DEVOTION
Journal Corner of Community Service
https://doi.org/10.54012/devotion.v4i4.815
Vol. 4, No. 4, May, 2026, pp. 168 – 177

Working Capital Financing Education Through People's Business Credit (KUR) for Women MSME Entrepreneurs in Tanjung Inten Village, East Lampung Regency

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Article History:
Received: April 4, 2026
Revised: April 20, 2026
Accepted: April 28, 2026

Keywords: *Education; People's Business Credit; Working Capital; Women MSME Entrepreneurs; Financing*

Abstract: *Limited working capital and limited knowledge of formal financing remain constraints for women-led micro, small, and medium enterprises (MSMEs) in rural areas. This community service activity aimed to provide education on People's Business Credit (KUR) as an alternative source of working capital financing for women MSME entrepreneurs in Tanjung Inten Village, East Lampung Regency. The activity used material presentations, discussions, and question-and-answer sessions covering the concept of KUR, the functions of working capital, general application requirements and procedures, productive use of funds, and repayment obligations. The activity was attended by [number of participants] women MSME entrepreneurs engaged in [types of businesses]. The activity expanded participants' access to information about KUR and opened discussion on requirements, collateral, installments, and application procedures. The education is expected to support more careful, productive, and responsible consideration of formal financing in accordance with business needs and repayment capacity.*

Introduction

Micro, Small, and Medium Enterprises (MSMEs) play an important role in supporting local economies. In rural areas, MSME activities are not only a source of family income but also create employment opportunities and stimulate local economic circulation. Women are among the groups actively developing home-based enterprises, such as food and beverage businesses, small-scale trade, agricultural product processing, handicrafts, and simple services. From a legal perspective, MSMEs occupy a strategic position in national economic development because they contribute to job creation, income distribution, and the strengthening of the people's economy (Republic of Indonesia, 2008). Tambunan (2019) also shows that MSMEs constitute an important part

https://doi.org/10.54012/devotion.v4i4.815
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of Indonesia's economic structure, although they continue to face various development constraints.

In operating their businesses, women MSME entrepreneurs often face limited working capital. Working capital is required to purchase raw materials, increase inventory, pay production costs, repair equipment, finance distribution, and meet other operational needs. When working capital is insufficient, business owners may experience difficulties in maintaining production continuity, meeting consumer demand, and expanding the scale of their businesses. Limited access to capital is one of the barriers to the growth of small and medium enterprises, particularly when business owners lack adequate financial records and information (Beck & Demirgüç-Kunt, 2006; Bank Indonesia & LPPI, 2015).

Some MSME entrepreneurs still rely on personal funds, family loans, rotating savings groups, or informal financing sources. These sources are relatively easy to access, but the amounts available are often limited and may not sufficiently meet business needs. At the same time, formal financing through financial institutions has not been fully utilized. This condition may be influenced by limited information, concerns about administrative requirements, perceptions regarding collateral, and uncertainty in calculating the ability to repay installments. This situation is consistent with studies that identify financial access as an important factor in MSME growth (Aqida & Fitria, 2019). Financial education is therefore needed so that business owners can understand the benefits, costs, obligations, and risks of financing products before making financial decisions (Financial Services Authority, 2017; Lusardi & Mitchell, 2014).

One formal financing alternative that may be considered is People's Business Credit (KUR). KUR is intended to support productive business activities, including working capital and investment needs. Nevertheless, KUR is neither assistance nor a grant. The funds received must be repaid in accordance with the provisions of the lending institution. Therefore, before applying for financing, MSME entrepreneurs need to understand its objectives, benefits, requirements, procedures, obligations, and risks. According to official government information, KUR is a subsidized credit or financing scheme distributed by financial institutions for working capital and investment to productive and feasible business actors (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, n.d.). Several studies indicate that access to KUR can support MSME capital and competitiveness, although its use must still be adjusted to business conditions and repayment capacity (Lubis & Syahbudi, 2022).

