Model of Financial Communication to Reinforce Financial Literacy for Indonesian Society

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Abstract
Cases of financial fraud, investment scam and illegal financial activities in the society have become urgent problems and solutions must be resolved. One of the things that greatly affects the emergence of this problem is that many of our people have no understanding of finance. Financial communication and financial models are urgently needed by the society. The purpose of this paper is to map the concept of financial communication and model of financial communication. This paper is based on the results of research conducted with a constructivist approach to construct the concept of financial communication and model of financial communication. Data were obtained from the results of Focus Group Discussions with several experts in the field of finance and law. The results of this research are first, financial communication is an urgency in the lives of Indonesian people at this time. Second, financial communication is the process of conveying messages from the source of the message to the society as a communicant related to finance and financial literacy. Third, the financial communication model is an interactive and two-way communication with several criteria for several components. The components of this communication model are credible communicators, financial messages that suit the needs of the communicators, communicators who have certain criteria, media that suit the communicators and the last is the impact. The impact of this communication model is financial literacy for the society.

Keywords: Model of financial communication, Financial literacy, Interactive communication, Two-way communication, Financial fraud

INTRODUCTION

Cases of financial fraud, investment scam and illegal financial activities in the society never seem to run out of stories. In terms of data, Otoritas Jasa Keuangan (OJK, the Financial Services Authority in Indonesia) noted that the value of online loans in June 2024 reached Rp 66.79 T, which is a large increase compared to the amount in the same period in 2023 which reached Rp 52.7 T (Damayanti, 2024). Other loans under the scheme of Buy Now Pay Later (BNPL) in Indonesia have also reached Rp 7.99 T as of August 2024, meaning an 89.2% increase compared to the previous year (Karina, 2024). This also applies to online gambling transactions, which continue to increase every year. Pusat Pelaporan dan Analisis Transaksi Keuangan (PPATK, The Indonesian Financial Transaction Reports and Analysis Center) stated that online gambling transactions in the second semester of 2024 had reached Rp 283 T, a sharp increase compared to the first semester of Rp 174 T (Milenia, 2024; Thr/DAL, 2024). This increasing transaction has triggered an increase in financial cases in the society. Along with the development of information technology and information needs, cases of fraud modes have become more varied. However, in general, various financial product offers use applications on cell phones and social media. According to a 2022 research report from the Center of Digital Society at Gadjah Mada University (CoDS UGM), digital fraud is dominated by 2 modus operandi, namely hacking of digital wallets/bank accounts and theft of personal identity, such as KTP, account numbers, social media accounts (Kurnia et al., 2022). The hacking and theft of personal data in financial transactions can be caused by the pattern of giving approval through signatures and photos of ID cards (Suryanto & Rasmini, 2018).

In financial transactions, a mutual written agreement between two parties will be marked with an approval or attestation. This approval is usually in the form of a signature. For a transaction with a more material value or consequence, this approval can be confirmed with an additional seal or organizational stamp. In today's digital era, this form of approval then undergoes many adjustments, for example with a signature in the form of soft files, digital signatures that have been encrypted (Hartono, 2023). In Indonesia, legally the electronic signature on a transaction is considered legal. As a result, at this time many transactions or agreements are being carried out electronically. An example is in opening a bank account online. In this process, a potential customer simply takes a selfie along with his/her ID card and proceeds to affix an electronic signature. By the bank, this form of online approval is considered valid, so that a bank account can be issued. However, in its development, there are irregularities and misunderstandings in its use. A case of fraud under the guise of job vacancies in East Jakarta asked its victims to take a selfie with their KTP and it turned out that it was an approval in applying for an online loan (pinjol) from the fraudster (Al Farisi & Farisa, 2024; Nurhadi, 2024). In this case, many signatures were falsified using electronic signatures (Rohmah, 2022).

