Economic Pressure and Debt Decision-Making of the Customer's Family *Bank Keliling/Bank Emok*

Ranti Rosanti[1], Euis Sunarti[1*]

[1]Department of Family and Consumer Sciences, Faculty of Human Ecology, IPB University, Bogor, 16680, Indonesia

*) Corresponding author: euissunarti@apps.ipb.ac.id

Abstract

Difficult economic conditions often force families to borrow money from *bank keliling/bank emok*. This study analyzes the effect of family characteristics, debt characteristics, economic pressure before debt, and debt decision-making on economic pressure after debt. In particular, this study distinguishes economic pressures before and after debt. The research design used is a retrospective and cross-sectional study involving 60 wives of customers of *bank keliling/bank emok* selected by simple random sampling. This research is located in Pulosari Village and Margamekar Village, Pangalengan District, Bandung Regency, West Java. The correlation test results show a significant positive relationship between objective economic pressure before debt and debt decision-making. Debt decision-making is positively related to objective and subjective economic pressure after debt. The economic pressure after the debt is higher than before the debt. This study concludes that the higher objective economic pressure before debt and the greater reason for debt, the higher economic pressure after debt. The study results show the importance of families raising awareness about the risks of debt so that there is no increase in economic pressure.

Keywords: *bank keliling/bank emok*, debt decision making, economic pressure

Abstrak

Kondisi ekonomi yang sulit seringkaomi sebelum berutang, dan pengambilan keputusan berutang terhadap tekanan ekonomi setelah berutangli memaksa keluarga untuk berutang kepada *bank keliling/bank emok*. Penelitian ini secara umum menganalisis pengaruh karakteristik keluarga, karakteristik pinjaman, tekanan ekon. Secara khusus, penelitian ini membedakan tekanan ekonomi sebelum dan setelah berutang. Desain penelitian ya ng digunakan adalah retrospektif dan *cross sectional study* dengan melibatkan 60 istri nasabah bank keliling/bank emok yang dipilih secara *simple random sampling*. Penelitian ini berlokasi di Desa Pulosari dan Desa Margamekar, Kecamatan Pangalengan, Kabupaten Bandung, Jawa Barat. Hasil uji korelasi menunjukkan terdapat hubungan positif signifikan antara tekanan ekonomi objektif sebelum berutang dengan pengambilan keputusan berutang. Pengambilan keputusan berutang berhubungan positif signifikan dengan tekanan ekonomi objektif dan subjektif setelah berutang. Tekanan ekonomi setelah berutang lebih tinggi dibandingkan sebelum berutang. Kesimpulan dari penelitian ini yaitu semakin tinggi tekanan ekonomi objektif sebelum berutang dan semakin besar alasan berutang maka semakin tinggi tekanan ekonomi setelah berutang. Hasil penelitian menunjukkan pentingnya keluarga meningkatkan kesadaran mengenai risiko apabila berutang agar tidak terjadi peningkatan tekanan ekonomi.

Kata kunci: bank keliling/bank emok, pengambilan keputusan berutang, tekanan ekonomi

Introduction

Economic pressure is a form of financial problem experienced by families. Previous research found that families who have debt with a value of more than half the value of assets owned indicate high objective economic pressure (Firdaus & Sunarti, 2009; Sunarti, 2013). Talking about family assets, research has found that the higher the economic pressure experienced by the family, the longer it takes to return family assets (Sunarti et al., 2022). Research on economic pressure on victims of the Sunda Strait Tsunami shows that even after 27 months after the Sunda Strait Tsunami, families are still experiencing economic pressures which have a negative impact on the welfare of the victims' families (Sunarti et al., 2022). In addition, research related to family economic pressure in one month of the Covid-19 pandemic shows that family economic pressure has a significant positive relationship with stress symptoms, food coping strategies, and family problems and strategies (Sunarti, Prayitno, & Ramadhan, 2020).

One of the indicators of economic pressure developed by Sunarti (2020) is debt. The trend of household consumption debt in Indonesia continues to increase. CEIC (Census and Economic Information Center) data shows that household debt growth during the 2015-2018 period has increased by 26 percent. In nominal terms, household debt rose from 1.14 trillion rupiahs to 1.44 trillion rupiahs. In December 2018, the ratio of household debt consistently rose to GDP (Gross Domestic Income), reaching 10.27 percent from the level of 8 percent in 2010. The Central Statistics Agency (BPS) for the City of Bandung shows a total of 773,368 households in the City of Bandung, 21.99 percent, receive credit loans.

Economic pressure often forces people to owe money to *bank keliling*. People in West Java are more familiar with this *bank keliling* as *bank emok* which is taken from Sundanese which means sitting. *Bank keliling* or *bank emok* is an informal financing service from certain parties to the community with the target being housewives (Rustandi, 2018). *Bank keliling*, considered the easiest alternative when families experience economic difficulties, has been circulating in Indonesia, especially Java, since 2003. *Bank keliling* institutions that have been circulating include Mitra Bisnis Keluarga (MBK), Permodalan Nasional Madani (PNM), Koperasi Mitra Dhuafa (KOMIDA), Dana Mandiri Sejahtera (DMS), and possibly many other similar institutions that are already circulating in the community. Some of these institutions have been registered and supervised by the Financial Services Authority (OJK), namely MBK, PNM, and DMS.

