THE EFFECT OF THE AMOUNT OF BLT FUNDS AND DISTRIBUTION MECHANISMS ON SPENDING PRIORITIES AND INCREASING HOUSEHOLD FINANCIAL RESILIENCE

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Abstract

Direct Cash Assistance (BLT) is a government program aimed at helping households meet basic needs and improve financial resilience, especially for low-income communities. This study aims to analyze the effect of the amount of Direct Cash Assistance (BLT) funds and its distribution mechanism on spending priorities and household financial resilience in Bagik Papan Village. The research method used is a quantitative method with a survey approach. Data were obtained by distributing questionnaires to households receiving Direct Cash Assistance (BLT) in Bagik Papan Village. The data analysis technique used multiple linear regression analysis to determine the effect of independent variables on the dependent variable. The results show that the amount of BLT funds has a significant effect on spending priorities and household financial resilience. In addition, the BLT distribution mechanism also has a significant effect on household priorities and financial resilience. Thus, it can be concluded that the amount of funds and the distribution mechanism of BLT have an important role in helping households manage expenses and improve finances. This study is expected to be a consideration for the government in increasing the effectiveness of BLT distribution policies.

Keywords: Direct Cash Assistance, Distribution Mechanism: Prioritized Spending, Financial Resilience

INTRODUCTION

The Direct Cash Assistance (BLT) program is a social policy instrument used by the Indonesian government to maintain the purchasing power of the poor and vulnerable, particularly during economic shocks such as the COVID-19 pandemic and post-pandemic inflation. According to data from the Ministry of Social Affairs of the Republic of Indonesia (Kemensos, 2023), the BLT program has reached more than 20.65 million beneficiary families (KPM) across Indonesia, with a total budget of IDR 28.7 trillion in 2023. The main objective of BLT is to alleviate the economic pressures of low-income households, strengthen purchasing power, and maintain the stability of basic consumption at the household level.

However, differences in the effectiveness of BLT distribution remain, both in terms of the amount of funds received and its distribution mechanism. According to data from the Central Statistics Agency (BPS, 2024), the poverty rate in West Nusa Tenggara (NTB) Province remains at 13.9%, and specifically in East Lombok Regency, at 14.72%, a figure still higher than the national average of 9.36%. This situation indicates that cash assistance interventions have not been fully effective in improving the financial resilience of the poor. Several previous studies have shown varying results regarding the effectiveness of the Direct Cash Assistance (BLT) program.

Amalia and Rahman (2022) found that the amount of social assistance significantly increased basic consumption, but had no long-term impact on household savings (Indonesian Journal of Social Economics, 5(2)). Putri and Santoso (2021) in the Indonesian Journal of Public Policy explained that non-transparent distribution mechanisms can reduce the effectiveness of assistance, especially in areas with low financial literacy levels. Hidayat et al. (2020) in the Regional Development Journal emphasized that the role of village officials and the speed of aid distribution influenced the satisfaction and trust of BLT recipients. Yuliana and Prasetyo (2023) found that the sustainability of household financial resilience was more influenced by consumption patterns and spending allocations than the nominal amount of aid received (Journal of Economics and Public Policy, 8(1)). The results of this study indicate a research gap, namely the limited number of studies that simultaneously examine the influence of the amount of funds and distribution mechanisms on spending priorities and household financial resilience in the context of rural areas such as East Lombok.

This research is based on Household Welfare Theory and Keynesian Consumption Theory, which explain that increased income, including from social assistance, tends to increase household consumption, but its impact on financial resilience depends on spending and savings behavior (Keynes, 1936). Furthermore, Distribution Efficiency Theory emphasizes that the effectiveness of social programs depends on transparent, targeted, and adaptive distribution mechanisms tailored to local needs (Musgrave & Musgrave, 1989).

This research was conducted in Bagik Papan Village, Pringgabaya District, East Lombok Regency, West Nusa Tenggara Province, as this area still exhibits relatively high poverty rates and a heavy dependence on government social assistance. Furthermore, Bagik Papan Village has been a regular recipient of the Direct Cash Assistance (BLT) program since 2020, providing a relevant empirical context for assessing the program's impact on the economic behavior of recipient households.