Several examples of cases above show the lack of understanding and awareness of the importance of personal data in financial transactions. As in the case of online loans, these online lending (pinjol) managers can only see evidence of the online approval they receive. They do not realize that they are the ones who will be billed for the loan application. Cases like this occur because many people do not really understand or do not have the right understanding of the importance of personal data. This kind of financial communication is still poorly understood by the public and even causes misunderstanding. At this level, financial communication that communicates information related to personal data or other matters related to finance becomes an urgency for the society. Reflecting on cases that occur in the society, the lack of understanding of financial communication occurs at all levels of society. Financial communication cases not only occur in low-income or low-education communities, but also occur in communities with high income and education backgrounds (Respati & Setiawan, 2024). Not only in terms of income and education, various cases of digital fraud or illegal financial cases also affect various generations. A survey conducted by CoDS UGM states that the two generations most often victimized are Baby Boomers at 72.6% and generation Z at 68.1% (Kurnia et al., 2022). Generation Z is a generation that is vulnerable to online lending (pinjol) and gambling because they are the most active generation using social media compared to other generations (DetikFinance, 2024; Kurnia et al., 2022; Nur, 2024).

In its time period of progression, financial communication has experienced significant changes, both in its foundations and publications (Bredin Part et al., 2021; Laskin, 2014). Not only is financial communication an important component of demonstrating corporate financial transparency and credibility to investors, and meeting market needs and expectations, but it is also increasing in terms of the number and diversification of media to the public (Bredin Part et al., 2021). In this context, financial communication needs to be considered as a promotional instrument to the wider public, in addition to formal communication between management and investors (Avram et al., 2019). This is aligned with the increasingly open access of people from various levels to enter the financial environment and products, especially through the financial inclusion and financial literacy programs promoted by the Indonesian government. Financial inclusion is closely related to the achievement of financial literacy (Bire et al., 2019). Promotion for financial literacy can be done in various ways, including socialization, campaigns, education. Promotion in the right way not only increases financial literacy, but also affects a person's behavior in making decisions and managing their finances (Bire et al., 2019; Grohmann, 2018; Jennifer & Widoatmodjo, 2023; Shim et al., 2015). In order to achieve sufficient financial management understanding and financial literacy, programmatic education indirectly affects people's economic well-being (Hanafi et al., 2023). A more direct approach to the society can be accompanied by an approach to the family. Financial socialization to parents affects financial supervision and experience in the local family (Zhu, 2019).

Financial communication in the context of promotion has been widely carried out, both by the government and academics through research and service. The problem is that the level of understanding of the importance of personal data in financial transactions is still low, resulting in many victims of financial fraud in the society. Based on the mapping of existing previous research, financial communication programs, through socialization, education, campaigns or training that have been conducted, are knowledge-based and depart from the side of the party doing the communication. For example, the introduction of financial products and financial institutions, both legal and illegal. Financial communication has not been approached from the perspective of cases that occur in the society. Anggraini, et al (2022) in a society service entitled 'Socialization of Financing Products and Financial Services to the Community of Banjarejo Village, Pakis District, Malang Regency', conducted a socialization of the introduction of Islamic financial products and services to the community in Banjarejo village, Pakis District, Malang Regency. This socialization was carried out because of the limitations of the people in Banjarejo village to get information related to banking and other financial institutions.

Yulita et al (2024) through a community service entitled 'Socialization of Financial Applications to Improve MSME Performance at Talenta Café ' conducted socialization to improve the understanding and skills of MSMEs. This socialization emphasizes how to write simple digital-based financial reports using the Teman Bisnis application available at Talenta Cafe. This community service was conducted due to the lack of knowledge and resources in the community in recording financial statements. Even though proper recording of financial statements is very important for the sustainability of MSMEs.

These two community services try to socialize based on the needs of the target community, even though they are still from the perspective of researchers. In contrast to the two previous studies, Yuliyanti and Diesyana (2021) through a research entitled 'Achieving financial inclusion: is it possible with financial literacy and financial technology? (Case Study: People of Magelang City, Central Java) tried to study financial inclusion in people living in Magelang city. This research seeks to understand the importance of financial inclusion for the community, especially after the economic crisis in 2008, because many people were affected, especially at the "bottom of the pyramid". Based on the two community services and 1 research above, community service and research focus more on socialization and education. There has not been much research that emphasizes the concept of financial communication or financial communication models. Therefore, to fill the gap, this paper will further examine the concept of financial communication and build a financial communication model for the society.