In fact, *bank keliling* often creates new problems in the family. Problems that arise are caused by uncertainty about future funding so that customers are unable to pay installments, and there is no permission from husbands when borrowing from *bank keliling*, very high-interest rates (above 20%), a joint responsibility system that creates conflicts between customers, and various other problems which can be a pressure for the family (Anggraeni, Sucipto, & Rohmat, 2020; Budiman, Harjadi, & Anugrah, 2021; Rustandi, 2018; Sunarsa, 2022). Previous research has shown that high financial debt is associated with higher perceptions of stress and depression (Sweet, Nandi, Adam, & McDade, 2013). In addition, mental health problems tend to occur in people who have debt compared to those who do not (Fitch, Chaplin, Trend, & Collard, 2007). This shows the importance of research on debt because it turns out that debt can impact psychological conditions closely related to family economic pressures.

Based on the background described, it is very important to develop research on economic pressures with current phenomena, namely making debt decisions to *bank keliling*. The authors have previously described previous studies regarding family

economic pressures. Then research on family decision-making (Rizkillah & Simanjuntak, 2018), both in economic and social terms, has been carried out (Syahidah & Sunarti, 2018). In addition, various studies on *bank emok* have also been carried out before (Anggraeni, Sucipto, & Rohmat, 2020; Budiman, Harjadi, & Anugrah, 2021; Rahoyo & Prapti NSS, 2019; Ruswandi & Zaelani, 2021). However, specific research discussing debt decision-making and its relation to family economic pressures has never been carried out. Based on these, this study aims to (1) identify family characteristics, debt characteristics, initial economic pressures, debt decision-making, and final economic pressures; (2) analyze the differences between initial and final economic pressures; (3) analyze the relationship between family characteristics, debt characteristics, initial economic pressure, debt decision making, and final economic pressure; and (4) analyze the influence of family characteristics, debt characteristics, initial economic pressure, and debt decision-making on the final economic pressure on *bank keliling* customer families.

Methods

Participants

This study uses a quantitative approach with a retrospective and cross-sectional study design. This research is located in Pulosari Village and Margamekar Village, Pangalengan District, Bandung Regency. The selection of the location was carried out purposively with the consideration that the Pangalengan sub-district is an area that is lively with *bank keliling* or *bank emok*. This research was conducted from November 2021 to May 2022. The population in this study were families who borrowed money from *bank keliling* and had an obligation to return it within fifty weeks. Respondents of this study were wives from families who became customers of *bank keliling* as many as 60 people were selected using a simple random sampling technique.

Measurement

Research on economic pressure in Indonesia was first conducted by Sunarti et al. (2005). This first study developed an economic pressure instrument consisting of four indicators using the notion of economic pressure according to Lorenz et al. (1994) and Elder et al. (1992) in Sunarti (2021). Then proceed with several further studies (Fatimah, Sunarti, & Hastuti, 2020; Firdaus & Sunarti, 2009; Sunarti, 2018; Sunarti, Kamilah, Almas, & Pitriani, 2021; Sunarti, Prayitno, & Ramadhan, 2020; Sunarti et al., 2022) to produce family economic pressure instrument as measured by nine indicators in 2021 (Sunarti, 2021).

This study measures the initial economic pressure, namely before the family becomes in debt, and the final economic pressure, namely after the family becomes indebted, measured during the research. Both initial and final economic pressures were measured using objective and subjective economic pressures developed by (Sunarti, 2021). Objective economic pressure is measured based on nine indicators, namely income per capita per month, ownership of cash funds (savings), job status of the main breadwinner, potential for job loss, income and expenditure ratio, credit/loan installment payments per unit time, debt compared to family assets, the burden of housing costs, and the burden of care for family members with serious illnesses. Subjective economic pressure was measured through 10 questions to assess the level of difficulty felt by the

family using a semantic scale starting from 1 (low) to 7 (high). Cronbach's alpha value for the initial economic pressure is 0.711, and 0.748 for the final economic pressure.

Debt decision-making was measured using a questionnaire developed specifically for this study (Sunarti, 2022). The debt decision measures the constancy and intensity of consideration when the family decides to owe to a *bank keliling* which consists of three dimensions, namely the rationale, supporting, and risk dimensions. A total of 10 questions using a semantic scale starting from 0 (none), 1 (very low) to 7 (very high). Cronbach's alpha value for measuring debt decision-making is less than 0.6.

Analysis

The data that has been collected then goes through a data analysis process using Microsoft Excel 2019 and IBM Statistical Package for Social Science (SPSS) Statistics version 25. The analysis carried out in this study is descriptive and inferential analysis. Descriptive analysis (mean, minimum value, maximum value, amount, and percentage) was used to identify family characteristics, debt characteristics, debt decision-making, and economic pressures. Inferential statistical analysis includes the Pearson correlation test, different pair t-test, and multiple linear regression to analyze the relationship, difference, and influence between variables according to the research objectives.