Women MSME entrepreneurs in Tanjung Inten Village, East Lampung Regency, have business potential that can continue to be developed. Nevertheless, information regarding working capital financing alternatives still needs to be expanded. Based on these conditions, the community service activity was implemented in the form of education on KUR. The activity was not intended to encourage participants to immediately take out credit, but rather to provide information that could be used as a basis for making responsible business financing decisions. Education and assistance

P-ISSN: 2961-8096 | E-ISSN: 2961-9165

https://doi.org/10.54012/devotion.v4i4.815
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related to financing access are relevant in helping MSMEs recognize formal financing sources and prepare the required administrative documents (Arnayulis et al., 2023; Fadhilah et al., 2024).

Method

The The community service activity was conducted in Tanjung Inten Village, East Lampung Regency, on July 6, 2026, at 10:00 a.m., and was held at [activity location]. The location was selected based on the presence of women entrepreneurs who actively manage micro, small, and medium enterprises in various business sectors. These businesses include food and beverage production, small-scale trading, agricultural product processing, services, handicrafts, and other household-based enterprises. The activity was designed to provide practical information regarding working capital financing alternatives, particularly People's Business Credit (KUR), for women MSME entrepreneurs who require broader access to information on formal financing schemes.

The target participants of this community service activity were women who owned or managed micro, small, and medium enterprises in Tanjung Inten Village. The participants represented various types and scales of businesses, with different levels of entrepreneurial experience. Most of them were involved in household-based enterprises, small-scale trading, production, and service activities that required adequate working capital to support the purchase of raw materials, inventory replenishment, production processes, and other daily operational needs. These diverse business characteristics were taken into consideration when preparing and delivering the educational materials. Accordingly, the information provided was presented in a practical and accessible manner so that participants could relate the discussion on working capital financing and KUR to their actual business conditions and needs.

The community service activity was implemented through three main stages, consisting of preparation, implementation, and evaluation. During the preparation stage, the community service team coordinated with the village government and relevant parties to determine the activity schedule, venue, and technical arrangements. The team also conducted a preliminary identification of the participants' information needs and prepared educational materials on working capital financing and KUR. Presentation media, attendance sheets, and activity documentation were also prepared to support the implementation of the program.

During the implementation stage, the activity began with an opening session and an explanation of the objectives of the community service program. The educational materials covered the definition and function of working capital, common financing constraints faced by MSMEs, the definition and objectives of KUR, and the differences between KUR and government assistance or grants. Participants also received information regarding the general requirements and stages of KUR applications, the use of financing for productive business activities, installment repayment obligations, and the

https://doi.org/10.54012/devotion.v4i4.815
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risks associated with financing that does not correspond to actual business needs or repayment capacity. The importance of maintaining simple financial records and separating business finances from household finances was also emphasized. The material presentation was followed by a discussion and question-and-answer session to provide participants with an opportunity to raise issues related to their business and financing conditions.

The evaluation stage was conducted descriptively because the activity did not use pre-test or post-test instruments. Therefore, the evaluation was not intended to quantitatively measure changes in participants' knowledge or understanding. The evaluation focused on participant attendance, involvement during the material presentation, responses in the discussion session, questions raised, and activity documentation. Observations of participant engagement were used to describe the implementation and relevance of the educational activity without claiming measurable changes in knowledge. This descriptive evaluation approach is appropriate for community service activities oriented toward education and socialization when no specific quantitative evaluation instrument is used (Fadhilah et al., 2024).

Figure 1. Stages of community service activity implementation

Result

Implementation of the Educational Activity

The educational activity on working capital financing through KUR was conducted at [activity location] and attended by [number of participants] women MSME entrepreneurs. The activity began with an opening session led by [name or position of the person opening the activity], followed by a presentation of the community service objectives by the implementation team.

During the main session, participants received an explanation of the importance of working capital in maintaining smooth business operations. The material was presented using examples closely related to participants' business activities, such as purchasing raw materials, increasing inventory, procuring simple equipment, financing production costs, and covering distribution expenses. Initial working capital in trading, industrial, and service businesses is generally used to finance production and marketing costs so that business operations can continue to circulate (Bank Indonesia, n.d.).

Participants were subsequently introduced to KUR as an alternative source of formal financing. The community service team emphasized that KUR is a credit or financing facility that must be repaid, rather than government assistance that can be received without repayment obligations. This clarification was important to prevent participants from developing misconceptions about the nature of the financing program. The explanation is consistent with the official definition of KUR as financing or credit

https://doi.org/10.54012/devotion.v4i4.815
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rather than a grant, meaning that recipients have repayment obligations to the lending institution (Coordinating Ministry for Economic Affairs of the Republic of Indonesia, n.d.).