Based on the background above, the main focus of discussion of this paper is first, How is the urgency of financial communication in the lives of our society at this time? Second, what is the concept of financial communication? Third, how is the financial communication model and financial literacy in order to build public understanding related to finance and to minimize fraud in financial matters? These three questions are very urgent to answer and to find the solution in order to minimize public ignorance related to finance, and to minimize crime and fraud related to finance.

This paper is based on the results of research conducted with a constructivist approach with the aim of constructing the concept of financial communication and financial communication models. The novelty of this paper is to produce a financial communication model that focuses on society, and not just focuses on shareholders or other stakeholders.

METHODOLOGY

This paper is based on the results of research conducted using qualitative methods and constructivist approaches. Qualitative research is research which attempts to explore central problems and phenomenon that will then be further developed in detail. Qualitative research considers theresearcher as thekey instrument where later theresearcher will collect the research data (Creswell & Creswell, 2018). While the constructivist approach attempts to understand (interpret the meaning) that other people (in this context is the source) have about the world. This constructivism paradigm views social science as a systematic analysis of socially meaning-full action through direct and detailed observation of social actors in natural daily settings (Creswell & Creswell, 2018). Data collection techniques using Focus Group Discussion (FGD). Data analysis was carried out using qualitative data analysis techniques.

In this paper, qualitative research methodology is used to explore issues related to financial communication and financial information. Constructivist approach is applied in order to construct the concept of financial communication and financial communication model based on the point of view of the interviewees. At this level, the author as a researcher acts as a tool that interprets meaning and constructs the concept of financial communication and financial communication models.

Data collection was conducted using FGDs with three resource persons who are experts in their respective fields. The three resource persons are first, AD, a professor who has expertise in finance. The second resource person is Rn, an accounting expert who has done a lot of research on financial accounting. The third resource person is Dy, a legal expert, especially business law who is involved in many business and financial law issues. Some examples of questions given during the FGD are first, How is the urgency of financial communication when looking at the phenomenon that occurs in the society related to financial fraud in the community? Second, What is the concept of financial communication by looking at the phenomenon of financial communication problems in the society? Third, what kind of financial communication model is needed by the society?

Data analysis is conducted using qualitative analysis. The author begins to separate the data obtained from the FGD results and sort them based on the categories raised by the interviewees. The next step, the author analyzes by looking for red lines between categories and constructing the messages in the concept of financial communication or financial communication model.

RESULTS AND DISCUSSION

The urgency of financial communication: a social phenomenon

Financial communication is an urgency for Indonesian society today (Pardede et al., 2022; Wardi et al., 2020). It is urgent, due to the many victims who have fallen due to public ignorance related to financial information, or related to knowledge and understanding of online loans and crimes related to finance. For example, the number of victims who have fallen as a result of pinjol. At least from 2019 to July 2023, the number of victims of pinjol who committed suicide reached 12 people. This is not a small number. Victims commit suicide as a result of continuous terror by illegal online loan (pinjol). These victims are considered to have failed to pay installments and eventually experienced terror and pressure from the loan companies (DetikUpdate, 2023; Tawakal, 2023).

Based on data presented by Frederica from OJK (DetikFinance, 2023), the percentage distribution of victims of illegal *pinjol* (illegal online lending) is as follows: teachers (42%), individuals affected by layoffs (21%), housewives (18%), employees (9%), tradespeople (4%), students (3%), barbers (2%), and online motorcycle taxi drivers (1%). This distribution raises an interesting question: why do teachers account for the highest percentage of victims of illegal lending?

In one of the FGDs conducted by the author and several resource persons, Prof. AD, one of the resource persons in this study said,

“Many educated teachers are actually subject to online loans. Even though there are already existing modules that are based on general knowledge that should be understood by teachers”.