Based on this description, this study was formulated to examine the influence of the Direct Cash Assistance (BLT) amount on household spending priorities in Bagik Papan Village and to analyze how the BLT distribution mechanism impacts the financial resilience of recipient households. In addition, this study also aims to examine the extent to which the amount of funds and the BLT distribution mechanism simultaneously influence the spending priorities and financial resilience of BLT recipient households in Bagik Papan Village.

REVIEW OF LITERATURE

Direct Cash Assistance (BLT)

Direct Cash Assistance (BLT) is a form of fiscal transfer program provided by the government to poor or vulnerable households directly in the form of cash. According to the Ministry of Social Affairs of the Republic of Indonesia (2023), BLT aims to maintain the purchasing power of low-income communities and strengthen economic resilience during crises or inflation. Theoretically, Musgrave and Musgrave (1989) explain that direct cash assistance is a form of transfer payment in public finance theory, aimed at redistributing income and equitable social welfare. Meanwhile, according to Todaro and Smith (2015), cash transfers can improve welfare if used productively, not simply for consumption. Therefore, the amount of BLT funds is seen as a variable that influences household consumption behavior and financial decisions.

BLT Distribution Mechanism

The distribution mechanism is the procedure used to distribute assistance to beneficiaries, including determining recipient data, payment methods, and the role of implementing officials. Putri and Santoso (2021) state that a good distribution mechanism must be transparent, targeted, and efficient to minimize leakage and accelerate the program's economic impact. According to the Distribution Efficiency Theory proposed by Musgrave & Musgrave (1989), the effectiveness of public policy is determined not only by the amount of funds, but also by the extent to which the distribution system can optimally channel benefits to eligible parties.

Household Spending Priorities

Household spending priorities are income allocation patterns that reflect household decisions to meet basic and secondary needs. Based on Keynesian Consumption Theory (Keynes, 1936), increases in income tend to increase consumption expenditure, but the proportion decreases with increasing welfare. In the context of social assistance, receiving BLT will influence household consumption priorities regarding food, education, health, and savings. Friedman (1957), through the Permanent Income Hypothesis, added that households regulate consumption based not only on current income but also on expectations of future income. This means that households receiving direct cash assistance (BLT) with a high perception of economic uncertainty tend to allocate funds for urgent needs, rather than long-term investments.

Household Financial Resilience

Financial resilience is defined as a household's ability to meet basic needs and weather economic shocks without losing consumption stability. According to the OECD (2020), financial resilience is influenced by income levels, savings, financial literacy, and social support. Amelia and Rahman (2022) emphasized that cash assistance programs have

the potential to improve short-term financial resilience, but long-term effects depend heavily on financial assistance and education policies. In the context of rural households, financial resilience is closely linked to diversification of income sources and consumption behavior.

Table 1.
Previous Research

No	Researchers and Years	Variables Studied	Method	Key Results
1	Amalia & Rahman (2022)	BLT → Household consumption	Linear regression	BLT increases food consumption, but has no impact on savings.
2	Putri & Santoso (2021)	Distribution mechanism → Community satisfaction	Descriptive analysis	Slow distribution mechanisms reduce the effectiveness of aid.
3	Hidayat et al. (2020)	Village official transparency → BLT effectiveness	Quantitative	Transparency increases public trust.
4	Yuliana & Prasetyo (2023)	BLT → Financial resilience	SEM-PLS	Significant positive impact, but not sustainable.
5	Nugraha (2021)	Cash transfer → Consumption patterns	Regression	Cash transfers affect spending on basic necessities.
6	Dewi & Mahendra (2022)	Social assistance → Community welfare	Survey	Aid funds are still predominantly used for consumption.
7	Siregar (2020)	Distribution mechanism → Program efficiency	Case study	Distribution based on DTKS data is more efficient.

