

ECONOMIC RESILIENCE AMID THE LOWEST MINIMUM WAGE: A MIXED-METHODS STUDY OF WORKER'S SURVIVAL STRATEGIES IN BANJARNEGARA

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Article Information: Received --- June,25 2026, Published --- August, 10 2026

Abstract

This study aims to analyze the influence of income conditions, survival strategies, and financial management on the economic resilience of the Banjarnegara community. The study employs a mixed-method approach with an explanatory sequential design. The research population consists of individuals aged 18–64 who live and work in Banjarnegara Regency, totaling 582,693 people. The sample size was determined using the Slovin formula with a 10% error margin, yielding 100 respondents. Quantitative data collection was conducted via an online questionnaire using Google Forms with a four-point Likert scale, while qualitative data was obtained through online open-ended questionnaire in the form of narrative descriptions. Quantitative data analysis utilized multiple linear regression with the aid of IBM SPSS Statistics, while qualitative data was analyzed descriptively. The results of the study indicate that income conditions and financial management have a positive and significant effect on the economic resilience of the Banjarnegara community. Meanwhile, survival strategies do not have a significant effect on economic resilience. Simultaneously, income conditions, survival strategies, and financial management significantly affect the economic resilience of the Banjarnegara community. The Adjusted R Square value of 20.8% indicates that the research variables can explain 20.8% of economic resilience, while the remaining percentage is influenced by other factors outside the scope of this study. The interview results show that good financial management is a crucial factor in maintaining household economic stability amidst community economic pressures.

Keywords: Banjarnegara, economic resilience, financial management, income conditions, survival strategies

INTRODUCTION

This study is motivated by the economic conditions of Banjarnegara Regency, which has the lowest Regency Minimum Wage in Central Java Province. Data from the Central Java Provincial Statistics Agency indicate that the UMK of Banjarnegara Regency in 2026 was IDR 2,327,813.00, making it the lowest minimum wage among all regencies and municipalities in the province (Tengah, 2026). This situation occurs amidst the rising prices of basic commodities and living costs, thereby potentially creating economic pressure, particularly for low-income worker households. A low income level can severely affect a household's capacity to meet basic needs and maintain family economic stability (Todaro & Smith, 2020).

Such economic pressure compels the community to adopt various survival strategies to sustain household needs and preserve family economic stability. Survival strategies are generally implemented by reducing consumption, seeking additional employment, strictly managing expenditures, and leveraging family socio-economic networks (Scoones, 1998). In the context of worker households, the ability to economically adapt is a crucial component of economic resilience

defined as the capacity of individuals or households to cope with, adapt to, and recover from economic shocks and pressures (Briguglio et al., 2009).

Therefore, this study aims to analyze survival strategies, household financial management, and the level of economic resilience among worker communities in Banjarnegara Regency. The research focuses on the working-age population (18–64 years old) who reside and work in Banjarnegara Regency. Household financial management serves as a critical aspect because the capacity to manage income, expenditures, savings, and priority needs can significantly influence the economic resilience of low-income populations (Lusardi & Mitchell, 2014).

This research is expected to provide significant contributions, both theoretically and practically, to regional economic development. Theoretically, the findings of this study enrich the literature on development economics, particularly concerning household economic resilience and the adaptation strategies of low-income communities in regions with low minimum wages. Practically, these findings can serve as a valuable reference for local governments in formulating policies aimed at community economic empowerment and the sustainable enhancement of worker welfare.

The novelty of this study lies in its examination of the interconnectedness between economic resilience, survival strategies, and household financial management among workers in the region with the lowest minimum wage in Central Java. Previous studies have generally focused only on the welfare or poverty levels of working communities without directly and integrately linking them to household economic adaptation strategies and economic resilience (Moser, 1998). This study demonstrates that the community tends to implement various adaptation strategies, such as controlling expenditures, prioritizing basic needs, seeking additional income sources, and practicing more selective financial management. Although most respondents are still capable of meeting their basic needs, the level of household economic stability remains in the moderate category, indicating long-term economic vulnerability. These findings underscore the need for strengthening financial literacy, expanding economic opportunities, and implementing more inclusive regional development policies to enhance the economic resilience of the working community.