Findings

Family Characteristics

The results showed that more than half of the respondents (58.3%) and their husbands (53.3%) were in early adulthood. The average respondent is 37 years old, and the husband is 40 years old on average. Family size ranges from 2-7 people; more than two-thirds of families (73.3%) are included in the category of small families, while the rest (26.7%) are included in the category of medium families. More than one-third of respondents (40%) do not work as housewives, and (40%) husbands work as laborers. In addition, as many as (30%) of husbands work as farmers/breeders, and the remaining (30%) work odd jobs, UPBS employees, collectors, traders, workshop businesses, and videographers, and do not work. More than half of the respondents (56.7%) and their husbands (56.7%) only received formal education until they finished elementary school (6-8 years).

The average family income per capita is IDR 1,077,635 per head/month, with a range between IDR 200,000 and IDR 10,315,000 per head/month. If referring to the West Java Food Poverty Line in 2021, which is Rp. 319,590 per capita per month, the majority of the families (91.7%) are included in the non-poor category, and the rest (8.3%) are categorized as poor families. If referring to the one and a half times the West Java Food Poverty Line in 2021, which is IDR 479,385 per capita per month, the status of families including poor rose to 18.3 percent, while the rest (81.7%) belonged to non-poor families.

Debt Characteristics

Debt characteristics describe the obligation to attend, borrowing time, the amount of money borrowed, the payment mechanism, and the attendance mechanism. *For example, Bank keliling* have regulations that every customer must attend a gathering when paying debt installments at a specified time and place in groups. So the obligation to

attend in this study shows the number of *bank keliling* institutions that families attend. The results show that half of the respondents (50.0%) are obliged to attend *bank keliling* associations more than once a week. This indicates that half of the families in this study are indebted to more than one *bank keliling* institution.

Borrowing time shows how long the family has owed and paid installments to *bank keliling* every week. The results show that at least 25 families have paid installments to one *bank keliling*. Then the family borrowed the longest, which has paid 1,287 installments over eight years in total to three *bank keliling*.

The majority of families (83.3%) with income below Rp. 5,000,000, the average borrowing from *bank keliling* is IDR 7,130,000 with a range of IDR. 2,000,000 to Rp. 16,000,000. Whereas in families with income above IDR 5,000,000 (16.7%), the average loan from mobile banks is IDR 10,650,000 with a range of IDR 3,000,000 to IDR 29,500,000. The correlation test shows that per capita income has a significant positive relationship with the amount of money borrowed by families from *bank keliling* (r=0.533; p=<0.01).

The payment mechanism describes the source of weekly installment payments, which has become a pattern that repeats every time the customer pays installments. The results show that more than half of the respondents always pay *bank keliling* installments from their husband/wife's income (51.7%) and never borrow from family, friends, or neighbors (53.3%). On the other hand, as many as 40 percent of respondents occasionally borrow from family, friends, or neighbors to pay installments. Then most of the respondents (86.7%) have never sold equipment or goods to pay *bank keliling* installments.

The presence mechanism measures the inconvenience felt by respondents because they are required to attend *bank keliling* associations every time they pay installments. Most of the respondents (88.3%) stated that the *bank keliling* association never experienced clashes every week. However, three out of five respondents (60.0%) stated that they never felt bothered to attend every week and almost three-quarters of respondents (73.3%) also never felt bothered to attend according to the allotted time. Then the majority of respondents (91.7%) never felt bothered with the location or place where the *bank keliling* association took place every week.

Economic Pressure

This study measures the initial economic pressure, namely before the family becomes in debt, and the final economic pressure, namely after the family becomes indebted, measured during the research. Table 1 shows the distribution of families based on initial and final objective economic pressure indicators. The results showed that before going into debt, most families (93.3%) had non-permanent employment status. Nearly half of the families (48.3%) had an income higher than expenses, and the majority (86.7%) had no debts before borrowing from *bank keliling*. Then after being in debt, the majority of families (91.7%) have non-permanent employment status. More than half of families (56.7%) stated that their income was less than their expenses. The entire family owes money to the *bank keliling* with the burden of paying installments less than the income per unit of time. That is, the family's income within one week exceeds the installment burden that must be deposited at the *bank keliling*. Then most of the families (83.3%) owed less than 50% of the value of the assets owned.