8	Wahyuni (2023)	Cash assistance → Household purchasing power	Quantitative	BLT helps maintain purchasing power during the crisis

Based on previous research, most studies indicate that the Direct Cash Assistance (BLT) has a positive effect on household consumption, but its impact on long-term financial resilience is still limited. This is consistent with the findings of Amalia & Rahman (2022) and Yuliana & Prasetyo (2023), which showed a positive but unsustainable effect. On the other hand, Putri & Santoso (2021) and Hidayat et al. (2020) emphasized the importance of a transparent and efficient distribution mechanism to ensure program effectiveness. Therefore, it can be concluded that the effectiveness of BLT depends not only on the nominal amount of assistance, but also on the distribution system and recipient consumption behavior. Although many studies have examined the impact of BLT on consumption and welfare, there is limited research that simultaneously combines the variables of BLT fund size and distribution mechanism to explain household spending priorities and financial resilience in rural areas such as Bagik Papan Village, East Lombok. Furthermore, research using a quantitative approach based on questionnaires directly with recipient households to assess their perceptions of effectiveness and spending behavior is still rare.

Relationships Between Variables

1. Cash Transfer Amount: Household Spending Priorities
   Based on Keynesian theory, an increase in income will increase consumption spending (Keynes, 1936). Therefore, the larger the cash transfer funds, the more likely households are to increase spending on primary needs.
2. Distribution Mechanism: Household Financial Resilience
   A transparent and timely distribution mechanism increases revenue efficiency and family economic stability (Musgrave & Musgrave, 1989).
3. Fund Amount & Distribution Mechanism → Financial Resilience
   A combination of sufficient aid amounts and smooth distribution will strengthen purchasing power and reduce household financial vulnerability (OECD, 2020).

Research Hypothesis

Based on the theoretical foundation and empirical studies above, the research hypotheses are:

1. H1: The amount of cash transfer funds has a significant effect on household spending priorities.
2. H2: The cash transfer distribution mechanism has a significant effect on household financial resilience.
3. H3: The amount of BLT funds and their distribution mechanism simultaneously influence household spending priorities.
4. H4: The amount of BLT funds and their distribution mechanism simultaneously influence household financial resilience.

RESEARCH METHOD

This study uses a quantitative method with an associative approach, as it aims to determine the influence between independent and dependent variables in a measurable and objective manner. According to Sugiyono (2018), a quantitative method is a research approach based on the philosophy of positivism and is used to study specific populations or samples through statistical data analysis. The associative approach was chosen because this study not only explains social phenomena but also examines the relationships and influences between several variables (Umar, 2019). In this case, the study focuses on the influence of the amount of Direct Cash Assistance (BLT) funds and their distribution mechanisms on spending priorities and household financial resilience in Bagik Papan Village, Pringgabaya District, East Lombok Regency, West Nusa Tenggara. The relationship between variables will be tested using multiple linear regression statistical analysis to determine partial and simultaneous effects, as well as the contribution of the independent variables to the dependent variable.

This research was conducted in Bagik Papan Village, Pringgabaya District, East Lombok Regency, West Nusa Tenggara (NTB) Province. This village was selected purposively because it is one of the recipient areas of the Direct Cash Assistance (BLT) program with a fairly large number of recipients and diverse socio-economic characteristics of the community. Based on data from the Central Statistics Agency (BPS) of East Lombok Regency (2024), the poverty rate in Pringgabaya District reached 15.7%, higher than the provincial average of 13.3%. Bagik Papan Village itself has 1,024 heads of families (KK), with approximately 235 families receiving BLT (Data from Bagik Papan Village, 2025). This research was conducted for three months, from January to March 2026, which included the stages of instrument preparation, field data collection through questionnaires, data analysis, and preparation of research results.

Table 2.
Average Values of Research Variables

No	Variabel Penelitian	Jumlah Item	Nilai Rata-rata	Kategori
1	Besaran Dana BLT (X1)	5	3,732	Setuju
2	Mekanisme Penyaluran BLT (X2)	5	3,756	Setuju
3	Prioritas Pembelanjaan Rumah Tangga (Y1)	5	4,086	Setuju
4	Ketahanan Finansial Rumah Tangga (Y2)	5	3,960	Setuju