This is a concerning fact considering that teachers are an educated group who can easily access a lot of information. Teachers are an educated group who can easily check whether or not information related to finance and loans is correct. According to research by No Limit Indonesia 2021 (quoted from detikFinance), there are several reasons why people are trapped in pinjol. The causes are first, 1,433 people are trapped by pinjol to pay debts. Second, 542 people are trapped by pinjol because of their middle to lower economic background. Third, 499 people were trapped by loan companies because they wanted to disburse funds faster. Fourth, 365 people were trapped by pinjol because they wanted to fulfill their lifestyle needs. Fifth, 297 people were trapped by pinjol for urgent reasons (DetikFinance, 2023).

These five reasons are the most common factors influencing people's decisions to use online loans (*pinjol*). However, the loan-related issues faced by society are not limited to *pinjol*. Several types of loans, such as *pinjol*, conventional loans, and *paylater* schemes, often trap individuals and create significant problems in their lives. Many people become entangled in *pinjol* and other loans due to the ease of accessing information about them through the internet and social media (Gomulya, 2023).

One of the experts in the FGD, Dy, also added that:

"If I look at which community first, the lower community is most likely to be trapped by pinjol. Why? Because the average amount of online loans is not too high either. With the ease of borrowing and the urgency of their needs, they are easily susceptible to pinjol".

Online loans (*pinjol*), paylater and others are a form of technological development and economic development in the financial sector. One form of technological development and economic development in the financial sector is the presence of Financial Technology (Fintech). Fintech is a breakthrough in the financial services industry by utilizing the use of technology (Gomulya, 2023).

According to Lee & Shin (2018), there are 6 (six) models developed in the fintech world, namely payments, wealth management, crowdfunding, Peer to Peer (P2P) lending, capital markets, and insurance services. Peer to Peer Lending (P2P Lending) is a method of lending money to individuals or businesses (Saly, 2008). In 2024, based on data from OJK, outstanding financing through fintech peer-to-peer (P2P) lending reached Rp72.03 trillion as of August 2024 (Saputra, 2024). This is not a very large amount for a method of lending money to individuals or businesses, which in turn has resulted in many victims as a result of this method of lending money.

Dy, one of the resource persons in the FGD said,

"One of the factors that can affect the prevalence of people affected by Pinjol is due to lack of understanding of the product. This is the urgency related to financial communication"

Lack of information or lack of understanding about the product is the main cause of the many victims who have fallen victim to pinjol. in his research found that the level of understanding of online loan applications for people in the Jakarta area, respondents who have an income in accordance with the minimum wage have a good understanding of pinjol. While respondents who earn less than the drinking wage, they have a poor understanding related to pinjol.

Respondents with an income above the minimum wage have a very good understanding of pinjol. In addition to the level of understanding, many people with income below the minimum wage are exposed to pinjol because they need to cover their needs. This is as stated by Dy, one of the resource persons in the FGD conducted by the author,

“Many of the lower-class people are affected by online loans (pinjol), with the average amount of online loans (pinjol) according to their needs which are not too high. The proportion of consumption to a person's total income is lower when the person's income is higher. So that the lower middle class who are affected by online loans (pinjol) to fulfill their basic needs”.

Pinjol is an option because of the ease of borrowing to cover their needs immediately. Therefore, financial communication is an urgency to sensitize the public (especially the lower class), about the dangers of pinjol, paylater and other lending models.

The interface between financial communication and financial literacy

Financial communication is an urgency in addressing financial problems in the society. Financial communication is an urgency in addressing people's financial problems. Providing understanding to the public about online loans, paylater and other lending applications and methods is one of the functions of financial communication.

Nevertheless, the concept of financial communication is still understood in terms of interaction between companies and investors, and it is not uncommon for financial communication to be understood as financial literacy. The often ambiguous understanding between financial communication and financial literacy The inaccurate understanding of financial communication is because the study of financial communication is relatively new and spread across various disciplines (Hoffmann & Strauß, 2025).