Table 1. Distribution of families based on indicators of objective economic pressure

Objective Economic Pressure Statement Indicators	Initial Objective Economic Pressure (%)	Final Objective Economic Pressure (%)
Income per capita per month		
Exceeding the poverty threshold	88.3	91.7
Same with the poverty line	0	0
Less than the poverty line	11.7	8.3
Ownership of cash funds (savings)		
More than 6 months of family needs	3.3	3.3
6 months worth of family needs	0	0
Less than 6 months of family needs	96.7	96.7
Main breadwinner employment status		
Permanent	6.7	6.7
Not fixed	93.3	91.7
Doesn't work	0	1.7
Potential job loss		
Stable employment (PNS, own)	48.3	43.3
Stable job, contract per unit time, there is potential for termination	5.0	3.3
Unstable work (freelance, odd jobs)	46.7	53.3
Comparison of income and expenses		
Income is greater than expenses	48.3	25.0
Income equals expenses	21.7	18.3
Income is less than expenses	30.0	56.7
Credit/loan installment payments per unit time		
There isn't any	86.7	0
Less than the income per unit of the same time	13.3	100.0
Greater than the income per unit of the same time	0	0
Debt versus family assets		
Not in debt	86.7	0
Have debt, less than 50% of asset value	11.7	83.3
Have debt, more than 50% of asset value	1.7	16.7
Home Expenses		
Own house	91.7	93.3
Installment/loan house contract fees	6.7	5.0
The value of credit installments/housing contracts is burdensome	1.7	1.7
The burden of caring for a family member with a serious illness		
There aren't any	80.0	83.3
Yes, but the cost is affordable	15.0	10.0
Yes, and the cost is huge	5.0	6.7

Table 2 shows the total score for each item of family subjective economic pressure questions. The results show that the highest initial subjective economic pressure score was in home maintenance costs (0.62). This shows that before going into debt, the family experienced great difficulties in meeting the cost of maintaining the house. Whereas in the final subjective economic pressure, that is, after the family is in debt, the family also experiences greater difficulties than before the debt is met in meeting home maintenance costs (0.76). After going into debt, family difficulties increase in terms of purchasing family food needs, meeting social costs for large families, and family recreation costs.

Table 2. Distribution of total score based on subjective economic pressure question items

Subjective Economic Pressure Question Items	Total score	
	Initial Subjective Economic Pressure	Final Subjective Economic Pressure
Purchasing family food needs	0.38	0,44
Paying for family health services	0.35	0.35
Pay the cost of educational services	0.37	0.37
Home maintenance costs	0.62	0.76
Cost of access to information and knowledge	0.34	0.37
The cost of upgrading life skills	0.21	0.24
Social costs for large families	0.43	0.59
Family recreation expenses	0.43	0.60
The cost of participating & being involved in social activities	0.16	0.16
Cost of social donations (infaq & shodaqoh)	0.16	0.17

Figure 1 shows the distribution of families by category of economic pressure. The results show that before borrowing money from *bank keliling*, more than three-fifths (61.7%) of families were under low economic pressure. Meanwhile, after being in debt, more than half of the families (51.7%) were in the category of moderate objective economic pressure. Finally, the results show that almost half of the families (41.7%) feel very low subjective economic pressure. This shows that before borrowing money from *bank keliling*, four out of five families felt very low economic pressure. Whereas in the final subjective economic pressure, the distribution of subjective family economic pressure categories was evenly distributed in the very low, low, and medium categories with a respective percentage of 33.3 percent.
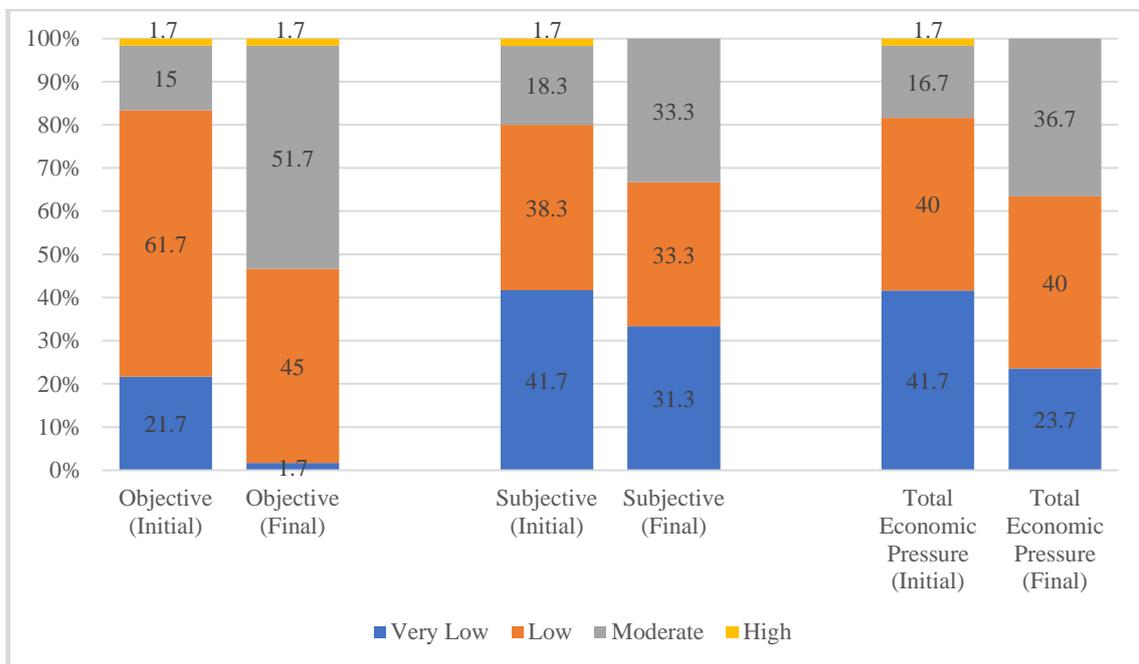