The next material addressed the general requirements and procedures for applying for KUR. Participants were provided with an overview of administrative documents, business identity and existence, the verification process conducted by lending institutions, and the importance of adjusting the amount requested to business needs and the ability to repay installments. Technical provisions remain subject to the policies of the lending institution and the type of KUR available at the time of application.

Participant Responses and Participation

Women MSME entrepreneurs demonstrated active involvement throughout the activity, particularly during the discussion and question-and-answer sessions. Participants' questions may be recorded and adjusted to the actual conditions of the activity, including questions concerning application requirements, business legality, collateral requirements, installment amounts, financing periods, the eligibility of newly established businesses, application procedures, the consequences of late payments, and the use of funds to increase business capital.

The participants' active engagement indicates that information on working capital financing is relevant to the needs of women MSME entrepreneurs. Nevertheless, because the activity did not use measurement instruments before and after implementation, this article does not conclude that there was a quantitative increase in participants' knowledge. The results are more appropriately described as the delivery of information and the creation of a discussion space regarding formal financing alternatives for MSMEs. Similar community service activities have shown that credit-access socialization can provide a consultation forum regarding requirements, business feasibility, and MSME administrative readiness (Arnayulis et al., 2023).

Activity Documentation

Activity documentation may be placed in this section after the photographs are available. The photographs may include the opening session, material presentation, question-and-answer session, and group photo.

https://doi.org/10.54012/devotion.v4i4.815
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Figure 2. Opening session of the working capital financing education activity for women MSME entrepreneurs

Source: Community service activity documentation 2026.

Discussion

KUR as an Alternative Source of Working Capital Financing

The working capital needs of each MSME entrepreneur vary according to the type of business, production scale, inventory turnover, number of customers, length of business operation, and level of income. Therefore, financing applications should be based on actual and measurable business needs rather than solely on the availability of credit facilities. Differences in business characteristics also result in different capital requirements. For this reason, financing needs should be carefully calculated by considering the business cycle, raw material requirements, inventory turnover, operational expenses, and cash flow available for installment payments (Bank Indonesia & LPPI, 2015).

During the educational activity, participants were informed that financing should primarily be directed toward productive activities that contribute to business continuity and development. Financing may be used to purchase raw materials, increase merchandise inventory, purchase or repair business equipment, expand production capacity, improve business premises, finance distribution activities, and meet other productive needs related to business operations. The selection of fund utilization should be adjusted to the specific characteristics and priorities of each business so that the financing obtained can generate economic benefits.

The use of financing funds for consumptive purposes unrelated to business activities may increase the risk of repayment difficulties because such expenditures do not directly contribute to generating additional business income. Therefore, participants were encouraged to distinguish business needs from household consumption and to prepare a clear fund utilization plan before applying for financing. Adequate financial

https://doi.org/10.54012/devotion.v4i4.815
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knowledge can help MSME entrepreneurs understand the consequences, costs, and responsibilities associated with financing and support more prudent and responsible financial decision-making (Lusardi & Mitchell, 2014; Fatoki, 2014).

Prudence in Accessing Financing

Financing can support business development when the amount and utilization of funds are appropriately adjusted to the actual capacity of the business. Conversely, financing may become a financial burden when the loan amount exceeds the ability of the business to generate sufficient cash flow. Therefore, before applying for KUR, MSME entrepreneurs need to carefully assess their business conditions and financial capacity. The principle of prudence is particularly important because financing that is not aligned with cash-flow capacity may increase the risk of delayed installment payments and disrupt business sustainability (Fatoki, 2014).

Several considerations need to be taken into account before accessing financing, including the actual amount of capital required, the capacity of the business to generate income, operational expenses, household financial needs, and the ability to meet installment obligations. MSME entrepreneurs should also consider the repayment period, possible declines in sales, and the potential impact of unexpected business conditions on cash flow. A clear plan for the productive use of financing funds is necessary to ensure that the borrowed capital is directed toward activities that can support business productivity and income generation.