LITERATURE REVIEW AND HYPOTHESIS FORMULATION

Economic Resilience

Economic resilience refers to the ability of an economic system, region, or household to withstand, absorb, recover from, and adapt to external shocks through changes in behavior and economic structures. Within the framework of *policy-induced resilience*, economic resilience is understood as a capacity shaped by policies to cope with and recover from the impacts of shocks. This capacity is supported by four key dimensions: macroeconomic stability, microeconomic market efficiency, good governance, and social development (Briguglio et al., 2009). Furthermore, resilience is not only associated with the ability to return to pre-shock conditions but also encompasses the capacity to adapt and adjust to long-term changes in economic structures (Evenhuis, 2017).

Community Survival Strategies

Survival strategies represent the efforts made by individuals or households to sustain their livelihoods when facing economic pressure. These strategies reflect the household's ability to adjust consumption patterns, income sources, and financial management to ensure that basic needs are continuously met. Christophe Béné et al. explain that survival strategies are closely linked to coping capacity and adaptive capacity, which represent the household's ability to respond to economic stress, mitigate losses, and adjust livelihood strategies according to the prevailing conditions (Béné et al., 2016). Additionally, Emiel Evenhuis emphasizes that economic adaptability is a vital element of resilience because individuals and households are required to align their

economic behavior with shifting economic conditions (Evenhuis, 2017).

Household Financial Management and Financial Behavior

Household financial management is the process of planning, organizing, and monitoring family income and expenditures to meet living requirements and cope with economic uncertainty. In the context of low-wage worker households, financial management is generally carried out by developing daily or monthly budgets, prioritizing basic needs, and managing debt wisely. Households with structured financial management tend to be more capable of maintaining economic stability and building emergency funds, even under conditions of limited income.

Financial behavior refers to the actions or practices of individuals or households in managing finances, such as saving, controlling expenses, managing debt, budgeting, and making other financial decisions. (Riitsalu & Murakas, 2019) explain that subjective financial knowledge, or one's perception of their financial understanding, is closely related to financial well-being—a condition in which individuals feel capable of meeting financial obligations and possess a sense of security regarding their future financial state.

Minimum Wage and Worker Welfare

The minimum wage is the lowest wage standard set by the government as a form of protection for workers to achieve a decent standard of living. Minimum wage policies aim to maintain worker welfare, reduce income inequality, and enhance social protection for low-income worker segments. The International Labour Organization explains that minimum wage policies play a crucial role in establishing labor market equity and protecting vulnerable workers from excessively low wage rates (Organization, 2024).

According to the Organisation for Economic Co-operation and Development (OECD), workers' well-being is influenced by income stability, job quality, access to social protection, and households' ability to cope with rising living costs. Workers with low wages tend to be more vulnerable to economic pressures, particularly when the prices of basic necessities and living expenses increase (Organization for Economic Co-Operation and Development, 2024). Furthermore, the International Labour Organization (ILO) highlights that low-wage workers, especially those employed in the informal sector, face higher levels of economic vulnerability due to limited income, low job security, and inadequate access to social protection. These conditions often compel worker households to adopt various economic adaptation strategies in order to maintain family well-being (Organization, 2024).

Hypotheses

H1: Income conditions have a significant effect on the economic resilience of the Banjarnegara community.

H2: Survival strategies have a significant effect on the economic resilience of the Banjarnegara community.

H3: Financial management has a significant effect on the economic resilience of the Banjarnegara community.

H4: Income conditions, survival strategies, and financial management simultaneously have a significant effect on the economic resilience of the Banjarnegara community.

RESEARCH METHODS

This study adopts a mixed-methods approach using an explanatory sequential design. The target population comprises working-age individuals (18–64 years) residing and working in Banjarnegara Regency. Based on official statistics reported by the Statistics Indonesia Office of Banjarnegara Regency, the number of employed individuals in the regency was 582,693 as of August 2025 (Banjarnegara, 2025). Due to the large population size, purposive sampling was employed to select the research participants. The inclusion criteria were: (1) individuals of working

age who were actively employed in Banjarnegara Regency and (2) workers whose earnings were equal to or below the Banjarnegara Regency Minimum Wage.