Figure 1. Family (%) by economic pressure category

Debt Decision-Making

Debt decision-making is measured based on three dimensions, namely the reason dimension, the support dimension, and the risk dimension. On the dimension of reasons,

the results show that families who have emergency needs include borrowing for food needs (1.7%), medical expenses (1.7%), repairs to houses that will collapse (3.3%), and education expenses (3.3%). Then, for families who borrowed to improve family conditions, almost two-thirds (63.3%) borrowed because of the need for business development (trading around, opening or developing stalls, farming capital, and livestock), and the rest (3.3%) borrow with reasons for home improvement to make it better or nicer. Furthermore, for families who have more than one reason, namely for emergency needs and improving family conditions, the reason for borrowing is because of the cost of building a house and business capital (3.3%), food needs and business capital (1.7%), home repairs which will collapse and business capital (11.7%), as well as education costs and business capital (3.3%). Finally, in this study, there were also families who borrowed for something that was not an emergency need or a need to improve family conditions by 3.3 percent.

The results show that the supporters of the debt decision have the highest average index of 0.86. This shows that when considering borrowing from a *bank keliling*, respondents have high confidence that they will be able to pay their weekly installments, be able to attend weekly and have an understanding that the benefits of borrowing outweigh the costs or hassles. In addition, according to respondents, information about the loan and payment system at *bank keliling* also has a high level of clarity.

The risk dimension in the debt decision has the lowest average score index among the other dimensions, namely 0.43. This can be seen from the distribution of respondents' answers which stated that almost half of the respondents (43.4%) did not have awareness of the consequences in the form of pressure or stress to pay debt installments. In addition, there are still respondents (28.3%) who are not aware of the negative impact on social relations if they cannot pay their installments. Nearly four-fifths of respondents (78.3%) are not aware of the negative effects on family interactions and marital relationships.

Relationship between Family Characteristics, Initial Economic Pressure, Debt Decision Making, and Final Economic Pressure

Table 3 shows that family size has a significant positive relationship with subjective economic pressure before the family decides to borrow at a *bank keliling* (r=0.262; p<0.05). That is, the larger the family size, the higher the economic difficulties felt by the family. The income per capita has a significant negative relationship with total economic pressure (r=-0.262; p<0.05).

Table 3. Distribution of correlation coefficient between family characteristics, economic pressure and debt decision making

Variables	Initial Economic Pressure		Total	Final Economic Pressure Index		Total	Debt Decision-Making Index			Total
	Objective	Subjective		Objective	Subjective		Reason	Support	Risk	
Husband's age	-0.061	0.152	0.127	-0.065	0.049	0.032	-0.033	0.103	-0.221	-0.156
Wife age's	-0.010	0.122	0.110	-0.068	0.111	0.088	-0.048	0.048	-0.253	-0.209
Husband's education	0.079	0.085	0.094	-0.020	0.019	0.014	-0.159	0.039	0.188	0.096
Wife's education	-0.030	-0.020	-0.025	-0.084	-0.081	-0.088	-0.126	-0.102	0.206	0.071

Variables	Initial Economic Pressure		Total	Final Economic Pressure Index		Total	Debt Decision-Making Index			Total
	Objective	Subjective		Objective	Subjective		Reason	Support	Risk	
Family size	-0.061	0.262*	0.228	0.114	0.117	0.125	0.000	0.165	-0.204	-0.102
Income per capita	-0.223	-0.236	-0.262*	-0.279*	-0.193	-0.224	-0.047	0.020	-0.191	-0.170

Note: (*) significant at p<0.05; (**) significant at p<0.01

This shows that the higher the income per capita per month, the lower the total economic pressure before borrowing from *bank keliling*. The income per capita was also significantly negatively related to the final objective economic pressure (r=-0.279; p<0.05). This shows that the high income per capita will reduce the objective economic pressure after the family decides to borrow from *bank keliling*.

Relationship between Initial Economic Pressure and Debt Decision Making

Table 4 shows that the initial objective economic pressure was significantly positively related to the dimensions of risk (r=0.288; p<0.05) and total debt decision making (r=0.274;<0.05). The higher the objective economic pressure before borrowing, the higher the respondent's awareness of the risks that will be faced if he takes debt and the higher the level of respondent's consideration in deciding to borrow from a *bank keliling*.