As a result, the concept of financial communication is often interpreted from various perspectives. Hoffmann (2025) for example, defines financial communication within the context of interactions between companies, investors, and other stakeholders. According to Hoffmann, three key aspects characterize financial communication. First, financial communication involves interactions between companies and stakeholders to ensure the company’s sustainability and success. Second, it serves as a means of building a positive corporate image and reputation. Third, financial communication is an interdisciplinary phenomenon.

Based on these three points, Hoffmann views financial communication as a critical interaction between companies and stakeholders, aimed at achieving corporate success and sustainability while incorporating an interdisciplinary perspective. Within this context, investors are regarded as the top priority among all stakeholders.

In contrast to Hoffmann's perspective, communication science offers a different view of financial communication. From this standpoint, financial communication is understood as a strategy to foster relationships with the press to improve investor sentiment. Communication science regards financial communication as a form of persuasive communication aimed at influencing and convincing investors to collaborate with the company. This perspective aligns with Cutlip's (2000) view, which defines financial communication as a function of public relations.

Cutlip et al., in their book *Effective Public Relations* (2000), state that “Public Relations is a management function that builds and maintains good and beneficial relationships between organizations and the public that affect the success or failure of the organization.” Based on Cutlip et al.’s view that financial communication is a function of public relations, it can be understood that financial communication encompasses interactions with all stakeholders, including the broader community. Financial communication aims to build and sustain positive and mutually beneficial relationships between a company and the public, not just investors.

According to Prof. AD,

“(…) about finance. But if from the story earlier, for some problems related to finance in the community, we also look at segmentation. So, it means that some different problems will arise depending on who the segments are.”

Referring to Cutlip et al.’s opinion, financial communication is not only conceived in the narrow sense between companies and investors, but communication between companies and the wider public. According to Dy,
“Communication is actually the most important thing that the message can be delivered.”

In order for the message in communication to work well, according to Prof. AD, there are several things that need to be considered, “Where is the PM, where is the message. Which messenger, which receiver. That's why you have to see if the message is really from the right time.”

The understanding of financial communication is often confused with financial literacy. Financial literacy is the ability to make informed judgments and effective decisions on the use and management of money. It encompasses a wide range of matters related to finance (Gomulya, 2023). In terms of financial communication, Dy said,

“But maybe it's true that communication now needs to be spoken directly. Real. In the past, we still used symbols”.

Rn, another informant said,

“In this digital era, everyone wears a mask. What's unique about the upper class is that the mask is not shown. They enjoy their happiness. Now, the lower class is the one who wears this mask. He tries to find happiness by appearing on social media. He gets that luxury from what he gets, from the social effect.”

The finance communication and financial literacy model

One way to better understand what it means to communicate in finance is to look at financial communication models. Adler and George (2006) argue that to understand what it means to communicate, one can look at the model, which describes what happens when two or more people interact. We can use Adler and George's understanding when we want to understand financial communication. Communication models are abstractions and simplifications that will clarify complex communication systems, processes, techniques and strategies (Asemah et al., 2022).

The communication model will make it easier for each individual when understanding complex communication processes and simplifying in a simpler understanding. Communication model is a simple description of the communication process that shows the relationship between one communication component and another (Muhammad, 2000). In the view of Sereno and Mortensen (1970), the communication model is an idealized description of what is needed for communication actions to occur. Referring to several opinions about communication models and models, to make it easier to understand financial communication and financial literacy, a financial communication model is urgent.

The financial communication model is a symbolic representation designed to assist individuals in equalizing the relationships among the elements of a structure, system and process. Referring to the opinion of Asemah et al. (2022), financial communication models are useful to help visualize, analyze and discuss complex processes in financial communication.

Every communication model consists of five basic elements. First, the sender, also referred to as the source or communicator. Second, the receiver, often called the recipient or communicant. Third, the message, which is significantly influenced by contextual factors. Fourth, the medium, also known as the channel. Fifth, feedback, which is sometimes referred to as the response or impact (Salman & Aleem, 2024). Building on Salman & Aleem's perspective, the financial communication model proposed in this paper includes five fundamental elements: communicator, communicant, message, medium, and feedback or impact.