The sample size for this study is set at 100 respondents. This number is determined based on the rule-of-thumb recommendation by (Hair et al., 2018) for multivariate analysis, such as multiple linear regression. Hair et al. suggest that the ideal minimum sample size is 5 to 20 times the number of independent variables or research indicators. This study involves 3 independent variables (Income Conditions, Survival Strategies, and Financial Management), making the maximum recommended minimum ratio 60 respondents (3×20). Therefore, the sample size of 100 respondents is highly adequate and statistically powerful enough to test the proposed regression model.

Quantitative data collection was conducted via online questionnaires using Google Forms with a four-point Likert scale. Meanwhile, qualitative data was obtained through online open-ended questionnaire using Google Forms in the form of narrative or paragraph responses.

Quantitative data analysis was performed using IBM SPSS Statistics through validity tests, reliability tests, classical assumption tests, and multiple linear regression to determine the effects of the independent variables on the dependent variable. The regression equation model used is:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Where:

Y= Economic Resilience
 X1 = Income Conditions
 X2 = Survival Strategies
 X3= Financial Management

Quantitative data analysis was carried out via multiple linear regression assisted by IBM SPSS Statistics, passing through classical assumption testing phases which included normality, multicollinearity, and heteroscedasticity tests. This was subsequently followed by multiple linear regression testing, simultaneous testing (F-test), and the coefficient of determination. Qualitative data was analyzed descriptively through data reduction, data display, and conclusion drawing to reinforce the quantitative research results.

RESULTS AND DISCUSSION

Based on the results of the normality test using the Kolmogorov-Smirnov method, a significance value of 0.200 was obtained. This value is greater than 0.05; thus, it can be concluded that the residual data in this study is normally distributed. Consequently, the regression model meets the assumption of normality and is viable for further analysis.

Table 1. Kolmogorov-Smirnov Normality Test Results

Model		ANOVA				
		Sum of Squares	df	Mean square	F	Sig.
1	Regression	189,755	3	63,252	9,644	<,001
	Residual	629,635	96	6,559		
	Total	819,390	99			

a. Dependent Variable: Resilience Economic

b. Predictors: (Constant), Financial Management, Income Conditions, Survival Strategies

Source: Primary data processed, 2026

The multicollinearity test results indicate that all independent variables have a Tolerance value greater than 0.10 and a Variance Inflation Factor (VIF) value of less than 10. The Income Conditions variable has a VIF value of 1.000, while the Survival Strategies and Financial Management variables have VIF values of 1.202 and 1.201, respectively. These results demonstrate

that there is no high linear relationship among the independent variables; thus, the regression model is declared free from multicollinearity symptoms.

Table 2. Multicollinearity Test Results

Model	Model Summary			
	R	R Square	Adjusted R Square	Std. error of the Estimate
1	0,481	0,208		2,561

a. Predictors: (Constant), Financial Management, Income Conditions, Survival Strategies

Source: Primary data processed, 2026

Based on the results of the coefficient of determination test, the Adjusted R Square value obtained is 0.208 or 20.8%. This indicates that the variables of income conditions, survival strategies, and financial management are able to explain 20.8% of the community's economic resilience, while the remaining 79.2% is influenced by other factors outside the scope of this study. These factors may include employment conditions, education levels, inflation, social assistance, regional economic conditions, and other social factors not examined in this research.

Table 3. Hypothesis Testing Results

Model		Coefficients					Collinearity	
		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Tolerance
		B	Std. Error	Beta				
1	(Constant)	6,893	2,536			2,718	0,008	
	Income Conditions	0,228	0,107	0,190		2,127	0,036	1,000
	Survival Strategies	0,028	0,141	0,019		0,196	0,845	0,832
	Financial Management	0,461	0,105	0,432		4,403	<0,001	1,201

a. Dependent Variable: Resilience Economic

Source: Primary data processed, 2026

The testing results indicate that the income conditions variable has a positive and significant effect on the economic resilience of the Banjarnegara community, with a significance value of 0.036, which is lower than 0.05. This demonstrates that better income conditions correlate with a higher capacity of the community to maintain household economic stability. This finding aligns with economic welfare theory, which posits that income is a primary determinant of an individual's or household's capability to withstand economic pressures.

open-ended questionnaire results reveal that most respondents experienced economic strain due to the rising prices of basic commodities, particularly food items and other household necessities. One respondent stated that "goods are becoming more expensive while income does not increase much," while another respondent mentioned that "goods and services are increasing while the UMR (regional minimum wage) is very low." These conditions indicate that limited income is a constraining factor affecting the community's capacity to preserve family economic stability.