Table 4. Distribution of correlation coefficient between initial economic pressure and debt decision making

Variable	Debt Decision-Making Index			Total
	Reason	Support	Risk	
Objective Economic Pressure	0.093	-0.010	0.288*	0.274*
Subjective Economic Pressure	-0.080	0.099	0.039	0.034
Total Economic Pressure	-0.054	0.089	0.095	0.088

Note: (*) significant at p<0.05; (**) significant at p<0.01

Relationship between Debt Decision Making and Debt Characteristics

Table 5 shows the relationship between debt decision-making and debt characteristics. Overall, the debt decision has a significant negative relationship with the payment mechanism (r=-0.283; p<0.05). This shows that a high level of consideration for borrowing from *bank keliling* makes respondents more often borrow money and even sell goods to pay the *bank keliling* installments every week.

The dimension of reason has a significant negative relationship with the payment mechanism (r=-0.319; p<0.05). This shows that the higher the family's need for emergency funds, the need to develop family conditions, and the higher the influence of friends or neighbors, the lower the mechanism used so that families often borrow money and even sell goods to pay monthly bank installments.

The supporting dimension has a significant positive relationship with loan size (r=0,271; p<0,05). This means that the higher the respondent's consideration of the dimensions of debt decision support, the greater the amount of money borrowed from *bank keliling*. On the other hand, the supporting dimension was significantly negatively related to the presence mechanism (r=-0.367; p<0.01). This shows that the higher the respondent's consideration on the debt decision support dimension, the lower the attendance mechanism. This means that the higher the level of confidence that the

respondent will be able to pay the installments, be able to attend every week, understand the benefits of the loan, and have clear information from the mobile bank, the less hassle felt by the respondent to fulfill the obligation to attend every week.

Table 5. Distribution of correlation coefficient between debt decision-making and debt characteristics

Debt Decision Making	Obligation to attend	Borrowing time	Loan amount	Payment mechanism	Attendance mechanism
Reason	0.078	-0.007	0.090	-0.319*	0.069
Support	0.228	0.208	0.271*	-0.048	-0.367**
Risk	-0.104	-0.157	-0.210	-0.145	0.146
Total	0.040	-0.050	-0.024	-0.283*	0.007

Note: (*) significant at $p<0.05$; (**) significant at $p<0.01$

Relationship between Debt Decision Making and Debt Characteristics with Final Economic Pressure

The relationship between debt decision-making and debt characteristics with the final economic pressure can be seen in Table 6. The dimension of reason has a significant positive relationship with objective economic pressure ($r = 0.369$; $p < 0.01$), subjective ($r = 0.333$; $p < 0.01$), and total ($r = 0.366$; $p<0.01$). This shows that the higher the level of family emergency needs, the need to improve family conditions, and the influence of friends or neighbors when deciding to borrow from a *bank keliling*, the higher the family's economic pressure, both objective and subjective.

Table 6. Distribution of correlation coefficient between debt decision-making and debt characteristics with final economic pressure

Variables	Economic Pressure Index		Total
	Objective	Subjective	
Reason	0.369**	0.333**	0.366**
Support	0.019	0.091	0.085
Risk	0.220	0.129	0.155
Total Debt Decision Making	0.355**	0.293*	0.327*
Obligation to attend	-0.109	-0.140	-0.145
Borrowing time	0.069	-0.049	-0.032
Loan amount	-0.101	-0.143	-0.147
Payment mechanism	-0.355**	-0.444**	-0.462**
Attendance mechanism	-0.026	0.108	0.092

Note: (*) significant at $p<0.05$; (**) significant at $p<0.01$

Total debt decision-making is also significantly positively related to the final economic pressure both objectively and subjectively ($r=0.327$; $p<0.05$). This shows that the higher the family's consideration in deciding to borrow from the *bank keliling*, the higher the family's economic pressure. The payment mechanism has a significant negative relationship with the final economic pressure both objectively and subjectively ($r=-0.462$; $p<0.01$). This shows that if the respondent always pays installments from the income of his husband or wife and never borrows money or sells goods to pay the installments, the economic pressure will decrease.

Difference between Initial Economic Pressure and Final Economic Pressure

The results of the different pair t-test show that there is a significant difference between the initial economic pressure and the final economic pressure. The average final economic pressure index is higher than the initial economic pressure. This means that the economic pressure, both objective and subjective, after being indebted to *bank keliling* is higher than before being indebted to *bank keliling*.

The Influence of Family Characteristics, Debt Characteristics, Initial Economic Pressure, and Debt Decision Making on Final Economic Pressure

The results of the regression test in Table 7 show that the initial objective economic pressure ($\beta=0.357$) and the dimensions of the reasons for making decisions in debt ($\beta=0.314$) have a significant positive effect on the final economic pressure. This shows that each increase of one point in the initial objective economic pressure and the dimensions of reasons for the decision to owe will increase the economic pressure after being in debt by 0.357 and 0.314 points, respectively.

