



Increasing the Investment Capacity of the Indonesian Diaspora

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ABSTRACT: This service aims to provide training to Indonesian diapora residing in China. This is so that the Indonesian diaspora can understand the principles of investment and how to invest. This is important because investing is expected to provide an appropriate return and have an impact on the welfare of the Indonesian diapora. The method used in this service is lecture and discussion. The training begins with material presentations, then continues with questions and answers and discussions based on real problems faced by the Indonesian diaspora. What is obtained in this service is understanding the basic concepts of investment. In addition, it is necessary to know how to invest by understanding investment instruments based on the profile of the level of risk and level of profit. There are three stages that need to be done, namely, 1) compiling and planning life goals; 2) determine the amount of investment; and 3) execution. After running, it is necessary to carry out a review and evaluation stage so that it can invest properly and correctly.

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INTRODUCTION

Investment is an important part of life. Investments are intended to earn profits in the future. There are three main principles in investing, namely (1) high risk and high return; (2) do not put your money in one basket; (3) time value of money (Herdinata & Pranatasari, 2020). According to Kasmir and Jakfar (2015), investment is investment in a long-term activity that aims to earn a profit. This is in line with what was conveyed by Arifin (2009).

According to Maharani (2006) that investment is buying capital goods that are used to produce goods and services in the future. According to Sharpe et al. (2005) explained that investment means sacrificing assets owned today to get bigger assets in the future. Investment is also closely related to risk. This means that investments that provide a high return will have a high risk. Conversely, investments that provide a low return will have a low risk. Thus it can be concluded that the return on investment has a direct relationship with the level of risk. There is no investment that provides a high return but low risk.

In today's modern era, investment is one of the important things in long-term financial planning. This is felt by both Indonesian citizens and foreigners. There are still many Indonesian diaspora who have not been right in allocating their income into several postures. Most workers allocate their income only for daily needs and personal savings (Kwartawaty et al, 2020). This means that financial management has not been carried out in a planned manner.

Based on the results of an interview with one of the Indonesian diaspora, as a doctoral student in China, he explained that so far the incoming scholarship funds have only been used for living necessities while in China. The remaining funds are simply piled up or saved in the same account. Meanwhile, other information obtained from Indonesian migrant workers who are also in China, explains that the income earned is often depleted without proper records. So he didn't know what the money was used for. This means that the financial literacy or investment of some Indonesian diaspora residing in China is still low. Whereas financial literacy is needed as knowledge to better prepare for future financial needs (Setiawan, 2019).

Therefore, training related to the ability to invest is important to do as part of community service. This research study is part of the community service carried out for Indonesian workers in China. The purpose of this community service is so that the Indonesian diaspora can understand the principles of investment and know how to invest and be able to manage household finances.

IMPLEMENTATION AND METHOD

The stages of implementing this service are first to analyze the problems that exist in the Indonesian diaspora in China. So that you can find out the right training to be given. Second, planning the training, so that the participants' targets are clear and maximally achieved. Third, the preparation stage. Preparations were made in collaboration with the China PCIM Economic Assembly to help invite Indonesian diaspora in China. Fourth, namely the implementation of training. The training was conducted using the lecture

method through virtual media. The training begins with material presentations, then continues with questions and answers and discussions based on real problems faced by the Indonesian diaspora. The materials presented are 1) understanding investment principles; 2) Investment procedures. Participants in this training were attended by Indonesian diaspora in China and several other participants from Nigeria and Pakistan. The total number of training participants is 18.

RESULT AND DISCUSSION

The results of the discussion show that investing is important. Good for adults, already married, already earning even millennials. However, there are several reasons why Indonesian diaspora in China have not started investing, because they have a high lifestyle and refuse to grow up. The point is that the diaspora still feel young at heart so they feel that their career paths are still long and do not need pension funds, precautionary funds, investment funds, etc.

Thus, the diaspora has problems in terms of managing finances. Especially in terms of investment. Investing as early as possible is important. It aims to prepare for a brighter old age, realize financial freedom, practice self-discipline and increase the value of assets or personal wealth. Property investment is one form of investment that is suitable to do. However, there are still many people who have the wrong meaning about property investment. Many people think that property investment is an investment in houses, land and buildings. Whereas in general, property is anything that can be owned. Whatever it is, such as vehicles, businesses, buildings, land, electronic devices, etc.

The factors that affect the characteristics of the property are immobility, heterogeneity and unliquid. Immobility is a property that is not easily moved or relocated. Heterogeneity is having different characteristics (position/location of the house). Meanwhile, unliquid means that property is not easily exchanged for money because property is an imperfect market. In property investment, there are three things that become benchmarks. Namely price, cost and value. Price is the term used for the amount of money demanded, offered or paid for goods and services. In relation to valuation, prices are historical facts, whether publicly or secretly announced. Then, the cost is the amount of money spent on goods or services, or the amount needed to create or produce these goods/services. If the goods/services have been completed then the goods become historical facts. Meanwhile, value is an economic concept that refers to a price that is very likely to be agreed upon by buyers and sellers of an item/service that is available for purchase. Value is not a fact, but a price that is very likely to be paid for goods/services at a certain time.

During the training, the participants were very enthusiastic about the material presented. It was proven by the number of participants who asked questions. Like, whether gold in paper form is also included in property, how to invest in gold, whether gold is a profitable investment. One of the participants also asked how to invest in property (land) in Indonesia as well as his current working position in China. Participants also began to be determined to invest immediately rather than run out of money just like that.

Thus there are three stages in starting to invest. First, do the preparation of life goals and identify income and expenses. Second, determine how much funds are spent on investment and property. Third, execution. At the execution stage, the most important thing is to be consistent with what has been planned. It is hoped that the participants will be able to carry out the three stages well. Furthermore, there is a need for evaluation and review. It aims to maintain what is already good and improve what is lacking. This stage is important for the Indonesian diaspora, whether a worker or a student.

CONCLUSIONS AND RECOMMENDATIONS

What Indonesian diaspora who have funds to invest need to learn is that they need to understand the basic concepts of investment. Investment funds must be planned and can be carried out in stages, both in the short and long term. In addition, the Indonesian diaspora also needs to know how to invest by understanding investment instruments based on the profile of the level of risk and level of profit. There are three stages that need to be done, namely, 1) compiling and planning life goals; 2) determine the amount of investment; and 3) execution. After running, it is necessary to conduct a review and evaluation stage so that investment and finance can learn correctly and correctly.

This community service is carried out to the Indonesian diaspora residing in China, either a worker or a student. The training was conducted using lecture and discussion methods. With this training, it is hoped that the participants will be able to improve their financial system and be able to invest in real terms.

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