Simple financial recordkeeping is also an important component of responsible financing management. Records of income, expenses, profits, inventory, and debt can help women MSME entrepreneurs assess the actual financial condition of their businesses and determine a reasonable amount of financing. Bank Indonesia emphasizes that adequate financial information is important in expanding MSME access to bank financing. Therefore, simple financial records can support business owners in evaluating business performance, calculating financing needs, and preparing themselves to interact more effectively with formal financial institutions (Bank Indonesia, 2023).

Supporting Factors and Activity Constraints

The implementation of the community service activity was supported by several factors, including the support of the Tanjung Inten Village Government and the willingness of women MSME entrepreneurs to participate in the educational program. The relevance of the material to the financing needs of participants also contributed to the implementation of the activity. In addition, the availability of a discussion forum allowed participants to communicate their questions and concerns regarding working capital financing and KUR.

Adequate facilities at the activity venue also supported the delivery of educational materials and interaction between the community service team and participants. The participation of women MSME entrepreneurs during the discussion and question-and-

P-ISSN: 2961-8096 | E-ISSN: 2961-9165

https://doi.org/10.54012/devotion.v4i4.815
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answer sessions created an interactive learning environment. These supporting conditions enabled the educational information to be delivered in a manner that was more closely related to participants' actual business experiences and financing concerns.

Despite these supporting factors, the activity had several limitations. The program did not use pre-test and post-test instruments to quantitatively assess changes in participants' knowledge or understanding. Therefore, the results of the activity were not used to claim measurable improvements in participant knowledge. In addition, the activity remained focused on providing general educational information and did not include individual assistance in preparing financing application documents. These limitations are acknowledged to ensure that the conclusions of the community service activity remain proportionate and consistent with the available evidence.

Follow-up Plan

As a follow-up to the educational activity, future community service programs may provide assistance in simple financial recordkeeping for women MSME entrepreneurs. Such assistance may focus on recording business income, expenses, cash balances, inventory, and debt. Improved financial records may help business owners gain a clearer understanding of their financial conditions and provide a stronger basis for calculating working capital requirements.

Future activities may also include simulations for calculating working capital needs and assistance in preparing basic business documents. Practical simulations may help participants estimate the amount of financing required based on actual business operations and expected cash flows. Assistance in preparing business documents may also improve participants' administrative readiness when seeking information or applying for financing through formal financial institutions.

Further collaboration with KUR lending institutions may be considered to provide participants with more specific and updated technical information regarding financing requirements and procedures. Consultation on financing eligibility, assistance in separating business finances from household finances, and the preparation of financing fund utilization plans may also be incorporated into subsequent programs. These follow-up activities are expected to strengthen the ability of women MSME entrepreneurs to make more informed, prudent, and responsible financing decisions.

Conclusion

The community service activity in the form of working capital financing education through People's Business Credit was conducted for women MSME entrepreneurs in Tanjung Inten Village, East Lampung Regency. The activity was implemented through material presentations, discussions, and question-and-answer sessions concerning the function of working capital, the characteristics of KUR, general requirements, application procedures, the productive use of funds, and financing repayment obligations.

P-ISSN: 2961-8096 | E-ISSN: 2961-9165

https://doi.org/10.54012/devotion.v4i4.815
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The activity provided participants with additional information regarding KUR as a formal financing alternative that may be considered to support working capital needs. Participant involvement was evident in discussions and questions concerning requirements, collateral, installments, and application mechanisms. KUR needs to be understood as financing that carries repayment obligations; therefore, its use must be adjusted to business needs, installment repayment capacity, and a productive fund utilization plan.

Women MSME entrepreneurs are advised to carefully calculate their capital requirements before applying for financing. The amount of financing should be adjusted to the business's capacity to generate income and repay installments. Village governments and higher education institutions may continue the activity through administrative assistance, financial recordkeeping support, financing application simulations, and assistance in separating business and household finances. These recommendations are consistent with the principles of financial education, which emphasize careful assessment of needs, benefits, costs, and repayment capacity before using financial products (Financial Services Authority, 2017).

Future activities may involve KUR lending institutions so that participants can obtain more detailed technical information. The use of evaluation instruments, such as simple questionnaires or pre-tests and post-tests, may also be considered when future activities are intended to measure changes in participants' knowledge.

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P-ISSN: 2961-8096 | E-ISSN: 2961-9165