Table 7. Regression coefficients between family characteristics, debt characteristics, initial economic pressure, and debt decision-making, and final economic pressure

Variables	Final Economic Pressure		
	Unstandardized coefficients	Standardized coefficients	Sig.
	B	β	
Constant	-0.051		0.857
Family Characteristics			
Husband's age (years)	-0.004	-0.277	0.465
Wife's age (years)	0.006	0.411	0.287
Husband's education (years)	0.002	0.010	0.941
Wife's education (years)	0.004	0.056	0.708
Family size (person)	0.017	0.129	0.308
Income per capita per month (rupiah)	-1.601E-8	-0.140	0.445
Debt Characteristics			
Obligation to attend (times/week)	-0.050	-0.173	0.373
Borrowing time (weeks)	-4.497E-5	-0.065	0.754
Loan amount (rupiah)	2.472E-9	0.078	0.796
Payment mechanism (index)	-0.172	-0.180	0.180
Attendance mechanism (index)	0.073	0.101	0.505
Initial Economic Pressure			
Objective (index)	0.428	0.357	**0.008****
Subjective (index)	0.174	0.194	0.100
Debt Decision Making			
Reason (index)	0.301	0.314	0.008**
Support (index)	0.153	0.103	0.410
Risk (index)	0.024	0.045	0.718
R^2		0.578	
Adjusted R^2		0.421	
F		3.686	
Sig		0.000**	

Note: (*) significant at $p<0.05$; (**) significant at $p<0.01$

These results indicate that the higher the objective economic pressure before going into debt and the greater the reasons for having debt, the higher the economic pressure

after going into debt. This model has an Adjusted R Square value of 0.421. That is, this model explains 42.1 percent of the influence of the variables in the model on economic pressure after going into debt and the rest is influenced by variables not examined.

Discussion

This study analyzes the relationship between family characteristics and the initial economic pressure before the family becomes indebted at the *bank keliling*. Family size has a significant positive relationship with subjective economic pressure before the family becomes indebted to *bank keliling*. In line with research by Astuti, Hartoyo, and Muflikhati (2016), increasing the number of family members is in line with increasing economic pressure. Per capita, income has a significant negative relationship with economic pressure before the family becomes in debt. The results of this study are in line with Raharjo, Puspitawati, and Krisnatuti (2015) that per capita income has a significant negative relationship with objective and subjective economic pressure. In addition, per capita income has a significant negative relationship with objective economic pressure after the family is in debt. This was also found by Fatimah, Sunarti, and Hastuti (2020) that per capita income is negatively related to objective economic pressure.

This study also analyzes the relationship between initial economic pressure and debt decision-making, which consists of three dimensions: reason, support, and risk. Initial objective economic pressure has a significant positive relationship with the risk dimension of debt decision-making. One of the risks that respondents need to be aware of when making debt decisions is awareness of negative effects on family interactions and husband and wife relationships. Previous studies have shown that natural risk avoidance tends to make women more stressed out by debt (Dunn & Mirzaie, 2016). The next risk is that there will be a negative impact on social relations if you cannot pay installments. Research by Rustandi (2018) explains that problems arise as a result of a joint responsibility system set by *bank* keliling/bang *emok*.

Initial objective economic pressure has a significant positive relationship with debt decision-making. This is in line with previous research proving that families are forced into debt because they feel financial difficulties (Sunarti & Firdaus, 2009). An urgent need is one of the reasons for the desire to owe (Shohib, 2015). Research by Herawati, Tyas, and Trijayanti (2017) found that families owed money to meet family needs during difficult times. The survey conducted by Sunarti et al. (2022) found that a year during the Covid-19 pandemic, many families lost their jobs, leaving them without income. The coping strategies used are selling assets and goods, working odd jobs, borrowing money, asking friends/neighbors for help, and/or living with extended family. This study, it shows that the majority of families have jobs with irregular income as laborers and farmers/breeders. Unstable income causes families to have a habit of taking on debt to make ends meet (Anggraeni, Sucipto, & Rohmat, 2020; Kumalasari, Herawati, & Simanjuntak, 2018). In addition, when viewed from the reasons families owe money to *bank keliling*, almost three-quarters of families need to open or develop a business. Previous research found that traders and farmers borrow money from *bank keliling* to cover business capital difficulties (Nurholis, Anwarudin, & Makhmudi, 2020; Rahoyo & Prapti, 2019).

Furthermore, this study analyzes the relationship between debt decision-making and the final economic pressure or after being in debt at a *bank keliling*. The reason dimensions of debt decision making and debt decision making are positively and

significantly related to subjective and objective economic pressures after being in debt. *Bank keliling*/*bank emok* are considered to be troubling because they are initially considered to be helpful when returns are very stifling to families who borrow because of high interest. The interest charged to respondents is 20-25%. High-interest rates suffocate the community, causing difficulties for borrowers when returning them (Anggraeni, Sucipto, & Rohmat, 2020; Rustandi, 2018; Ruswandi & Zaelani, 2021; Sujaya & Aprillia, 2022). Another reason is also due to social factors from family or friends who are also in debt to *bank keliling*. Communities using mobile banking services are generally influenced by their closest groups, such as family, friends, and neighbors (Anggraeni, Sucipto, & Rohmat, 2020).