The survival strategies variable shows a non-significant result toward the economic resilience of the Banjarnegara community, with a significance value of 0.845, which is greater than 0.05. Consequently, the hypothesis stating that survival strategies affect economic resilience is rejected. This finding implies that the survival strategies implemented by the community have not been able to exert a tangible impact on enhancing economic resilience.

Based on the interviews, the community employs various survival strategies, such as cutting expenses, limiting consumption, prioritizing basic needs, and seeking additional employment. Some respondents also stated that they are more cautious with money management and have reduced non-essential expenditures. However, these strategies tend to be temporary and defensive; thus, they only assist the community in sustaining short-term economic conditions rather than fostering sustainable economic resilience.

The financial management variable exhibits a positive and significant influence on the economic resilience of the Banjarnegara community, with a significance value of <0.001 . This variable emerges as the most dominant factor in this study, as it holds the largest standardized coefficient beta value compared to the other variables. This indicates that the community's proficiency in managing household finances plays a critical role in building economic resilience.

The open-ended questionnaire results corroborate these findings. The majority of respondents stated that they attempt to create monthly expenditure budgets, distinguish between needs and wants, and set aside a portion of their income for savings or emergency funds. One respondent remarked that household expenses are managed by "allocating money according to needs for one month," while another respondent stated that a portion of their income is "saved as a safeguard for urgent needs."

These findings demonstrate that households with sound financial management capabilities tend to be more capable of maintaining economic stability than those that do not manage their finances systematically. Proper financial management helps the community cope with economic shocks and enhances household economic adaptability.

Overall, the research results show that financial management and income conditions play an essential role in the economic resilience of the Banjarnegara community. Meanwhile, the survival strategies adopted by the community have not yet exerted a significant effect on economic resilience. This finding indicates that community economic resilience is determined not only by the ability to survive in difficult conditions but also by the capacity to manage economic resources effectively and sustainably.

CONCLUSION

Based on the research findings, it can be concluded that income conditions and financial management significantly affect the economic resilience of the Banjarnegara community. Better income conditions assist the community in meeting household needs and maintaining economic stability amidst financial strain. Furthermore, financial management stands out as the most dominant factor in enhancing economic resilience, as the community's ability to regulate expenditures, prioritize needs, and allocate income for savings effectively sustains household economic conditions.

Meanwhile, survival strategies do not have a significant effect on the economic resilience of the Banjarnegara community. Although the community implements various strategies—such as reducing expenses, limiting consumption, and seeking additional work—these actions tend to be temporary and defensive, meaning they have not yet successfully enhanced long-term, sustainable economic resilience.

The research results also show that income conditions, survival strategies, and financial management simultaneously affect the economic resilience of the Banjarnegara community. However, the Adjusted R Square value of 20.8% indicates that there are still other factors outside the scope of this study that influence community economic resilience.

The implications of this study indicate that building community economic resilience requires not only income growth but also the strengthening of household financial management capacities. Therefore, education and assistance regarding financial literacy, expenditure management, and financial planning are highly required for the productive-age population in Banjarnegara Regency.

Additionally, the local government needs to address community economic stability by expanding employment opportunities and improving the welfare of working communities.

This study is subject to several limitations, including a limited number of research variables and the use of online data collection techniques, which may allow for variations in respondents' understanding of the research questions. Furthermore, the relatively low coefficient of determination indicates that other unexamined factors exist that could influence community economic resilience.

In light of these limitations, future research is expected to incorporate additional variables, such as education levels, financial literacy, social support, employment conditions, or local economic policy factors, to provide more comprehensive results. Future studies could also utilize larger sample sizes and direct, face-to-face data collection methods to obtain deeper and more accurate data.

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