1. The Activities Partner

The partner	The role for
Household business group, Culinary sector	Implementation object of community service activities
Head of and Village officials	Culinary sector household business group partners

RESULTS AND DISCUSSION

Economic literacy or knowledge in utilising income in terms of saving and meeting their needs must be owned by families and business groups. According to Melina and Wulandari (2018) economic literacy is a condition that describes a person who can understand basic economic problems well, so that economic activities run correctly. Reflection in economic literacy leads to making smart choices or decision making in buying goods or services that will be used in daily consumption so that they can set aside money for savings. In an effort to empower economic literacy, the reality is that not everyone has economic literacy knowledge. Household business groups must better understand the knowledge that will be used in managing their economy. For this reason, there needs to be awareness from household business groups in getting used to saving behaviour.

It should be clarified "what does word literacy" mean. According to definition of UNESCO: "Literacy is the ability to identify, understand, interpret, create, communicate and compute, using printed and written materials associated with varying contexts". Developed digital technology made possible numerous conveniences and hack attacks in equal level in every human life (Kizi, 2020). Being technological literally become inseparable part of daily life. However, it cannot be said about economic literacy. Taking into account this issue, the meaning of economic literacy should be explained to teachers at first.

Despite broad-based agreement that economic literacy is important, defining it is not straightforward. This challenge is articulated charmingly by Wentworth: This concept is as familiar to people in economic education as an old friend. We refer to it constantly as if we knew it well but economic literacy is a stranger. It is the golden fleece of economic education. Each person in the field goes on a quest to help find or develop the economically literate person. Unfortunately, economic literacy is a phantom and chameleon. There exists little common agreement over what economic literacy really is.

This should be corrected (Wentworth, 1976).

Hansen (1976) opines that the term 'economic literacy' crept into our vocabulary in the early 1960s following the release of a report in the United States by the National Taskforce on Economics Education (though it used the term 'economic understanding'). In addressing the school economics curriculum, this report emphasised the need for citizens to have an understanding of their economic system, as well as knowledge of the core economic tools and concepts to participate in that system. However, Hansen (1976) noted that it did not specify the precise combination of these things, or measurable levels of them, that would determine economic literacy.

Table 2. The Concept of Economic Literacy

Important Aspects of	Benefits of
<ul style="list-style-type: none"> ▪ Understanding Basic Economic Concepts: Covers knowledge of how markets work, factors that affect the prices of goods and services, as well as the basics of economic theory such as microeconomics and macroeconomics. ▪ Personal Financial Management: Skills in managing money, budgeting, saving, investing, and understanding financial products such as insurance and loans. ▪ Economic Policy: An understanding of how government policies, such as monetary and fiscal policies, affect the economy as a whole and individual lives. ▪ Economic Decision Making: The ability to make informed and thoughtful decisions related to spending, investing, and managing financial risk. 	<ul style="list-style-type: none"> ▪ Improved Personal Wellbeing: Helping individuals to make better financial decisions, avoid excessive debt, and plan for a more financially stable future. ▪ Improved Community Wellbeing: Societies with high economic literacy tend to be more stable and less vulnerable to economic crises, as individuals are better able to manage their finances. ▪ Better Decision Making: Economic literacy enables individuals to understand the implications of economic decisions and public policies, so they can make better choices in their daily lives and participation in democratic processes. ▪ Poverty Reduction: With adequate economic knowledge, individuals can develop the skills to increase their income, manage finances more effectively, and escape the cycle of poverty.

Source: Observed, 2024

The price of a good is the amount of money a consumer must pay to obtain a good or service. This price is determined by various factors that can be grouped into several main categories. Factors that Determine the Price of Goods; (1) Demand and Supply: The price of a good tends to increase when demand is high and supply is low, and vice versa. This is a basic principle in a market economy. (2) Cost of Production: This includes the cost of raw materials, labour, and other overheads. The higher the cost of production, the higher the price of the good. (3) Competition: In a competitive market, prices tend to be lower as firms compete to attract consumers. In contrast, in a monopolistic or oligopolistic market, prices can be higher. (4) Government Policies: Taxes, subsidies, regulations, and tariffs also affect prices. For example, high taxes will increase the price of goods, while subsidies may lower the price. (5) Economic Conditions: Inflation, interest rates, and economic growth affect consumer purchasing power and production costs, which in turn affect the price of goods. (6) Currency Exchange Rates: For imported goods, the currency exchange rate affects the final price. If the domestic currency is weak against foreign currencies, the price of imported goods will be higher. (7) Distribution and Logistics: Transport and distribution costs also affect the final price of goods, especially for goods that have to be shipped to distant locations.



Figure 3. Me and Team at the Community Service Activities

The role and involvement of women in the economic function of the family will have an impact on the welfare and fulfilment of family health health (Lubis et al., 2022). based on a survey from the World Bank in 2021 that more than 50% of small businesses are owned by women (Iskamto et al., 2021).

This service involved an approach through presentations, question and answer sessions, and open discussions with the household business groups of Sampe Cita Village. The connection between this service and the author's courses, namely macroeconomics and monetary economics, lies in the effort to improve the community's understanding of the concept of financial literacy and the price of goods. It is intended that the knowledge provided in the community service forum can be applied by business groups intended to fulfil their daily economic needs and increase income.

Economic literacy and enterprise groups are closely linked in developing the economic capabilities of individuals and communities and in improving social and economic well-being. Economic literacy is an important foundation that underpins the success of enterprise groups. With a strong understanding of economic concepts and financial management skills, enterprise groups can be more effective in achieving their economic goals, improving member well-being and contributing to broader economic growth. Goods prices and enterprise groups have a close relationship in the context of economics and business. Enterprise groups play an important role in determining and influencing the price of goods in the market. Goods prices and business groups are intertwined in the economic ecosystem. Business groups not only produce and distribute goods, but also play a role in determining prices through production efficiency, innovation, and business strategy. Understanding these interactions is important for all stakeholders, including consumers, producers, and governments, to create a healthy and sustainable

economic environment. This concept of understanding is important for Sampe Cita village's household business groups.

CONCLUSIONS AND SUGGESTIONS

Economic literacy and business groups have a close relationship in developing the economic capabilities of individuals and communities and in improving social and economic well-being. The price of goods is the result of a complex interaction of various economic and non-economic factors. Understanding how prices are determined can help consumers and producers make better decisions in their daily economic activities. Goods prices and business groups have a close relationship in the context of economics and business. Business groups play an important role in determining and influencing the prices of goods in the market. Goods prices and business groups are interrelated in the economic ecosystem. This community service activity has run smoothly and received a positive response from the Sampe Cita village household business group which is marked by enthusiasm in discussions and questions and answers by the forum. So that what is a follow-up in this community service activity, in addition to evaluating productivity in the Sampe Cita village household business group, there will be educational activities in the next stage on different concepts as a provision of understanding if it is still a problem in order to increase business group productivity.

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