Debt decision-making has a significant negative relationship with the payment mechanism. Families who are in debt will use various ways to pay installments so as not to cause conflicts between customers with the existence of a joint responsibility system. This causes the family to have to borrow more money and even sell the things they own to pay the installments. If the payment burden becomes unbearable, some households are required to sell their property to pay off their debts (Meng, Hoang, & Siriwardana, 2013). Debt decision support has a significant positive relationship with loan amount. The supporting dimension shows the family's belief that they will be able to pay *bank keliling* installments, making the family increase the loan amount. Very positive expectations about future income increase the likelihood of using credit (Cosma & Pattarin, 2010). Research Hidayati, Wahyulina, and Suryani (2018) found that overconfidence which contains indicators of a person's ability to pay off debt, has no significant effect on debt decision-making. While Anggraeni, Nugraha, and Sukmayana (2021) proved that the decision to owe is positively and significantly influenced by overconfidence.

The results show that debt decision support has a significant negative relationship with attendance mechanisms. Respondents' belief that they could attend and pay installments actually reduced the hassle for respondents to attend *bank keliling* gatherings. This research was conducted in rural areas, where for families in rural areas, the time has not been felt as a resource that needs to be managed (Sunarti, 2019). The families in this study, more than half have unstable jobs. Sunarti (2019) found that family time and routines were relatively low, especially for rural families and families with unstable jobs. Based on this, the lack of time and routine can be the reason why families do not feel bothered or object to having to attend a *bank keliling* gatherings every week. Previous research by Syaifudin and Ekawaty (2019) found that in conducting transactions, *bank keliling* always uses places where customers often gather and often visits customers' homes directly when needed to make customers feel less bothered to attend gatherings.

The payment mechanism has a significant negative relationship with the final economic pressure. Families who always pay installments from family income without having to borrow or even sell goods will reduce economic pressure. Sina's research (2020) shows that an increase in family debt will be hard if it is not matched by adequate income. In line with the research by Rahoyo and Prapti NSS (2019), all informants can measure their ability to pay installments so that a good payment mechanism is associated with reduced economic pressure. In this study, most families have a higher income than expenses before going into debt. In addition, the entire family has a smaller installment payment burden than the income per unit of time. Both of these can explain that economic pressure can decrease if the family makes good payments.

This research proves that the economic pressure after the debt is higher than before the debt, in line with previous research, which found that having debt with a value of

more than half the value of assets owned indicates high objective economic pressure (Firdaus & Sunarti, 2009; Sunarti, 2013).

The regression test shows a significant positive effect of the initial objective economic pressure and the reason dimension on the economic pressure after being in debt. The results of previous studies found that debt can cause feelings of pressure and the interest from debt is financially burdensome (Supramono & Putlia, 2010). Furthermore, Charpe and Flaschel (2013) found that excessive debt can result in default or bankruptcy when the debt is not paid. Previous research found that a psychological burden is felt due to debt (Heintz-Martin, Recksiedler, & Langmeyer, 2022). These conditions can explain that the decision to owe to *bank keliling* has an effect on increasing objective and subjective economic pressures.

This study does not examine in detail the reasons for the family to continue to borrow for several periods of borrowing. This study only examines the reasons for the first time the family borrowed from a *bank keliling*. In addition, this study also does not examine in depth the use of *bank keliling* loan funds according to or not with the original purpose of the loan. So that this is the limitation in this study due to various reasons and the management of loan funds may be related to family economic pressures.

Conclusion and Recommendation

Conclusion

Families in this study have high confidence that they will be able to pay their mortgages, attend *bank keliling* gatherings every week, and understand the benefits of loans. However, family awareness of the risks that will be faced when indebted to *bank keliling* is still low. The results show that more than three-fifths of families are in the low category for objective economic pressure before going into debt. After being in debt, more than half of the families are in the moderate objective economic pressure category. Then for subjective economic pressure before going into debt, almost half of the families are in the category of very low subjective economic pressure. After going into debt, the subjective economic pressure of the family is evenly distributed in the very low, low, and medium categories, with a percentage of 33.3 percent each. This study proves that objective economic pressure before debt has a significant positive relationship with debt risk and decision making. Then debt decision-making has a significant positive relationship with objective and subjective economic pressure after the family is in debt. The results of the different test show that the economic pressure after being in debt is higher than before being in debt. The test results of the regression model show that the higher the objective economic pressure before going into debt and the greater the reasons for having debt, the higher the economic pressure after going into debt.

Recommendation

The results show that economic pressures increase after the family owes money to *bank keliling*. Then the lowest index average for debt decisions is the risk dimension. Therefore, the researcher advises families to consider more carefully and increase awareness regarding the risks that will be faced when deciding to borrow from *bank keliling*. This needs to be done so that there is no increase in economic pressure. The local government, especially the village government, is expected to be able to re-run or optimize Village-owned enterprises (BUMDes) as a solution for people who need funds so they are not entangled in *bank keliling*. It is recommended for further researchers

develop this research further to see more specific reasons for each period of borrowing that cause families to continue to borrow. Future researchers can also examine other variables, such as loan money management and family welfare.

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