Source or communicator. The source or communicator is the source of information that will convey the message to the communicator. In the financial communication model in this paper, to achieve the effectiveness of message delivery, it is necessary to have a good quality communicator (source). First is the credibility of the source. So far, the role of educator and promoter has been carried out by the Government as has been done by OJK and BI; Financial Institutions, both banks and non-banks; but it can also be academics through community service or other groups that support financial literacy programs for the community. Credible sources will provide confidence in the community that the information conveyed is also credible (Avram et al., 2019). So that not only is the communicator qualified, but the information he provides will also be qualified.

Second, institutional. Institutions that have a high level of formality will have the power to deliver messages, compared to informal institutions. Third is the quality of source relevance. The delivery of relevant financial education knowledge and programs will generate interest from the public (Mu’izzuddin et al., 2017; Schoonraad et al., 2005). This relevance is mainly related to current issues of financial activities. As is currently the case, the issue of illegal financial activities that are troubling and causing massive problems in society, such as pinjol and online gambling. Information relevant to this will be very useful for the community, especially solutions, both preventive and corrective. Reflecting on this, the ability to provide attractiveness is also the fourth criterion for a source. Social contribution and impact on problem solving are qualities of attractiveness that must be inherent in the source to support the effectiveness of financial communication.

Receiver or communicant. The second component in the financial communication model is the communicator. Financial communication will be effective when it understands the exact criteria of the communicator. The communicator in the financial communication model is the public. People are divided into different financial segmentations, such as gender, age, generation, and so on.

According to Prof. AD, the development of a financial communication model has its own considerations:

“So, it must also go into consideration, which communication model you want to go to, which segment. For me, it has to be clear there first.”

Demographically, segments of society can be divided at least according to generations representing age, gender, and education level. Psychographically, segments of society can be seen in terms of lifestyle, attitudes and activities. Behaviorally, people can be seen from their knowledge, attitudes, reactions and use of financial products. Geographically, segments of society can be divided by region, such as urban and rural. The segmentation is considered as a whole to determine the segmentation of financial literacy in society, namely not literate, less literate, sufficient literate and well literate. The 2024 national survey conducted by OJK in collaboration with BPS states that the financial literacy index is built from the parameters of behavior, skills, beliefs, attitudes and behaviors (Financial Services Authority & Central Bureau of Statistics, 2024).

FGD resource person, Prof. AD emphasized the importance of segments in this financial communication:

“And maybe for this communication pattern, we can just focus for example. What is really needed right now? In which community? Because our styles of speaking with students of the strawberry generation, the communication is different.”

Message. Based on the previous findings and discussion, financial communication in order to convey financial messages to the public needs to consider fundamental aspects, namely the factor of knowledge of financial products (Financial knowledge), financial segmentation in the society (Financial segmentation) and cases of financial activities that occur (Financial activities cases). These three factors intersect with each other and ultimately create a certain contribution to the delivery of financial messages.

Basic and practical financial knowledge is needed when a person faces financial cases (Jennifer & Widoatmodjo, 2023; Xiao & Xin, 2022). The problem that often arises is that many people do not understand what is behind the financial product they choose and its consequences. This lack of knowledge of financial products leads to low awareness and understanding to find solutions when they face financial problems.

Informant Dy reiterates that,

“But if we talk at the society level, empirically yes, the concept is okay, empirically yes, we are talking about the biggest legal knowledge...one of the factors is online gambling, then they run to loan sharks, now this is a very big correlation. Now that means that the legal understanding is very low... That awareness will be seen when they have been injured. What should be done. Now they don't understand.”

Informant Dy also adds:

“Is that what can later become a communication model whose message, what is behind, is not just what is pinjol, pinjol is illegal, but the consequences of pinjol actually.”

In other words, with adequate financial knowledge, a person will have adequate financial awareness to make financial decisions (Avram et al., 2019; Hoffmann & Strauß, 2025; Suryanto & Rasmini, 2018), for example when deciding on basic needs in financial management and at least being able to choose financial products that suit their needs. With this financial awareness, people as communicants have a basic starting point regarding the importance of education and solutions to cases of financial activities.