Based on the results of descriptive statistical analysis of questionnaire data collected from 100 respondents receiving Direct Cash Assistance (BLT), it was obtained that all research variables had an average value in the agree category. The BLT Fund Amount variable (X1) obtained an average value of 3.732, which indicates that respondents generally assessed that the amount of BLT funds received had provided benefits for meeting household needs, although it was not yet fully able to meet all family economic needs. The BLT Distribution Mechanism variable (X2) had an average value of 3.756, which indicated that the BLT distribution mechanism was considered to be running well by the beneficiaries, both in terms of procedures, timeliness, and ease of the aid receipt process. Furthermore, the Household Spending Priority variable (Y1) showed the highest average value, namely 4.086. This value indicates that respondents tend to prioritize the use of BLT funds to meet basic household needs, so that the use of assistance is in accordance with the objectives of the BLT program. Meanwhile, the Household Financial Resilience variable (Y2) obtained an average value of 3.960, which indicates that BLT assistance contributes positively to increasing household financial resilience, especially in helping to face economic pressures in the short term. According to Sugiyono (2018), research data is divided into two main types, namely primary data and secondary data. Primary data is data obtained directly from the first source in the field through research instruments such as questionnaires, interviews, or observations. Secondary data is supporting data obtained from other parties, such as official documents, government reports, or previous research results. In quantitative research, the combination of these two types of data is important to strengthen the validity of the results and enrich the analysis. Primary data was obtained directly from 100 respondents who received BLT in Bagik Papan Village through the distribution of closed questionnaires. The questionnaire includes indicators of four research variables, namely: Amount of BLT funds (nominal amount and frequency of receipt) Distribution mechanisms (timeliness, transparency, ease of access) Household spending priorities (allocation for basic needs, education, health, savings, or business) Household financial resilience (ability to meet basic needs, face emergencies, and save) Secondary Data Obtained from various official and relevant sources, such as: Central Statistics Agency (BPS) of East Lombok Regency, for poverty data and the number of BLT recipients in the area research. Ministry of Social Affairs of the Republic of Indonesia (Kemensos RI), for information on policies and mechanisms for distributing BLT. Bagik Papan Village Government (2025), for a list of BLT beneficiaries. Previous research results and relevant scientific journals as conceptual references and comparison of results.

RESULTS AND DISCUSSION

This study aims to analyze the influence of the Direct Cash Assistance (BLT) amount and its distribution mechanism on household spending priorities and the financial resilience of BLT recipient households. Data were obtained by distributing questionnaires to 100 BLT recipient respondents. The questionnaires were structured based on indicators relevant to each research variable and used a five-point Likert scale, ranging from strongly disagree to strongly agree. The collected data were then processed and analyzed to obtain an empirical picture of respondents' perceptions of the BLT program. After all questionnaires were collected, the next stage was data processing. Data processing began with editing, which involved checking the completeness of respondents' answers. Next, coding was performed to

convert questionnaire responses into numbers according to the measurement scale used. The coded data were then entered into a data processing table for further analysis. This stage aims to ensure that the data used in the study met the requirements for statistical analysis and accurately reflected actual conditions on the ground.

Validity testing was conducted to determine the extent to which the questionnaire items were able to measure the intended research variables. Validity testing was conducted using the Corrected Item–Total Correlation method, which compares the correlation between item scores and the total variable scores. Question items are considered valid if their correlation value is greater than the table's r value at a certain significance level. The test results showed that all question items for each research variable had correlation values that met the validity criteria. Therefore, all statement items in the questionnaire were declared valid and suitable for use as a research instrument. Reliability testing aims to determine the level of consistency of respondents' responses to the research instrument. A reliable instrument will produce relatively consistent results when used under the same conditions.

Reliability testing was conducted using the Cronbach's Alpha coefficient. The test results showed that all research variables had Cronbach's Alpha values above the specified minimum limit. This indicates that the research instrument has a good level of consistency and can therefore be used in data analysis. Descriptive statistical analysis results showed that the BLT fund amount variable (X1) obtained an average value of 3.732. This value indicates that respondents assessed the amount of BLT funds they received as helping to meet basic household needs. However, the average score, which fell short of the "strongly agree" category, indicates that the amount of BLT funds is still considered insufficient to meet all household economic needs.