Therefore, to prepare a person in a certain segment to face certain cases, there is a need for segmented financial education needs (Hanson & Olson, 2018; Lukitawati & Ismail, 2020; Shim et al., 2015; Widyastuti et al., 2022). For example, the choice of media for generation Z will certainly be different from millennials or generation X. Generation Z, born in 1997-2012, will be more suitable for practical messages using media such as TikTok or Instagram or Short Youtube.

Generation X, which was generally born in 1965-1980, can use alternative media such as Facebook. Each financial segment has a different intensity and spectrum of financial knowledge. This will affect the selection and design of financial education media in accordance with the segment (Segmented education media/channel) (Bire et al., 2019). Thus, educational needs and educational media that are segmented or in accordance with the communicant segment will form the delivery of targeted messages.

These three derived factors directly affect message delivery in the context of financial communication as promotion and education for the society. These factors are financial awareness, segmented financial education needs and segmented education media/channel. The three are hereafter referred to as the financial message triangle.

Channel or media. A message can be received by the communicator, if it uses the right media choice. The delivery of messages from communicators to communicants will depend on the right media/channel. The media serves as a channel of education and promotion for the society. So that communication is needed that moves all parties to participate (participative) and is two-way (give and take) (Bredin Part et al., 2021; Moore, 2003).

In particular, OJK and BI have initiated various financial literacy and education programs for the society. On its website, OJK has the Sikapi Uangmu education program and the OJK Financial Education Learning Management System. This is also supported by financial institutions, both banks and non-banks. Even educational institutions are also involved and support through various media and community service. OJK itself has launched various financial literacy and education programs, but the suitability and access aspects have not been able to overcome the fundamental problems (Suleiman et al., 2022).

Given the constraints faced by OJK and the high number of cases occurring in society, it can be concluded that the existing unidirectional literacy and education programs have not been sufficiently effective in addressing issues related to illegal financial activities and online fraud.

A unidirectional approach primarily focuses on education and knowledge dissemination. However, addressing societal needs, as reflected in financial cases, requires a solution-oriented approach. Therefore, it is crucial for educators and promoters to move beyond merely delivering financial education aimed at enhancing knowledge. Instead, they should adopt a two-way communication model that incorporates insights from real-world financial cases in society. This two-way process, characterized by give-and-take interactions, can help craft solution-oriented messages for the community.

Educators and promoters should not only impart financial knowledge but also provide support and act as partners for the community. This approach empowers the community to transition from being mere recipients of information to becoming active participants who contribute input and engage in discussions, fostering the development of more effective and tailored solutions.

Response or Impact. The fifth component of the communication model is the response or impact of financial communication. The expected impact of this financial communication model is that people become financially literate. This financial model explains the criteria for credible communicators, communicants who have certain criteria and characteristics, messages related to finance, and the right media to convey messages to communicants. The purpose of the criteria of these four components is to create financial communication that has an impact on society, which can build a financially literate society.

Noise. In communication events, messages often do not arrive properly because there is interference. Communication becomes ineffective because there is interference that occurs. In financial communication, there are several things that often become interference, namely first, interference from messages from social media that offer something. Second, when opening social media, someone often just clicks on certain offers without bringing a more complete explanation which ultimately leads to losses. Third, trying and messing around with offers on social media. As stated by RN,

"There are many people who get caught in online loans because they just want to try out what online loans are like. But there are some people who get caught in online loans because they just click on online loan offers on social media."

The financial communication and literacy model derived from this research emphasizes interactive and two-way communication. This model is grounded in Lasswell's communication model, which explains the communication process through the framework: Who Says What In Which Channel To Whom With What Effect.

According to Lasswell, communication is a persuasive effort to build the recipient's understanding through five key stages:

1. **Who** – The individual or entity delivering the message (communicator).
2. **Says What** – The content or message being conveyed.
3. **In Which Channel** – The medium or channel used to transmit the message to the recipient.
4. **To Whom** – The target audience or recipient of the message (communicant).
5. **With What Effect** – The impact or changes that occur as a result of the message received by the communicant.