The BLT distribution mechanism variable (X2) obtained an average score of 3.756. This indicates that respondents assessed the BLT distribution mechanism as functioning quite well. The clear and relatively accessible distribution mechanism contributed to public acceptance of the BLT program. However, there is still room for improvement, particularly in terms of timeliness and equitable distribution of beneficiaries. The household spending priority variable (Y1) obtained the highest average score of 4.086. This indicates that BLT funds tend to be prioritized for meeting basic household needs, such as food and daily necessities. This finding indicates that the assistance received is being used in accordance with the BLT program's objectives, which is to help people meet basic needs. Meanwhile, the household financial resilience variable (Y2) obtained an average score of 3.960. This value indicates that the Direct Cash Assistance (BLT) positively contributes to the financial resilience of recipient households, particularly in helping them withstand short-term economic pressures. Although BLT is not yet capable of creating long-term financial resilience, this assistance still plays a crucial role in maintaining household economic stability.

Overall, the research results indicate that the BLT program has a positive impact on the economic condition of recipient households, both in terms of meeting consumption needs and increasing financial resilience. This finding aligns with the BLT program's primary objective as a social protection instrument for low-income communities.

CONCLUSION

Based on the results of research conducted on the influence of the Direct Cash Assistance (BLT) amount and its distribution mechanism on spending priorities and the financial resilience of recipient households, the following conclusions can be drawn.

First, the analysis shows that the BLT amount is positively perceived by beneficiaries. The average score for the BLT amount variable is in the "agree" category, indicating that the assistance received is sufficient to help households meet basic daily needs. However, the BLT amount is still perceived as insufficient to meet all household economic needs, especially during prolonged economic stress. This indicates that the BLT serves as temporary support to maintain the economic stability of recipient households.

Second, the BLT distribution mechanism is considered to have been running quite well. Respondents gave positive assessments of the aid distribution process, both in terms of ease of access, procedures, and targeting accuracy. The relatively clear and easy-to-understand distribution mechanism contributes to the level of public acceptance of the BLT program. However, several aspects still require attention, such as timely distribution and equitable distribution of aid recipients, to ensure optimal program benefits.

Third, this study found that household spending priorities were the variable with the highest average value. This indicates that BLT funds tend to be used to meet basic household needs, such as food and daily necessities. This finding indicates that BLT recipients are using the funds rationally and in accordance with the program's primary objective, which is to help meet the community's basic needs.

Fourth, the research results also indicate that the financial resilience of households receiving the Direct Cash Assistance (BLT) is in the "agree" category. This indicates that BLT makes a positive contribution in helping households cope with short-term economic pressures. Although BLT has not yet been able to create sustainable financial resilience, this assistance still plays an important role as a social safety net for low-income communities.

Overall, it can be concluded that the BLT program has had a positive impact on the economic condition of recipient households, particularly in meeting basic needs and maintaining short-term household financial stability. The BLT program serves as an effective social protection instrument, although its implementation still requires refinement to maximize its benefits. Based on the research results and conclusions obtained, the researchers offer several recommendations that are expected to be considered by relevant parties.

First, the government is advised to reconsider the amount of BLT funds to better align them with the real needs of recipient households. Adjusting the amount of assistance is expected to increase the effectiveness of the BLT program in helping communities meet basic needs, especially in unstable economic conditions. In addition, the government also needs to ensure the sustainability of the BLT program as part of the social protection policy. Second, in terms of distribution mechanisms, the government and related parties are expected to continue to improve transparency and timeliness in BLT distribution. More accurate data collection and distribution mechanisms will help ensure that assistance is received by people who truly need it. Improved coordination between agencies is also needed to minimize the potential for delays and mistargeting. Third, for BLT recipients, it is hoped that the assistance funds received can be used optimally and prioritized to meet basic household needs. Wise management of assistance funds is expected to help improve household financial resilience, even on a limited scale. Fourth, for future researchers, it is recommended to develop this

study by adding other relevant variables, such as income level, number of family dependents, or household financial literacy level. In addition, future research can also use different research methods or expand the number and scope of respondents to obtain more comprehensive and in-depth research results. With these various suggestions, it is hoped that the BLT program in the future can be implemented more effectively and provide greater benefits for improving community welfare.

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