Lasswell initially formulated this communication theory to analyze mass communication mediums such as radio, television, and newspapers. Over time, the theory has been adapted to address communication challenges across various domains, including financial communication. This evolution underscores the relevance of Lasswell's model in analyzing and improving financial literacy and communication practices (Severin & Tankard Jr., 2014).

In this communication model, communicants are seen as intelligent and active communicants, who can give their opinions when performing communication acts. Based on the explanation of the five components of financial communication above, the financial communication model in this paper is as depicted in the figure below. This financial communication model is a communication model built based on the results of research conducted in 2024. The model is as presented in the figure below:

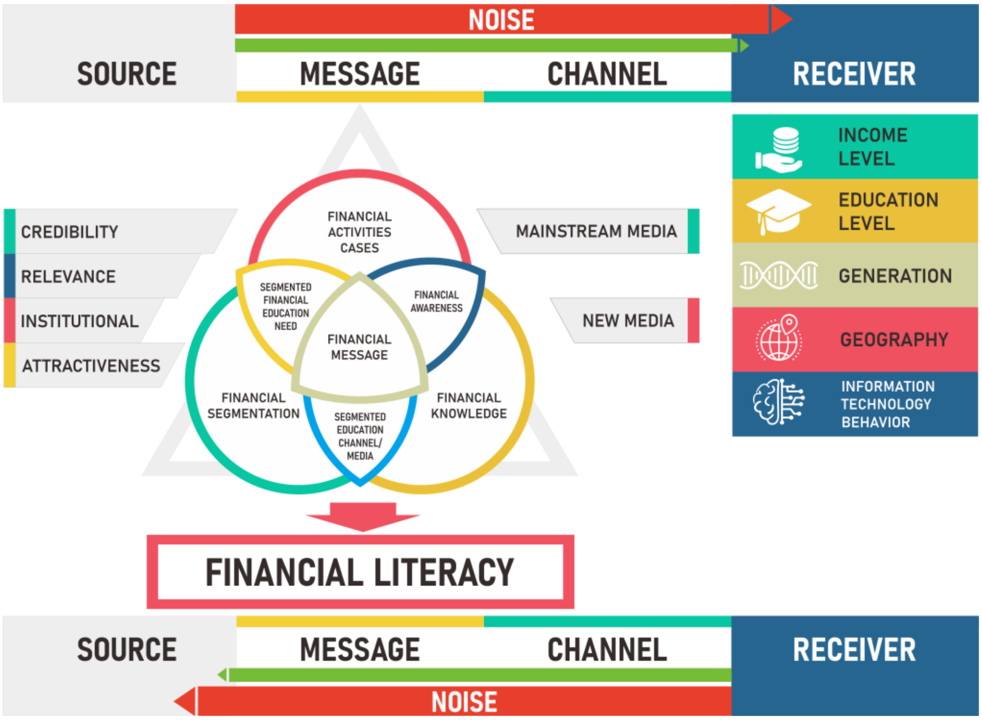

Figure 1. Financial Communication Model
Source: Author’s construction based on Lasswell's model of communication (1948)

CONCLUSION

Based on the data analysis presented in this paper, the following conclusions can be drawn. First, financial communication is a critical necessity for the current lives of Indonesian people. Second, financial communication involves the process of delivering messages from the source to the community as the communicant, focusing on finance and financial literacy, and third, the proposed financial communication model emphasizes interactive and two-way communication, incorporating several essential components.

The components of this communication model include credible communicators who can effectively deliver messages; financial messages tailored to meet the specific needs of the communicants; communicants with defined criteria, such as their capacity to engage and contribute; media channels appropriately selected to align with the communicants’ preferences and access; impact, where the desired outcome is increased financial literacy within society.

This research highlights that the financial communication model is fundamentally interactive and two-way. In this model, communicants are regarded as intelligent and active participants who can provide feedback and share their opinions during the communication process.

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